



Additions
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BTA OIL PRODUCERS, LLC
104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

May 21, 2015

HOBBS OCD

Re: Offset Operator Notification
Application for Authorization to Inject
7811 JV-P Vaca Draw Unit SWD #1
660' FSL & 660' FEL
Section 21, T25S, R33E
Lea County, New Mexico

FEB 22 2016

RECEIVED

INTERESTED PARTIES

Gentlemen,

BTA has filed an application for authorization to inject at the above referenced location.

Attached please find a copy of our letter to the State of New Mexico requesting approval along with a copy of our Application Packet. Should you have concerns or objections to the application, you may object in writing to the Oil Conservation at 1220 S. St. Francis Drive, Santa Fe, NM 87505.

Should you have any questions regarding this, please do not hesitate to contact Trace Wohlfahrt at the letterhead address.

Respectfully,

Kayla McConnell
BTA Oil Producers, LLC

MAR 03 2016

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No

II. OPERATOR: BTA Oil Producers, LLC 7811 JV-P Vaca Draw Unit SWD #1
API: 30-625-23895

ADDRESS: 104 S. Pecos, Midland, TX 79701

CONTACT PARTY: Kayla McConnell

PHONE: 432-682-3753

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

HOBBS OCD

IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: FEB 22 2016

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

RECEIVED

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kayla McConnell

TITLE: Regulatory Analyst

SIGNATURE: Kayla McConnell

DATE: 5/20/2015

E-MAIL ADDRESS: kmccconnell@btaoil.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: BTA Oil Producers, LLC

WELL NAME & NUMBER: 7811 JV-P Vaca Draw Unit SWD #1

WELL LOCATION: 660' FSL & 660' FEL, Sec. 21, T25S, R33E, Lea County, NM

| FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE |
|------------------|-------------|---------|----------|-------|
|------------------|-------------|---------|----------|-------|

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 24" Casing Size: 20"

Cemented with: 1550 sx. or ft³

Top of Cement: Surface Method Determined: Circ.

Intermediate Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"

Cemented with: 3200 sx. or ft³

Top of Cement: Surface Method Determined: Circ.

Production Casing

Hole Size: 12-1/4" Casing Size: 10-3/4"

Cemented with: 2100 sx. or ft³
DV tool @ 4965' DV tool @ 6601'

Top of Cement: Surface Method Determined: Circ.

Total Depth: 17,909'

Injection Interval

Proposed 17,498' feet to 17,909' (Perforated & Open Hole)

(Perforated or Open Hole; indicate which)

Side 1A

INJECTION WELL DATA SHEET

OPERATOR: BTA Oil Producers, LLC

WELL NAME & NUMBER: 7811 JV-P Vaca Draw Unit SWD #1

WELL LOCATION: 660' FSL & 660' FEL, Sec. 21, T25S, R33E, Lea County, NM

| FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE |
|------------------|-------------|---------|----------|-------|
|------------------|-------------|---------|----------|-------|

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Liner

Hole Size: _____ Liner Size: 7-3/4" _____
Cemented with: 1900 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ Method Determined: _____

Other

Hole Size: _____ Casing Size: 5" _____
Cemented with: 100 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ Method Determined: _____

Injection Interval

Proposed 17,498' feet to 17,909' (Perforated & Open Hole)

(Perforated or Open Hole; indicate which)

