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15-684

Form 3160-3
(February 2005)

FEB 22 2016

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. - NMNM 0216394
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name ---
2. Name of Operator BTA Oil Producers, LLC		7. If Unit or CA Agreement, Name and No. ---
3a. Address 104 S. Pecos Midland, TX 79701	3b. Phone No. (include area code) (432) 682-3753	8. Lease Name and Well No. 7811 JV-P Vaca Draw Unit SWD #1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 658' FSL 662' FEL SESE Sec. 21 UL -P- At proposed prod. zone 658' FSL 662' FEL SESE Sec. 21 UL -P-		9. API Well No. 30-025-23895
10. Field and Pool, or Exploratory SWD;DEVONIAN		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 21, T25S-R33E
12. Distance in miles and direction from nearest town or post office* 22 miles West from Jal, NM	12. County or Parish Lea	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 658'	16. No. of acres in lease 3 acres	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1870'	19. Proposed Depth 17,909' MD 17,909' TVD	20. BLM/BIA Bond No. on file NM1195 NMB000849
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3359' GL	22. Approximate date work will start* 09/01/2015	23. Estimated duration 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Kayla McConnell</i>	Name (Printed/Typed) Kayla McConnell	Date 05/28/2015
Title Regulatory Analyst		Email: kmccconnell@btaoil.com

Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date FEB - 2 2016
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

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BTA Oil Producers, LLC
7811 JV-P Vaca Draw Unit SWD #1
658' FSL & 662' FEL
Sec. 21, T25S, R33E
Attachment to Form 3160-3
API:30-025-23895

APPLICATION FOR DRILLING

BTA OIL PRODUCERS, LLC
#1, Vaca Draw Unit SWD, 7811 JV-P
658' FSL & 662' FEL
Sec. 21, T25S, R33E Surface
Lea County, New Mexico

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In conjunction with Form 3160-3, Application for Permit to Drill, BTA Oil Producers submits the following 10 items for pertinent information in accordance with BLM requirements:

1. Geologic surface formation is Quaternary.
2. Estimated top of geologic markers & depths of anticipated fresh water, oil or gas:

Anhydrite	1007'
Delaware	4955'
Bone Spring	9063'
Barnett	15575'
Miss. Lime	16940'
Devonian	17498'

This is a reentry application, the 20" casing was set at 902' and circulated to surface. No formations are expected to yield oil, gas, or fresh water in measurable volumes. The Delaware and Bone Spring intervals are protected, as the 10-3/4" casing was set at 13,004' and circulated to surface.

3. Existing and Proposed* Casing and Cementing Program:

Hole Size	OD Casing	Setting from	Depth to	Weight	Grade	Joint
26"	20"	0	920'	94.0#		
17-1/2"	13-3/8"	0	4,986'	61# & 68#		
12-1/4"	10-3/4"	0	13,004'	51#, 55# & 60.7#		
	7-3/4" Liner	12,715'	17,055'			
	5" Liner	16,782'	17,609'			
	Open Hole*	17,609'*	17,909'*			

Minimum Casing Design Factors:

Collapse	1.125
Burst	1.0
Tensile	1.8

*See
COA*

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4. Cement Program (Existing):

I. Surface Casing:

- 1550 sx Class-C.
- Cement circulated to surface.

II. Intermediate Casing:

- 3200 sx
- Cement circulated to surface.

III. Production Casing:

- 3375 sx
- Cement circulated to surface.
 - 7-3/4" Drill Liner
 - 1900 sx
 - 5" Production Liner
 - 100 sx

5. Pressure Control Equipment:

See
COA

The blowout preventer equipment (BOP) shown in Exhibit A will consist of a (5M system) double ram type (5000 psi WP) preventer and a bag-type (Hydril) preventer (5000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. The BOP's will be installed on the 20" surface casing and utilized continuously until TD is reached. All BOP's and associated equipment will be tested as per BLM drilling Operations Order No. 2.

Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines, and choke manifold having a 5000 psi WP rating.

6. Mud Program:

See
COA

- Squeeze well with Cut Brine 8.6# - 9.3#
- Deepening in Devonian – Cut Brine 8.5# - 9.0#

7. Auxiliary Equipment:

- a) Upper Kelly cock valve with handle available.
- b) Lower Kelly cock valve with handle available.
- c) Safety valves and subs to fit all drill string connections in use.
- d) Monitoring of mud system will be mechanical.

