) Form 3160-5 (June 2015)	UNITED STATES	-				APPROVED). 1004-0137
DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT						nuary 31, 2018
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					S. Lease Senai No. NMNM0160973 G. If Indian, Allottee or Tribe Name	
1. Type of Well Soli Well Gas Well Other			JAN 0 9 2020 8. Well Name and No. MESA B 8115 FED COM 22H			
2. Name of Operator BTA OIL PRODUCERS LLC Contact: SAMMY HAJAR E-Mail: shajar@btaoil.com				-n	 API Well No. 30-025-46407-0 	0-X1
			. (include area code) 10. Field and		10. Field and Pool or E SANDERS TAN	xploratory Area K-UPR WOLFCAMP
4. Location of Well (Footage, Sec., 1	Г., R., M., or Survey Description	n)		11. County or		State
Sec 7 T26S R33E NENE 400 32.064198 N Lat, 103.604782			LEA COUNTY, N		NM	
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	ER DATA
TYPE OF SUBMISSION		· ·	TYPE OF	ACTION		· · · · · · · · · · · · · · · · ·
Notice of Intent		🗖 Dee	ben	Product	ion (Start/Resume)	UWater Shut-Off
-	Alter Casing	🗖 Hyd	raulic Fracturing	🗖 Reclam	ation	U Well Integrity
Subsequent Report	Casing Repair	—	Construction	🗖 Recomp		Other Change to Original A
Final Abandonment Notice	Change Plans	🖸 Plug 🗖 Plug	and Abandon	Tempor Water I	arily Abandon	PD
AS WELL AS BATCH DRILLI PLEASE SEE ATTACHED.			Isbad F	'ield (Office	
		(Operato	or Co	ру	
Aer	Previous	COAS	stilla	BBly	. See atta	alled New a
 I hereby certify that the foregoing i Cor Name (Printed/Typed) SAMMY I 	Electronic Submission # For BTA Ol mmitted to AFMSS for proc	L PRODUCERI	S LLC, sent to the SCILLA PEREZ or	e Hobbs	(20PP0318SE)	
Signature (Electronic Submission)			Date 11/05/2019			
	THIS SPACE FO	OR FEDERA		OFFICE U	SE	
						Date 12/15/2019
<u>Approved By LONG VO</u> Conditions of approval, if any, are attached. Approval of this notice 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.			TitlePETROLEUM ENGINEER Date 12/15/2019 Office Hobbs			
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe s to any matter w	rson knowingly and thin its jurisdiction.	willfully to m	ake to any department or	agency of the United
(Instructions on page 2) ** BLM REV	/ISED ** BLM REVISE	D ** BLM RI	EVISED ** BLN	A REVISEI	O ** BLM REVISEI	D** {}

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BTA OIL PRODUCERS, LLC
LEASE NO.:	NMNM0160973
WELL NAME & NO.:	22H – MESA B 8115 FED COM
SURFACE HOLE FOOTAGE:	400'/N & 600'/E
BOTTOM HOLE FOOTAGE	50'/S & 350'/E
LOCATION:	SECTION 7, T26S, R33E, NMPM
COUNTY:	LEA

COA

H2S	C Yes	₢ No	
Potash	None	C Secretary	⊂ R-111-P
Cave/Karst Potential	C Low	• Medium	High
Cave/Karst Potential	Critical		
Variance	C None	• Flex Hose	C Other
Wellhead	Conventional	C Multibowl	Both
Other	☐ 4 String Area	Capitan Reef	└ WIPP
Other	Fluid Filled	☐ Cement Squeeze	F Pilot Hole
Special Requirements	□ Water Disposal	COM	「 Unit

All previous COAs still apply.

A. CASING

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Primary Casing Design:

- 1. The 10-3/4 inch surface casing shall be set at approximately 890 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of $\underline{8}$ <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength,

whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

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Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
- In <u>Medium Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

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Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

Option 2:

- 1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

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- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be</u> <u>on the sign.</u>

OTA12102019

BTA OIL PRODUCERS LLC RESPECTFULLY REQUEST THE FOLLOWING CHANGES TO THE ORIGINAL PERMIT AS APPROVED.

