

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

15-238
COPY

OCD Hobbs

HOBBS OCD

OCT 07 2015

RECEIVED

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 14492
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		8. Lease Name and Well No. Mesa SWD 8105 JV-P #1
3b. Phone No. (include area code) (432) 682-3753		9. API Well No. 30-025-42841
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1800' FNL & 1900' FWL SENW Sec. 11 UL -F- At proposed prod. zone		10. Field and Pool, or Exploratory SWD; Delaware SWD; BELL CANYON - CHERRY CANYON
11. Sec., T. R. M. or Blk. and Survey or Area Sec. 11, T26S-R32E		12. County or Parish Lea
13. State NM		14. Distance in miles and direction from nearest town or post office* 25 miles west from Jal, NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1800'	16. No. of acres in lease 1960	17. Spacing Unit dedicated to this well 2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft N/A	19. Proposed Depth 7,100' MD	20. BLM/BIA Bond No. on file NM1195 NMB000849
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3231' GL	22. Approximate date work will start* 04/01/2015	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:

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

25. Signature Kayla McConnell	Name (Printed Typed) Kayla McConnell	Date 11/14/2014
Title Production Assistant		Email: kmccconnell@btaoil.com
Approved by (Signature) Steve Caffey		Date OCT - 6 2015
Title FIELD MANAGER		Office BLM-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.

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

Kz
10/08/15

Witness Surface &
Intermediate Casing

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

OCT 08 2015

APPLICATION FOR DRILLING

COPY

BTA OIL PRODUCERS, LLC
 Mesa SWD 8105 JV-P #1W
 1800' FNL & 1900' FWL
 UL -F-, Sec. 11, T26S, R32E Surface
 Lea County, New Mexico

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. Top of geologic markers & depths of anticipated fresh water, oil or gas:

Anhydrite	690'	
Top of Salt	1,270'	
Base of Salt	4,370'	
Delaware	4,595'	
Bell Canyon	4,620'	
Cherry Canyon	5,835'	
Brushy Canyon	7,085'	Oil

No other formations are expected to yield oil, gas, or fresh water in measurable volumes. Depth to fresh water, in this area, is 175'. The surface fresh water sands will be protected by setting 13-3/8" csg at 740' cemented back to surface.

All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished to the BLM, Division of Minerals. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.

3. Proposed Casing and Cementing Program:

See COA

Hole Size	OD Casing	Setting From	Depth to	Weight	Grade	Joint
17-1/2"	13-3/8"	0'	740'	54.5#	J55	STC
11"	8-5/8"	0'	4,620'	36#	J55	LTC
7-7/8"	open hole	0'	7000'			

Minimum Casing Design Factors:

Collapse	1.125
Burst	1.0
Tensile	1.8

Depending upon availability at the time that the casing is run, equivalent weights and grades may be substituted. All casing will be new. Casing will be kept a minimum 1/3 full at all times.

4. Cement Program:

I. Surface Casing:

- Lead: 435 sx Class C.
 - Yield 1.75 ft³/sk
 - Weight: 13.5 ppg
- Tail: 200 sx Class – C
 - Yield 1.34 ft³/sk
 - Weight: 14.8 ppg
- Cement circulated to surface. 100% Excess.

II. Intermediate Casing:

- Lead: 820 sx 35:65 Class C.
 - Yield 1.94 ft³/sk
 - Weight: 12.7 ppg
- Tail: 250 sx Class – C.
 - Yield 1.33 ft³/sk
 - Weight: 14.8 ppg
- Cement circulated to surface. 60% excess in open hole.

III. Production Casing:

- No production casing, injection interval to be open hole over bell canyon & cherry canyon.

Note: All casing strings will be pressure tested to 0.22 psi/ft. of setting depth or 1500 psi (whichever is greater) after cementing and prior to drillout.

5. Pressure Control Equipment:

The 11" blowout preventer equipment (BOP) shown in Exhibit A will consist of a (3M system) double ram type (3000 psi WP) preventor and a bag-type (Hydril) preventor (3000 psi WP). Will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4-½" drill pipe rams on bottom. The BOP's will be installed on the 13-3/8" 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 3000 psi WP rating.