See
COA

8. Testing Logging and Coring Program:

Drill Stem Tests will be based on geological sample shows.

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Open electrical logging program will be:

yes No additional logs planned

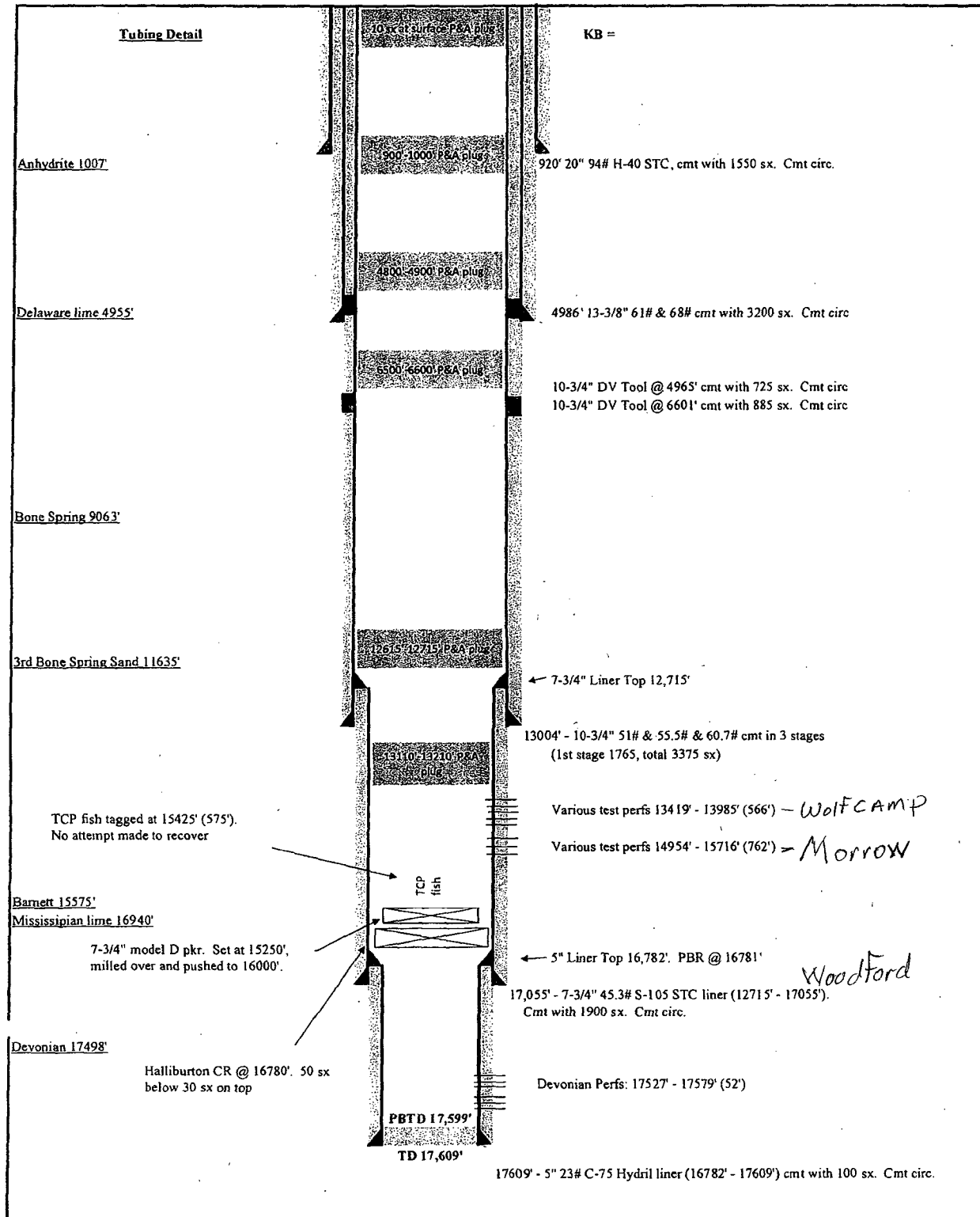
9. Potential Hazards:

See COA
yes No abnormal pressures or temperatures are anticipated. If H₂S is encountered, the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 7915 psi. Estimated BHT: 190° F. No H₂S is anticipated to be encountered.

