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|-----------------------------------|---|---------------------------------|
| Well Name: OCHOA 8703 FEDERAL COM | Well Location: T23S / R28E / SEC 12 / SENE / | County or Parish/State: |
| Well Number: 3H | Type of Well: OIL WELL | Allottee or Tribe Name: |
| Lease Number: NMNM103879 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3001548169 | Well Status: Approved Application for Permit to Drill | Operator: BTA OIL PRODUCERS LLC |

Notice of Intent

Type of Submission: Notice of Intent

Date Sundry Submitted: 04/20/2021

Date proposed operation will begin: 04/19/2021

Type of Action Other

Time Sundry Submitted: 07:34

Procedure Description: BTA OIL PRODUCERS LLC RESPECTFULLY REQUESTS THE FOLLOWING CASING SET DEPTH AND CEMENT CHANGES TO THE ORIGINAL APD AS APPROVED. PLEASE SEE ATTACHED DOCUMENT FOR MORE DETAILS.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Ochoa_3H_Sundry_20210420073416.pdf

Conditions of Approval

Specialist Review

OCHOA_8703_FEDERAL_COM_3H__Sundry_2157585_and_2386564_COA_OTA_20210519160354.pdf

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Operator Certification

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

| | |
|---|---|
| Operator Electronic Signature: SAMMY HAJAR | Signed on: APR 20, 2021 07:34 AM |
| Name: BTA OIL PRODUCERS LLC | |
| Title: Regulatory Analyst | |
| Street Address: 104 S. Pecos | |
| City: Midland | State: TX |
| Phone: (432) 682-3753 | |
| Email address: shajar@btaoil.com | |

Field Representative

| | | |
|-----------------------------|---------------|-------------|
| Representative Name: | | |
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |
| Email address: | | |

BLM Point of Contact

| | |
|--|---|
| BLM POC Name: AJIBOLA OLABODE | BLM POC Title: Engineer |
| BLM POC Phone: 5752342231 | BLM POC Email Address: OAJIBOLAEIT@BLM.GOV |
| Disposition: Approved | Disposition Date: 05/19/2021 |
| Signature: Olabode Thomas Ajibola | |

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|------------------------------------|
| OPERATOR'S NAME: | BTA Oil Producers LLC |
| LEASE NO.: | NMNM103879 |
| WELL NAME & NO.: | Ochoa 8703 Federal Com 3H |
| SURFACE HOLE FOOTAGE: | 1674'/N & 348'/E |
| BOTTOM HOLE FOOTAGE: | 1980'/N & 2600'/W |
| LOCATION: | Section 12, T.23 S., R.28 E., NMPM |
| COUNTY: | Eddy County, New Mexico |

COA

| | | | |
|----------------------|---|--|---------------------------------------|
| H2S | <input type="radio"/> Yes | <input checked="" type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input type="radio"/> Low | <input checked="" type="radio"/> Medium | <input type="radio"/> High |
| Cave/Karst Potential | <input type="radio"/> Critical | | |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input type="radio"/> Multibowl | <input checked="" type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input type="checkbox"/> Fluid Filled | <input type="checkbox"/> Cement Squeeze | <input type="checkbox"/> Pilot Hole |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |

All Previous COAs Still Apply.

A. CASING

1. The **10-3/4** inch surface casing shall be set at approximately **323 feet** (a minimum of **70 feet (Eddy 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 **8 hours** 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:

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.
Excess cement calculates to -19%, 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 16%, 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 Medium Cave/Karst Areas 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 **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **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 **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. When the Communitization Agreement number is known, it shall also be on the sign.

OTA05192021

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

Casing Programs

Ochoa 8703 Federal #3H

Original APD

-Surface
10-3/4" 40.5# J-55 STC set at 500' in a 14-3/4" hole

Proposed Change

-Surface
10-3/4" 40.5# J-55 STC set at 323' in a 14-3/4" hole

Cement Programs

Ochoa 8703 Federal #3H

Original APD

-Surface Cement
Lead: 160 sx
100% Class C
13.5 ppg, 1.8 ft3/sx

Tail: 200 sx
100% Class C
14.8 ppg, 1.34 ft3/sx

Proposed Change

-Surface Cement
Lead: 85 sx
100% Class C
13.5 ppg, 1.8 ft3/sx

Tail: 200 sx
100% Class C
14.8 ppg, 1.34 ft3/sx

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

COMMENTS

Action 30847

COMMENTS

| | |
|---|--|
| Operator: BTA OIL PRODUCERS, LLC 104 S Pecos Midland, TX 79701 | OGRID: 260297 |
| | Action Number: 30847 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

COMMENTS

| Created By | Comment | Comment Date |
|------------|------------------------|--------------|
| kpickford | KP GEO Review 6/9/2021 | 6/9/2021 |

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1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources
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CONDITIONS

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| | Action Number: 30847 |
| | Action Type: [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| kpickford | Adhere to previous NMOCD Conditions of Approval | 6/9/2021 |