BATCH DRILLING SEQUENCE OF THE 22H, 23H, 24H, 25H:

-SPUD Mesa B 8115 #22H - rig up walked out, drill 14-3/4" hole and set 10-3/4" csg -Walk to Mesa B 8115 #23H, SPUD 14-3/4" hole and set 10-3/4" csg -Walk to Mesa B 8115 #24H, SPUD 14-3/4" hole and set 10-3/4" csg -Walk to Mesa B 8115 #25H, SPUD 14-3/4" hole and set 10-3/4" csg, test BOP, drill and set 7-5/8" csg -Walk to Mesa B 8115 #24H, test BOP, drill 9-7/8" hole and set 7-5/8" csg -Walk to Mesa B 8115 #23H, test BOP, drill 9-7/8" hole and set 7-5/8" csg -Walk to Mesa B 8115 #22H, test BOP, drill 9-7/8" hole and set 7-5/8" csg -Walk to Mesa B 8115 #22H, test BOP, drill 9-7/8" hole and set 7-5/8" csg, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #23H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #24H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Walk to Mesa B 8115 #25H, test BOP, drill 6-3/4" hole and set 5-1/2" x 5" casing. -Rig released

Mud Program 22H:

Original Permit

-Surface Section – Fresh water 8.4 ppg -Intermediate – Brine 10.0 – 10.2 ppg -2nd Intermediate – Cut brine 8.6 – 9.2 ppg -Production – OBM 11.5 – 12.0 ppg

Proposed Change

-Surface Section -- Fresh water 8.3 - 8.4 ppg -Intermediate -- DBE 9.0 - 9.4 ppg -Production -- OBM 11.5 -- 12.0 ppg

Casing Programs

Casing Program 22H

Original APD

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-Surface
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13-3/8" 54.5# J-55 STC set at 890' in a 17-1/2" hole

-Intermediate

9-5/8" 40# J-55 @ 4690' in a 12-1/4" hole

-2nd Intermediate

7" 29# P-110 @ 12300' in a 8-3/4" hole

-Liner

4-1/2" 11.6# P-110 liner from 11650' - 17180' in a 6-1/8" hole

Proposed Change

-Surface

10-3/4" 40.5# J-55 STC set at 890' in a 14-3/4" hole

-Intermediate

9-7/8" hole from 890' to 8007' and 8-3/4" hole from 8007' ~ 11627'. 7-5/8" 29.7# P-110 BTC from 0 - 7700' and 7-5/8" 29.7# P-110 Stinger HC from 7700' – 11627' and DV tool at 4690'

-Production

11427' of 5-1/2" 20# P-110 BTC and 5753' of 5" 18# P-110 BTC set at 17180' (12235' TVD) in a 6-3/4" hole

Cement Programs

Mesa B 8115 #22H

Original

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-Surface Cement Lead: 540 sx, 13.5 ppg, 100% excess, Class C Tail: 200 sx, 14.8 ppg, 100% excess, Class C

- -Intermediate Cement Lead: 1330 sx, 12.7 ppg, 100% excess, Class C Tail: 250 sx, 14.8 ppg, 25% excess, Class C
- -2nd Intermediate Cement Lead: 225 sx, 10.5 ppg, 15% excess, 75% Class C 25% Poz Tail: 755 sx, 15.6 ppg, 15% excess, Class H

-Liner Cement 310 sx, 13.2 ppg, 10% excess, Class H

Proposed Change

-Surface Cement Lead: 400 sx, 13.5 ppg, 100% excess, Class C Tail: 200 sx, 14.8 ppg, 100% excess, Class C

-Intermediate Cement Stage 1: Lead: 345 sx, 10.5 ppg, 25% excess, Class H Tail: 400 sx, 15.6 ppg, 25% excess, Class H

> Stage 2: Lead: 685 sx, 12.7 ppg, 50% excess, Class C Tail: 150 sx, 14.8 ppg, 50% excess, Class C

-Production Cement

Tail: 640 sx, 14.8 ppg, 10% excess, Class H

Variances:

grod." int 1

well control plan provided

-5M BOP on 9-7/8" hole

-10M BOP with 5M annular for 6-3/4" hole -Wave the centralizer requirements for the 5-1/2" and 5" casing in the 6-3/4" hole size. An expansion additive will be utilized in the cement slurry for the entire length of the 6-3/4" hole interval to maximize cement bond and zonal isolation.

Mesa B 8115 Fed Com #22H Cement Info

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		yields	additives
10 3/4	Lead	1.8	2% CaCl2
10 5/4	Tail	1.34	2% CaCl2
7 5/8	Stg 2 Lead	2.19	0.5% CaCl2
	Stg 2 Tail	1.33	1% CaCl2
	Stg 1 Lead	2.64	0.5% CaCl2
	Stg 1 Tail	1.19	1% CaCl2
5 1/2 and	Lead		
5	Tail	1.27	0.1% Fluid Loss

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