6. Mud Program:

see COF ~~Surface to 740'~~ ^{740'} 8.5 to 8.8 ppg fresh water spud with 35 to 45 sec/1000 cc viscosity.

~~740' to 4,620'~~ Brine water. Will use lime for pH control in range 10 to 11. Will sweep hole with gel slugs as required for hole cleaning. Mud wt = 10 ppg.

~~4,620' to TD~~ 8.6 to 9.2 ppg controlled brine water. Will use lime for pH control in range of 10 to 11. Will sweep hole with salt gel slugs and polymer sweeps as required for hole cleaning.

Will use paper for seepage losses. Will adjust fluid weight as required using brine water. Visual mud monitoring equipment will be used at all times.

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.

8. Testing Logging and Coring Program:

Drill Stem Tests – none planned

Open hole electrical logging program will be:

- i. TD to Surface: Gamma Ray/Compensated Neutron
- ii. No coring program is planned.

9. Potential Hazards:

see COF No abnormal pressures or temperatures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 3,130 psi. Estimated BHT: 128° F. No H₂S is anticipated to be encountered (H₂S monitoring equipment will be operational prior to penetrating the Delaware).

10. Anticipated Starting Date and Duration of Operations:

Anticipated start 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 20 days.

BTA Oil Producers, LLC
Mesa SWD 8105 JV-P #1W
1800' FNL & 1900' FWL
Sec. 11, T26S-R32E
Lea County, NM

COPY

The 13-5/8" blowout preventer equipment (BOP) shown in exhibit A will consist of a (3M system) double ram type (3000 psi WP) preventer and a bag type (Hydril) preventer (3000 psi WP). 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 don the 13-3/8" 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 drillers 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 3000 psi WP rating.

BTA Oil Producers, LLC
Mesa SWD 8105 JV-P #1W
1800' FNL & 1900' FWL
Sec. 11, T26S-R32E
Lea County, NM