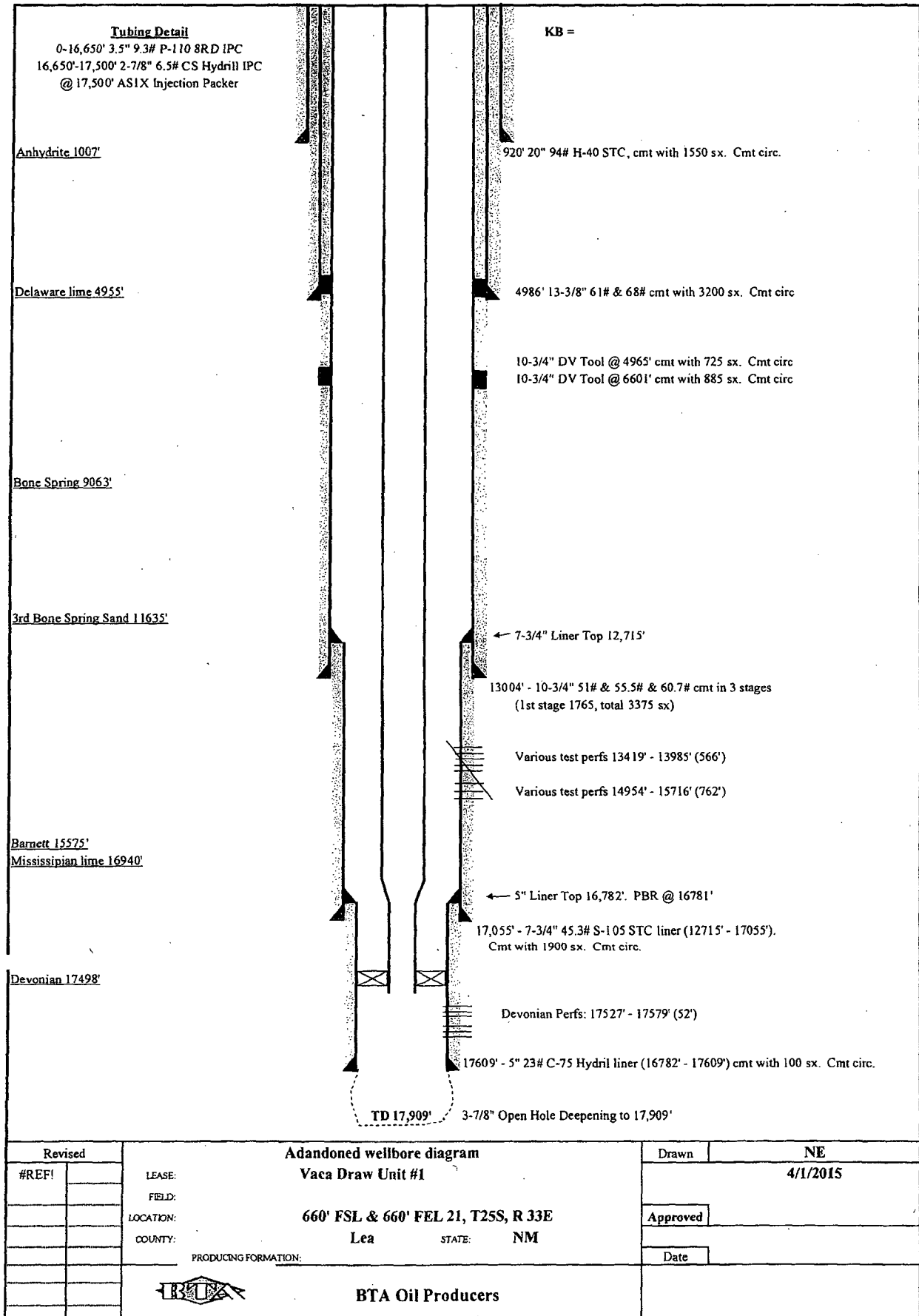
10. Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as possible after BLM approval and as soon as a rig is available. Move in operations and drilling is expected to take 25 days. An additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines to place the well on production.