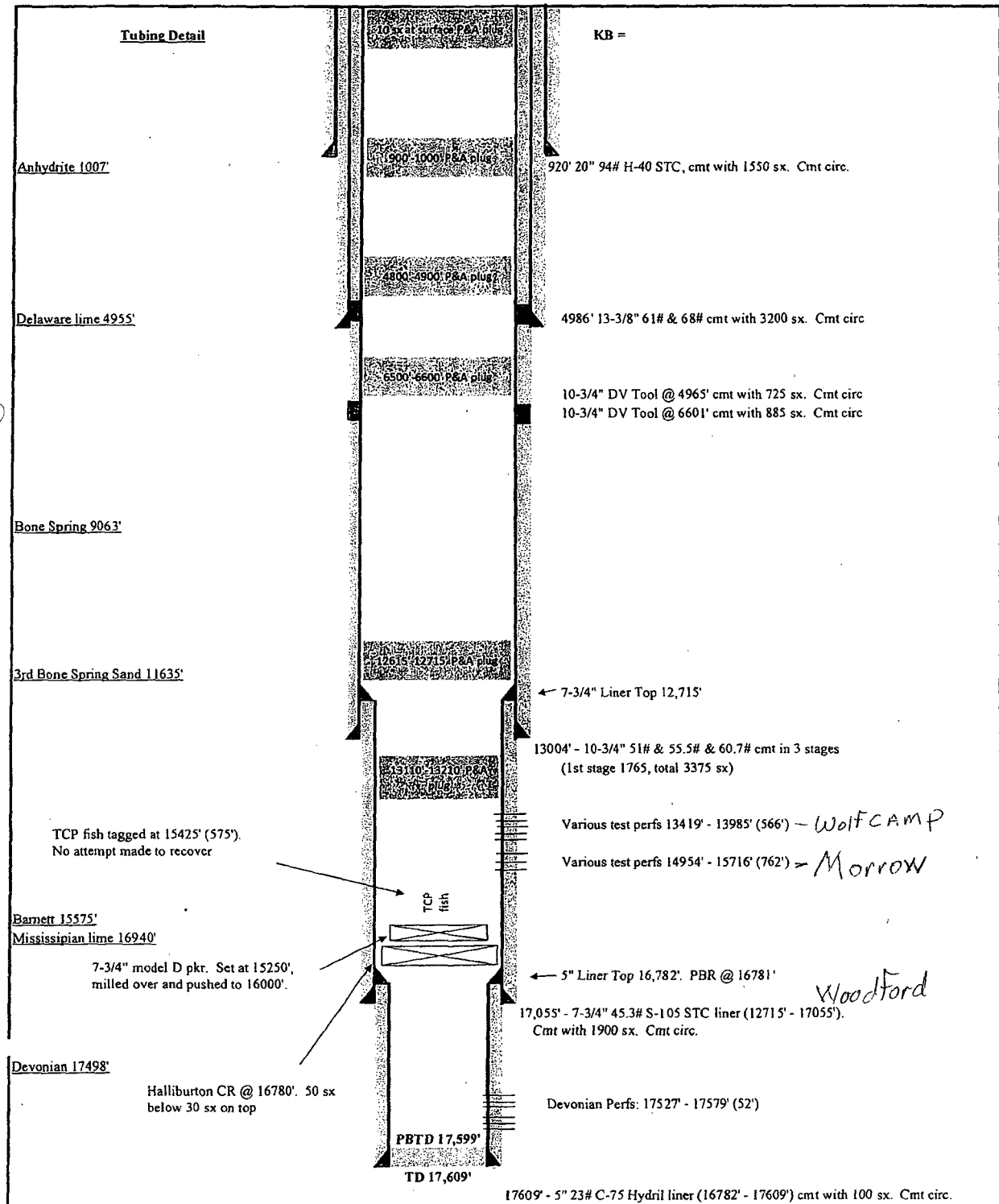
INJECTION WELL DATA SHEETTubing Size: 3-1/2" Lining Material: Internally plastic-coatedType of Packer: Arrowset 1XPacker Setting Depth: 17,500'Other Type of Tubing/Casing Seal (if applicable): Additional Data1. Is this a new well drilled for injection? Yes x NoIf no, for what purpose was the well originally drilled? Gas Well


P&A 2-20-1973

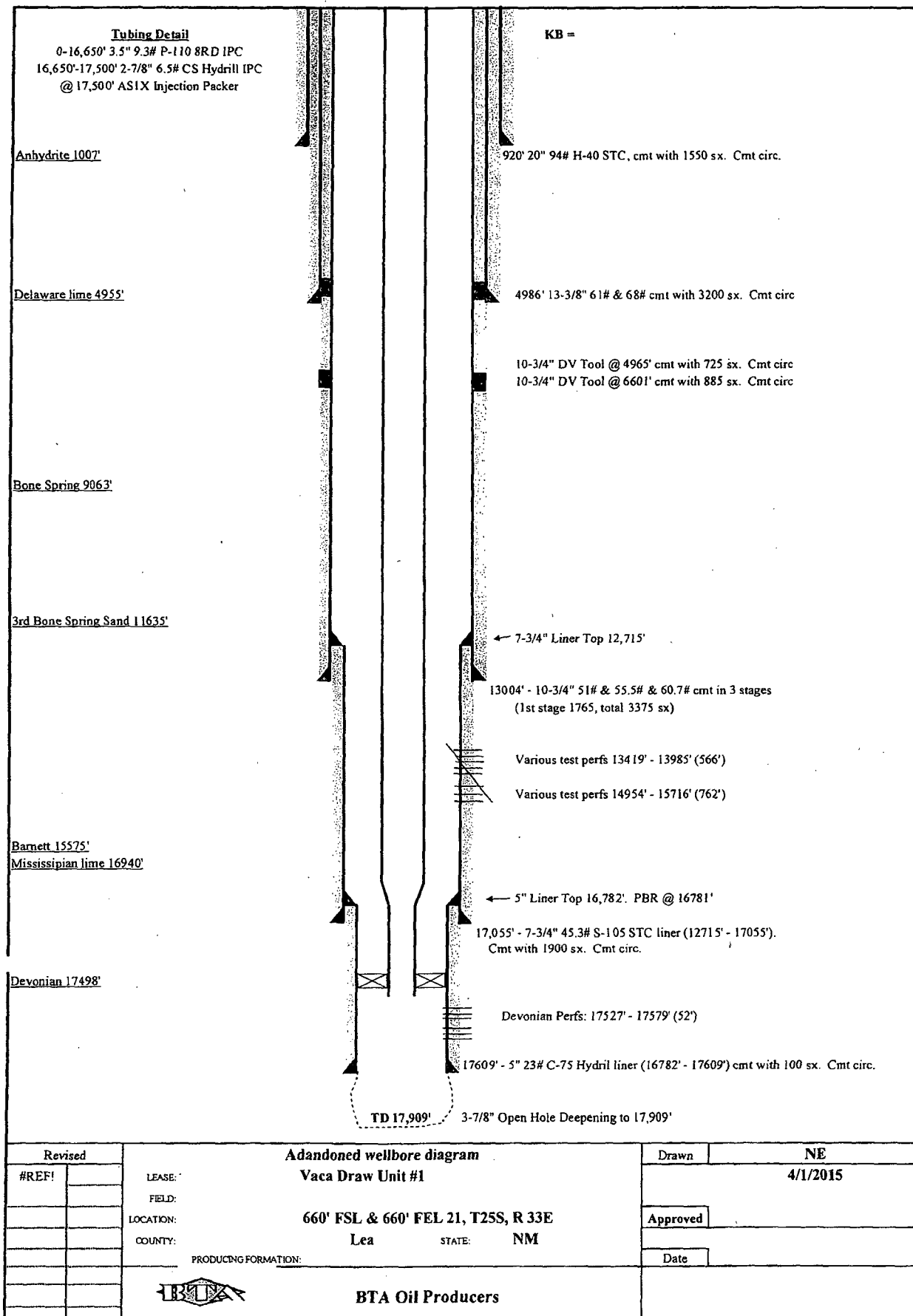
2. Name of the Injection Formation: Devonian3. Name of Field or Pool (if applicable): SWD; DEV4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Yes, see detail in