COPY

3,000 psi BOP Schematic

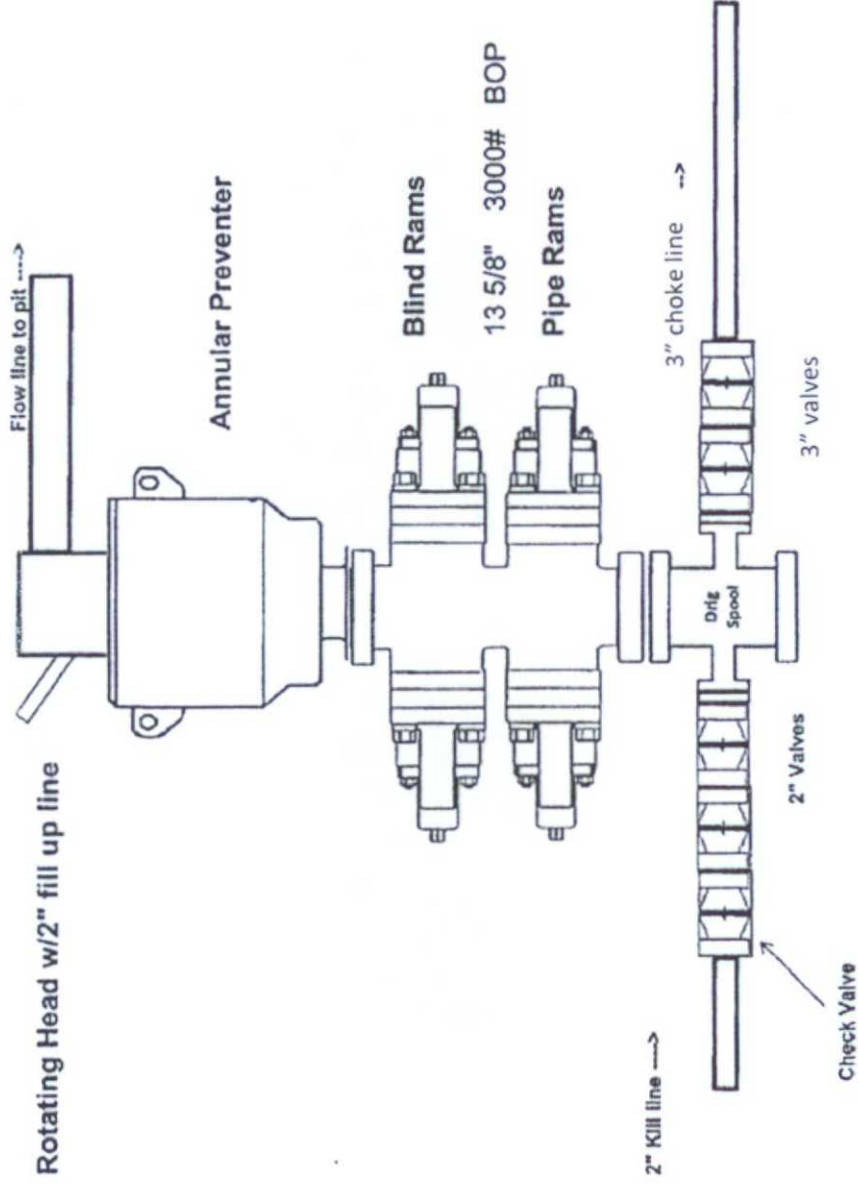
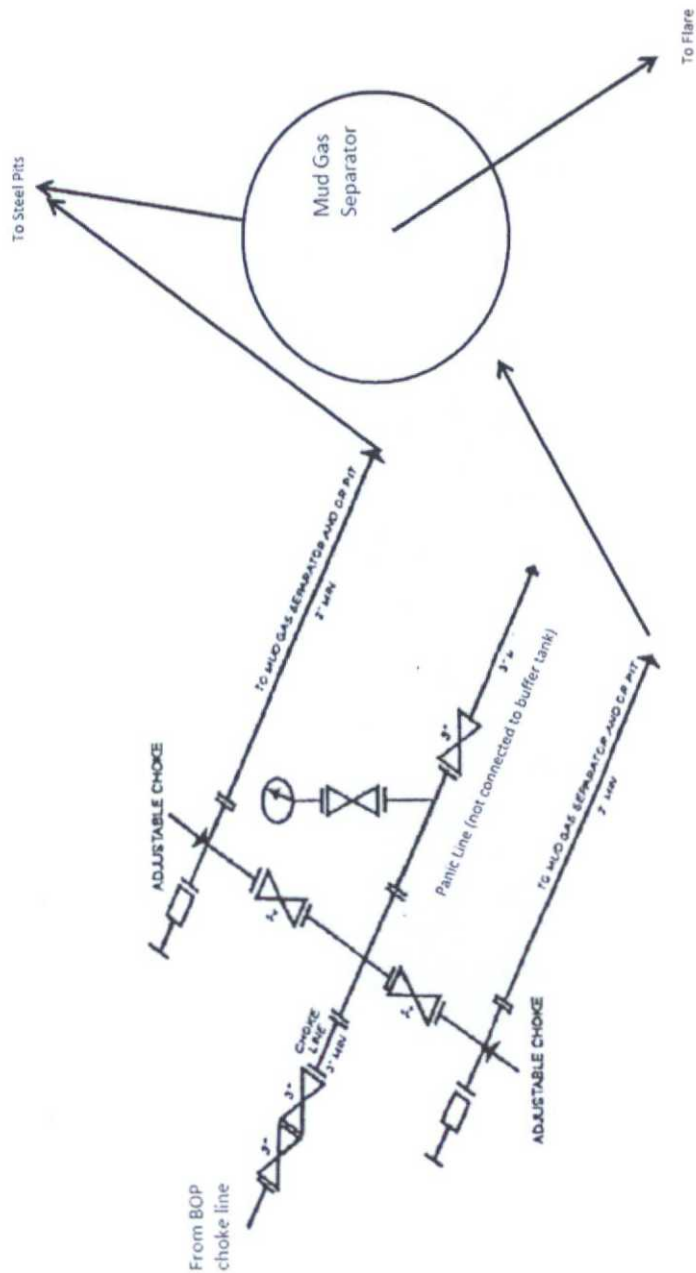


