Form 3160-5 (Junc 2015) DE	n	FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMNM0160973 6. If Indian, Allottee or Tribe Name					
Control Decomposition of the second s							
SUNDRY Do not use th abandoned we	020						
SUBMIT IN	VED	7. If Unit or CA/Agreement, Name and/or No. NMNM82045					
1. Type of Well	a cr		RE		8. Well Name and No. MESA B 8115 FE		22H
Contact: SAMMY HAJAR E-Mail: shajar@btaoil.com					9. API Well No. 30-025-46407-00-X1		
			o. (include area code) 10. Field ar 32-3753 SANDE		10. Field and Pool or	cld and Pool or Exploratory Arca NDERS TANK-UPR WOLFCAMP	
MIDLAND, TX 79701 4. Location of Well (Footage, Sec., T., R.; M., or Survey Description)					11. County or Parish, State		
Sec 7 T26S R33E NENE 400FNL 600FEL 32.064198 N Lat, 103.604785 W Lon					LEA COUNTY, NM		
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	HER D	ATA
TYPE OF SUBMISSION		÷	TYPE OF	FACTION			
Notice of Intent		Dee	pen	Producti	on (Start/Resume)	<i>w</i> 0	/ater Shut-Off
Subsequent Report	☐ Alter Casing		raulic Fracturing	Reclamation		—	/ell Integrity
	Casing Repair *	—	Construction		complete 🛛 Other Change to Orig		ther nge to Original A
Final Abandonment Notice	Change Plans Convert to Injection	🗆 Plug	g and Abandon		-	PD	0
determined that the site is ready for f BTA OIL PRODUCERS LLC I VARIANCES, and FTP and L DOCUMENTS FOR MORE D ORIGINAL FTP: 330' FNL, 35 ORIGINAL LTP: 330' FSL, 35 NEW FTP: 100' FNL, 330' FEI NEW LTP: 100' FSL, 330' FEI (SHL WILL NOT CHANGE, T	RESPECTFULLY REQUE TP FOOTAGE CHANGES ETAILS. 0' FEL 0' FEL L				SRAM CHANGES, I D. PLEASE SEE A	BATCH	i DRILLING, IED
14. I hereby certify that the foregoing is Con Name (Printed/Typed) SAMMY H	Electronic Submission # For BTA Oli nmitted to AFMSS for proc	500310 verifie L PRODUCER essing by PRI	SCILLA PEREZ OI	II Information e Hobbs n 01/24/2020 ATORY AN/	(20PP1070SE)		
	Turk under stand a		Data 04/00/0	000			
Signature (Electronic	THIS SPACE FO	DR FEDERA	Date 01/22/20		SE		
					·		
			TitlePETROLEUM ENGINEER Date 01/30/202				
Conditions of approval, if any, are attached certify that the applicant holds legal or eq which would entitle the applicant to condu-	uitable title to those rights in the	s not warrant or e subject lease	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	crime for any period to any matter w	rson knowingly and ithin its jurisdiction.	willfully to ma	ke to any department or	agency	of the United
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISEI	D ** BLM RI	EVISED ** BLN	A REVISED	** BLM REVISE	D ** {	The second secon

Revisions to Operator-Submitted EC Data for Sundry Notice #500310

•	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	APDCH NOI
Lease:	NMNM0160973	NMNM0160973
Agreement:	NMNM82045	NMNM82045 (NMNM82045)
Operator:	BTA OIL PRODUCERS, LLC 104 S. PECOS MIDLAND, TX 79701 Ph: 432-682-3753	BTA OIL PRODUCERS LLC 104 S. PECOS MIDLAND, TX 79701 Ph: 4326823753
Admin Contact:	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753
Tech Contact:	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753
Location: State: County:	NM LEA COUNTY	NM LEA
Field/Pool:	SANDERS TANK/UPPER WOLFCA	SANDERS TANK-UPR WOLFCAMP
Well/Facility:	MESA B 8115 FED COM 22H Sec 7 T26S R33E NENE 400FNL 600FEL 32.064198 N Lat, 103.604785 W Lon	MESA B 8115 FED COM 22H Sec 7 T26S R33E NENE 400FNL 600FEL 32.064198 N Lat, 103.604785 W Lon

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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 & 330'/E
LOCATION:	SECTION 7, T26S, R33E, NMPM
COUNTY:	LEA COUNTY, NEW MEXICO

COA

H2S	۲ Yes	r No	
Potash	• None	C Secretary	C R-111-P
Cave/Karst Potential	۲ Low	r Medium	
Cave/Karst Potential	Critical	· · · ·	
Variance	C None	Flex Hose	
Wellhead	Conventional		🕫 Both
Other		Capitan Reef	⊢ WIPP
Other	✓ Fluid Filled	☐ Cement Squeeze	F Pilot Hole
Special Requirements		COM	🔽 Unit

All previous COAs still apply.

A. CASING

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

<u>Option 1 (Single Stage):</u>

• 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. Excess cement calculates to -45%, additional cement might be required.

Option 2:

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.
 Excess cement calculates to -6%, additional cement might be required.
- 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).'

2.

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:

- 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

- 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 on the sign.</u>

BOP Break Testing Variance (Note: For 5M BOP or less)

- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer prior to the commencement of any BOP Break Testing operations.
- A full BOP test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOP test will be required.

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