Note: BLM onsite will be conducted June 4th, 2015 by Trisha Bad Bear. An agreement has been entered into with CEHMM to prepare the EA.



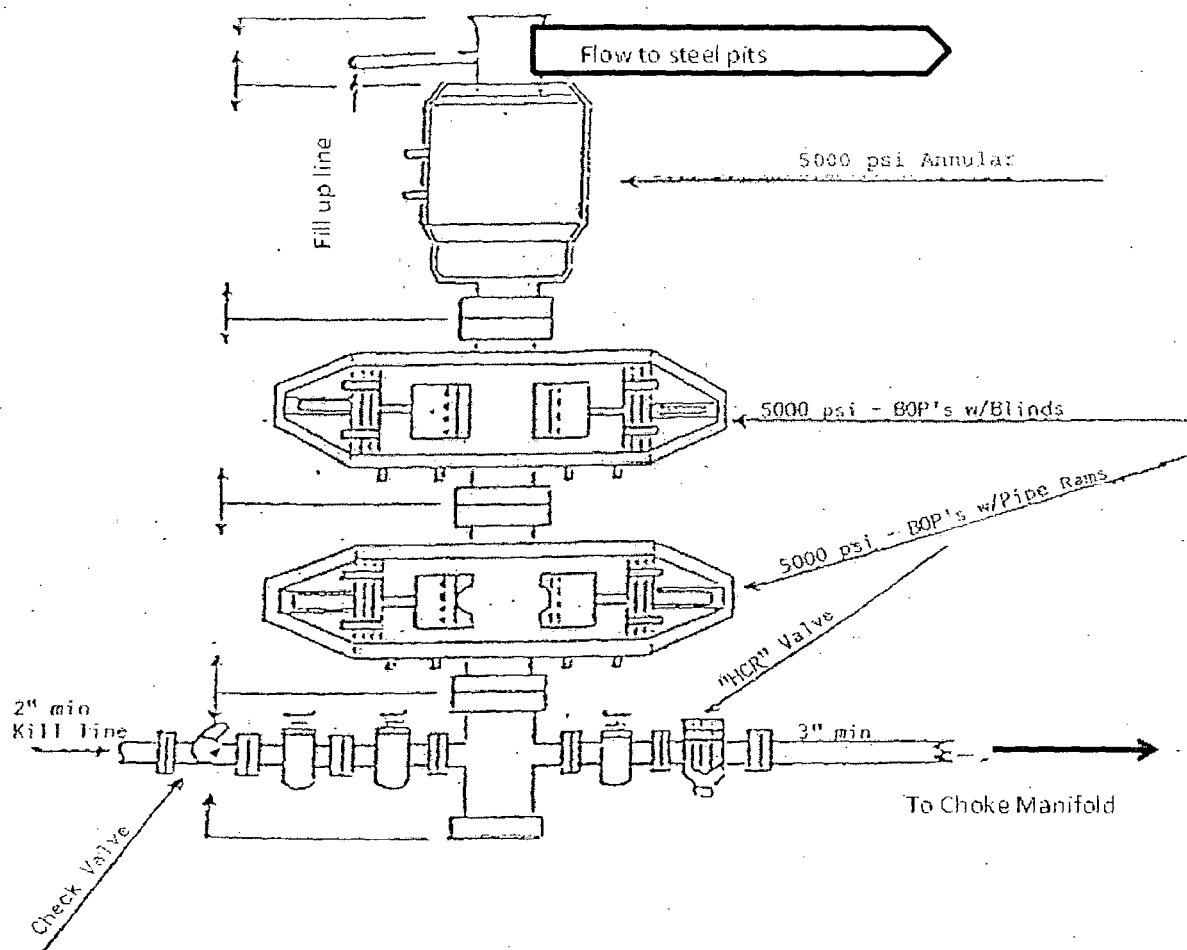
Revised		Adandoned wellbore diagram		Drawn	NE
#REF!		Vaca Draw Unit #1		4/1/2015	
	LEASE:	660' FSL & 660' FEL 21, T25S, R 33E		Approved	
	FIELD:	Lea		Date	
	LOCATION:	STATE: NM			
	COUNTY:	PRODUCING FORMATION:			
		BTA Oil Producers			