Exhibit A

BTA Oil Producers, LLC
Mesa SWD 8105 JV-P #1W
1800' FNL & 1900' FWL
Sec. 11, T26S-R32E
Lea County, NM

COPY



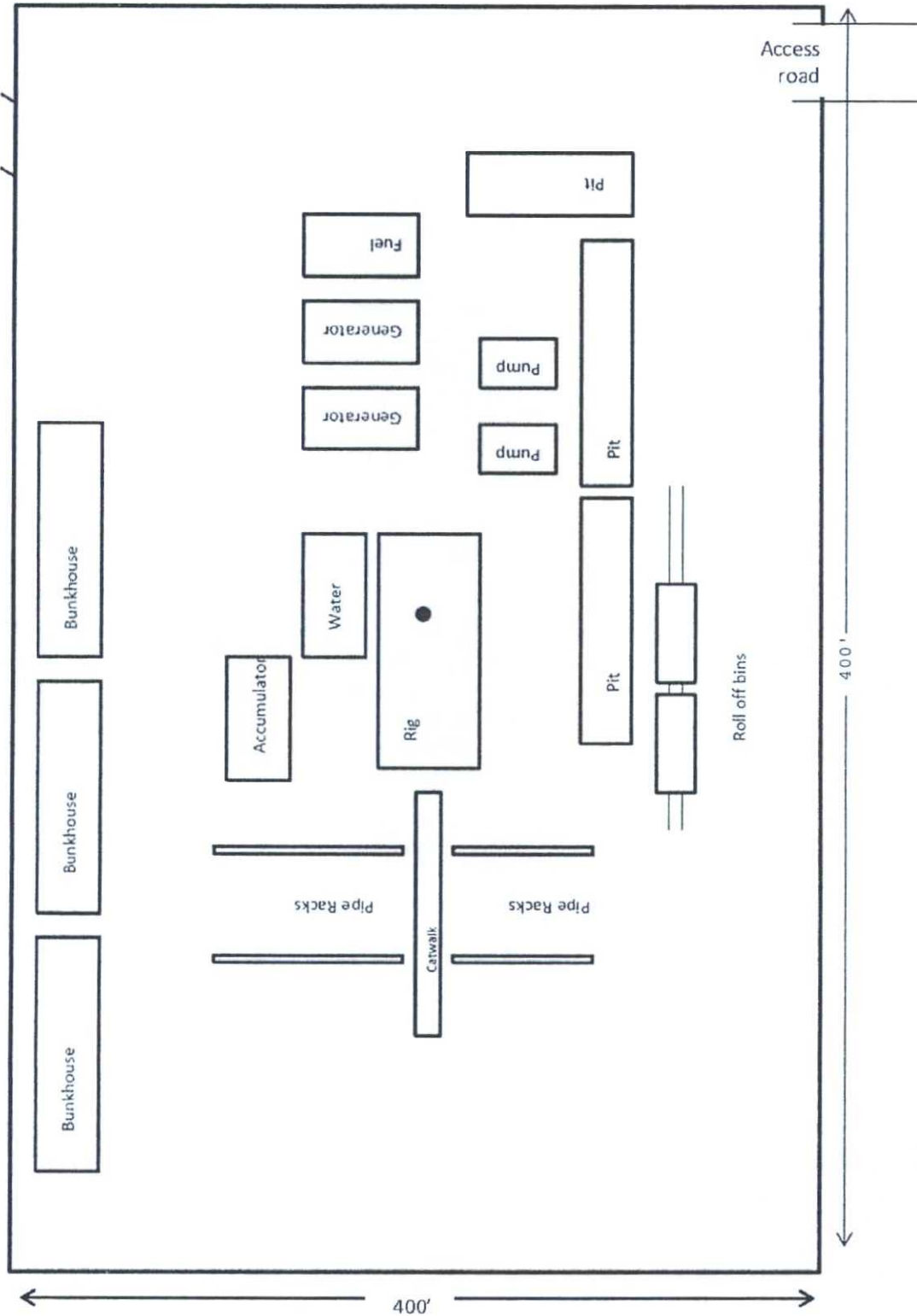
3M choke manifold design

Exhibit A1

COPY

Attachment to APD
BTA Oil Producers LLC
Mesa SWD 8105 JV-P #1W
Exhibit -E-
UL F Sec 11, T26S, R32E
Lea County, NM

BTA Oil Producers
Mesa SWD 8105 JV-P #1W
1800' FNL 1900' FWL
Sec 11, T26S, R32E
Lea County, NM





New Mexico Office of the State Engineer Water Column/Average Depth to Water

No records found.

HOBBS OCD

OCT 07 2015

RECEIVED

PLSS Search:

Section(s): 11

Township: 26S

Range: 32E

COPY

Attachment to APD
BTA Oil Producers LLC
Mesa SWD 8105 JV-P #1W
UL F Sec 11, T26S, R32E
Lea County, NM

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,

C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD		Q Q Q				Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
	Sub- Code	basin	County	64	16	4								
<u>C 02271</u>	R		LE	2	3	21	26S	32E		624449	3544111*	150	125	25
<u>C 02271 POD2</u>		CUB	LE	3	2	3	21	26S	32E	624348	3544010*	270	250	20
<u>C 02323</u>		C	LE	3	2	3	21	26S	32E	624348	3544010*	405	405	0
<u>C 03537 POD1</u>		C	LE	3	2	3	21	26S	32E	624250	3543985	850		
<u>C 03595 POD1</u>		CUB	LE	4	2	3	21	26S	32E	624423	3544045	280	180	100

Average Depth to Water: 240 feet

Minimum Depth: 125 feet

Maximum Depth: 405 feet

Record Count: 5

PLSS Search:

Section(s): 1-30

Township: 26S

Range: 32E

COPY

Attachment to APD
BTA Oil Producers LLC
Mesa SWD 8105 JV-P #1W
UL F Sec 11, T26S, R32E
