

DATE IN 7/19/11	SUSPENSE	ENGINEER WVS	LOGGED IN 7/19	TYPE DHC 4428	APP NO. 1120556340
--------------------	----------	-----------------	-------------------	---------------------	-----------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Pam Inskip		Regulatory Administrator	07/18/2011
Print or Type Name	Signature	Title	Date
		pinskeep@btaoil.com	
		e-mail Address	

District I
1625 N French Drive, Hobbs NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505
APPLICATION FOR DOWNHOLE COMMINGLING

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

Operator BTA OIL PRODUCERS LLC Address 104 SOUTH PECOS MIDLAND, TX 79701 *DAC-4428*
Lease Gem. 8705 JV-P Well No. 1 Unit Letter-Section-Township-Range B-2-T20S-R33E County Lea
OGRID No. 260297 Property Code 305261 API No. 30-025-29916 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Teas, Delaware		Teas, Bone Springs
Pool Code	96797		58960
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,592 - 6,599		9,305 - 10,150
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38 degrees		38 degrees
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 07/15/2011 Rates: 4 BO / 8 BW / 15 MCF	Date: Rates:	Date: 07/15/2011 Rates: 5 BO / 100 BW / 100 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 44 % Gas 13 %	Oil % Gas %	Oil 56 % Gas 87 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Pamela D. Inskeep TITLE Regulatory Administrator DATE 07/18/2011

TYPE OR PRINT NAME Pamela D. Inskeep TELEPHONE NO. (915) 682-3753

Jones, William V., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, July 19, 2011 11:37 AM
To: Jones, William V., EMNRD
Subject: FW: Request for DHC - BTA 8705 JV-P Gem #1
Attachments: 8705 Gem #1 DHC request.pdf

From: Pam Inskeep [<mailto:Pinskeep@btaoil.com>]
Sent: Tuesday, July 19, 2011 10:38 AM
To: Brooks, David K., EMNRD
Subject: Request for DHC - BTA 8705 JV-P Gem #1

Good morning, Mr. Brooks.

BTA is seeking administrative approval for downhole commingling at the above referenced location in the Teas, Delaware and Teas, Bone Spring Pools.

The Bone Spring formation was completed in this wellbore in 1988 and produced 58 MBO and 85 MMCF through November 1999 when it was recompleted to the Delaware formation. Prior to recompletion, the well was producing at a marginal rate of 6 BOPD and 10 MCFD. The Delaware is currently producing at a rate of 4 BOPD and 15 MCFD. The Bone Spring and Delaware formations have been successfully commingled on this lease previously in the 8705 JV-P Gem #4 wellbore. The proposed commingling will create operational efficiencies that will extend the productive life of both the Bone Spring and Delaware formations resulting in higher recoveries for both formations.

Attached hereto is the application along with all required backup data and detail.

This well is currently shut-in, awaiting approval of the DHC order.

Should you have any questions, please advise.

Thank you for your time.

Pam

Pam Inskeep
Regulatory Administrator
BTA Oil Producers LLC
104 S. Pecos
Midland, TX 79701
432-682-3753
432-683-0325 fax
pinskeep@btaoil.com



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

July 15, 2011

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

Re: Application for Administrative Approval
Downhole Commingling
Gem, 8705 JV-P #1
660' FNL & 1980' FEL
Section 2, T20S, R33E
Lea County, NM

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, New Mexico 88240

Attention: Mr. David Brooks

Dear Mr. Brooks,

BTA Oil Producers hereby seeks administrative approval for downhole commingling at the above referenced location in the Teas, Delaware and Teas, Bone Spring Pools. The Bone Spring formation was completed in this wellbore in 1988 and produced 58 MBO and 85 MMCF through November 1999 when it was recompleted to the Delaware formation. Prior to recompletion, the well was producing at a marginal rate of 6 BOPD and 10 MCFD. The Delaware is currently producing at a rate of 4 BOPD and 15 MCFD. The Bone Spring and Delaware formations have been successfully commingled on this lease previously in the 8705 JV-P Gem #4 wellbore. The proposed commingling will create operational efficiencies that will extend the productive life of both the Bone Spring and Delaware formations resulting in higher recoveries for both formations.

Attached hereto are:

- Administrative Application Checklist
- Form C-107A, Application for Downhole Commingling
- Area plat showing well location and all Offset Operators
- Form C-102 for each zone
- Production curve for Teas (Delaware)
- No production history for Teas (Bone Springs) to produce curve
- Notification list of Offset Operators

BTA has notified all Offset Operators of our intentions by electronic mail. Copies are attached.