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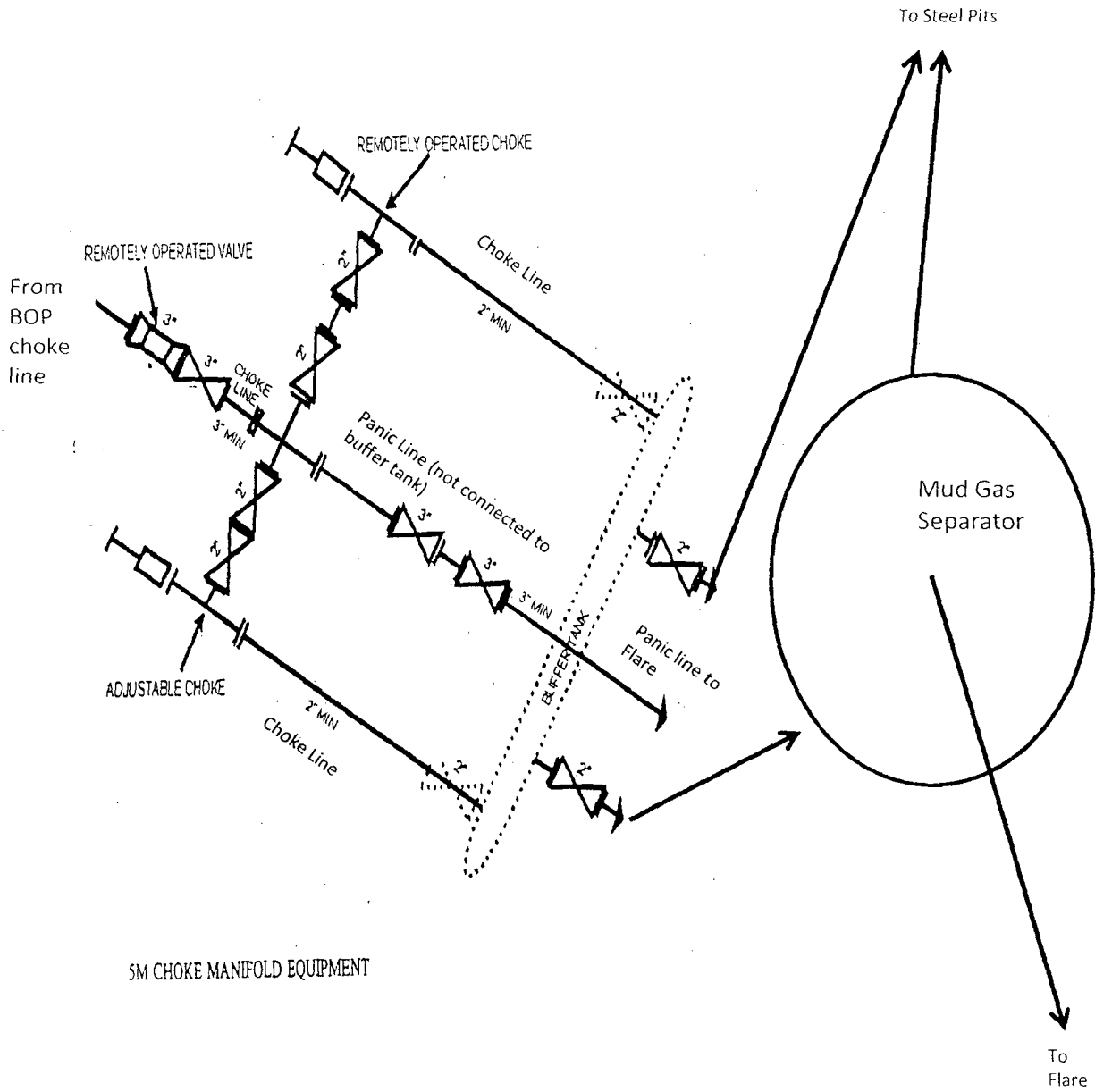
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13-5/8" 5,000 PSI BOP