VI AOR Well Data.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Anhydrite 1,007', Delaware Lime 4,955', Bone Spring 9,063',Mississippian 16,940', Devonian 17,498'



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





COPY

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FAX 432-683-0311

GULF COAST DISTRICT
TOTAL PLAZA
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HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

May 28, 2015

Re: **CONFIDENTIAL STATUS**
7811 JV-P Vaca Draw Unit SWD #1
Section 21, T25S-R33E
Lea County, NM

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
620 East Greene Street
Carlsbad, NM 88220

Gentlemen:

BTA hereby requests **CONFIDENTIAL STATUS** for all drilling information, forms and logs for the maximum length of time possible under BLM guidelines.

Should further information be required, please advise.

Respectfully,

A handwritten signature in cursive script that reads 'Kayla McConnell'.

Kayla McConnell
For BTA Oil Producers

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1571
August 7, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, BTA Oil Producers, LLC (the "operator") seeks an administrative order to authorize the 7811 JV-P Vaca Draw Unit SWD Well No. 1 located 660 feet from the South line and 660 feet from the East line, Unit letter P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rules 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, BTA Oil Producers, LLC (OGRID 260297), is hereby authorized to utilize its 7811 JV-P Vaca Draw Unit SWD Well No. 1 (API 30-025-23895) located 660 feet from the South line and 660 feet from the East line, Unit letter P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) in the Devonian formation, through open-hole and perforations from 17498 to 17909 feet. Injection will occur through internally-coated, 3½-inch or smaller tubing and a packer set within 100 feet of the uppermost perforation.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as proposed in the application, and as modified by this Order.

The operator shall supply the Division with a copy of a mudlog over the permitted disposal interval and an estimated insitu water salinity based on open-hole logs. If significant hydrocarbon shows occur while drilling, the operator shall notify the Division's District I and the operator shall be required to receive written permission prior to commencing disposal.

Prior to commencing disposal, the operator shall submit mudlog and geophysical logs information, to the Division's District geologist and Santa Fe Bureau Engineering office, showing evidence agreeable that only the permitted formations are open for disposal including a summary of depths (picks) for contacts of the formations which the Division shall use to amend this order for a final description of the depth for the injection interval.

The operator shall run a CBL (or equivalent) across the 5-inch liner through the 7-3/4 to 16,500 feet to demonstrate a good cement bond between the two casings.

All existing perforations between 13,419 to 13985, and 14954-15716 shall be squeezed prior to deepening to TD.

If the upper contact of the Ordovician Ellenburger formation is encountered prior to the lower limit of the approved injection interval at 17909 feet, then the total depth of the well (and injection interval) shall be reduced to the upper contact of Ellenburger formation.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

*The wellhead injection pressure on the well shall be limited to **no more than 3500 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.*

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal

operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's District I office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.


The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad
Well File - 30-025-23895