Lea County, NM

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

OPERATOR CERTIFICATION

COPY

BTA OIL PRODUCERS LLC
Mesa SWD 8105 JV-P #1W
1800' FNL & 1900' FWL
Sec. 11, T26S, R32E
Lea County, New Mexico

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: November 14, 2014

Lease #: SHL: NMNM14492 UL "F"
Mesa SWD 8105 JV-P #1W

Legal Description: Sec. 11 – T26S – R32E
Lea County, New Mexico

Formation(s): Delaware

Bond Coverage: Statewide

BLM Bond File #: NM1195 & NMB000849

BTA OIL PRODUCERS, LLC

Kayla McConnell
Kayla McConnell
Production Assistant

OPERATOR CERTIFICATION

COPY

**BTA OIL PRODUCERS LLC
Mesa SWD 8105 JV-P #1W
1800' FNL & 1900' FWL
Sec. 11, T26S, R32E
Lea County, New Mexico**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 USC 1001 for the filing of false statements. Executed this 14th day of November, 2014.

Signed: Kayla McCommell

Printed Name: Kayla McConnell
Position: Production Assistant
Address: 104 S Pecos, Midland, TX 79701
Telephone: (432) 682-3753
Field Representative Nick Eaton, Drilling Manager
E-mail: kmccconnell@btaoil.com



COPY

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
FOUR GREENSPPOINT PLAZA
16945 NORTHCHASE DRIVE, STE. 1600
HOUSTON, TEXAS 77060
PH. 281-872-5022 FAX 281-872-5054

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

November 14, 2014

Re: CONFIDENTIAL STATUS
Mesa SWD 8105 JV-P #1W
Section 11, T26S-R32E
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,

Kayla McConnell
For BTA Oil Producers