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Lea County, New Mexico

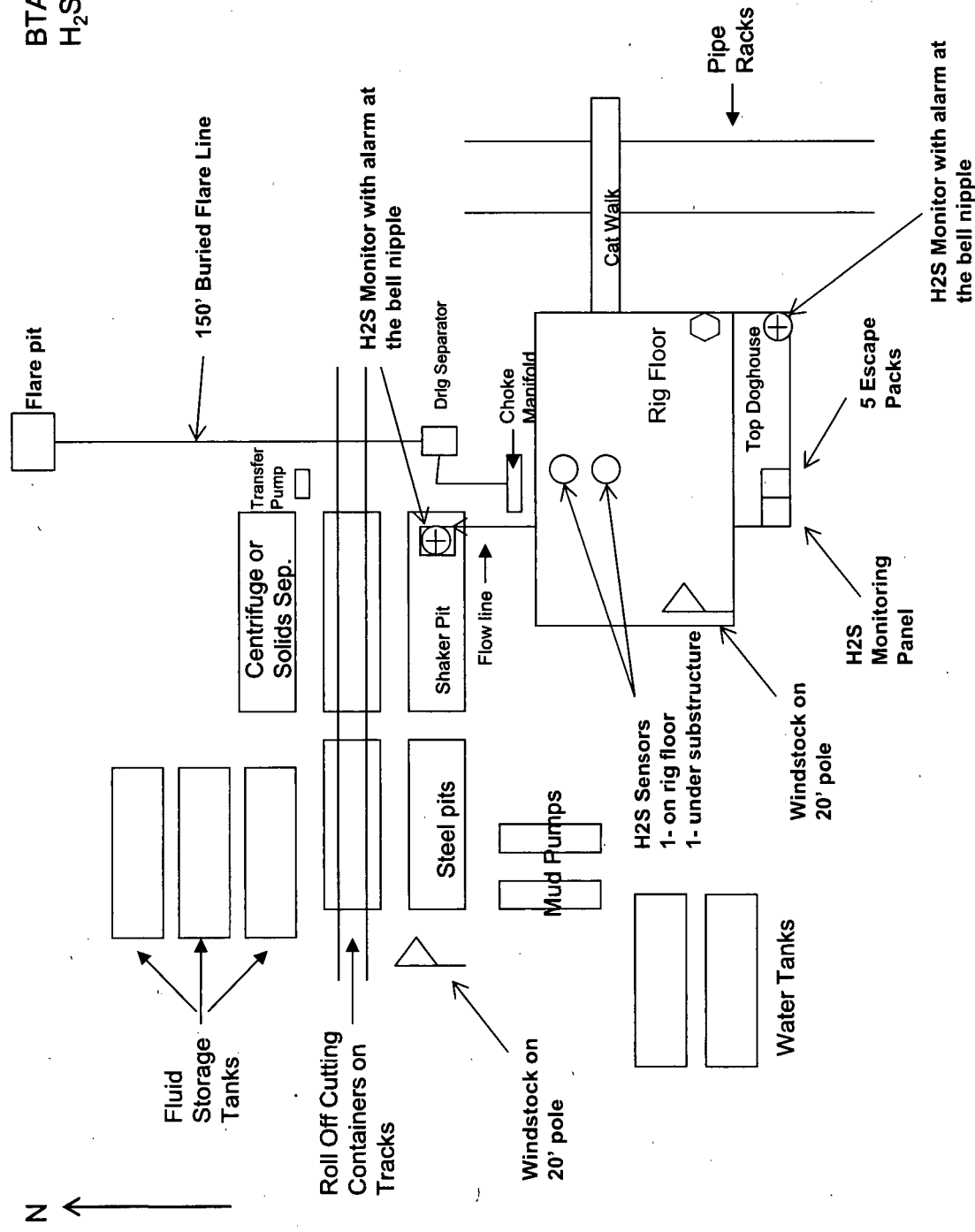
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BTA OIL PRODUCERS LLC
H₂S Equipment Schematic



Wind Direction Indicators

Safe Briefing Area with caution signs and breathing equipment

H₂S Monitor with alarm at the bell nipple

Prevailing Wind Direction in SENM

Location Entry Condition and H2S Sign

Road Access

Secondary Egress

Briefing Area w/SCBA

Company Representative's Trailer

Primary Briefing Area w/SCBA