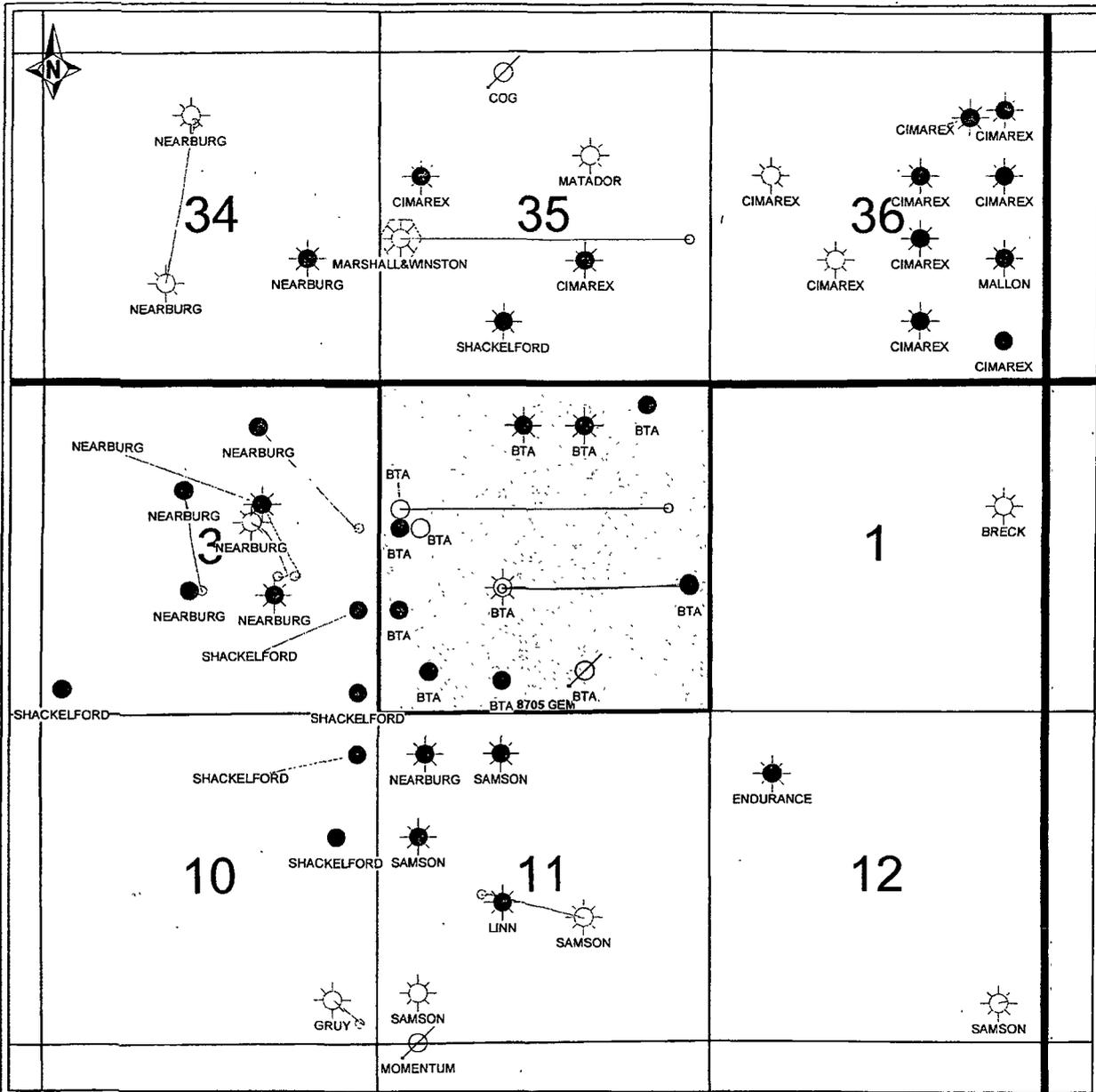
Should further information be required, to approve this application, please advise.

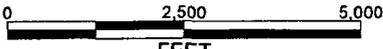
Respectfully


PAMELIA D. INSKEEP
For BTA Oil Producers LLC

/pdi

Attachments



 BTA OIL PRODUCERS, LLC
8705 JV-P Gem
Lea Co. New Mexico
Operator List -ACTIVE ONLY
POSTED WELL DATA
● Operator
WELL SYMBOLS
○ Location Only
⊗ Completing/Completed
● Oil Well
☀ Gas Well
⊗ Oil & Gas Well
⊗ Injection Well
⊗ Injection From Oil
⊗ Oil & Gas Well
By: JHB
 FEET



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29916		² Pool Code 58960		³ Pool Name Teas (Bone Springs)	
⁴ Property Code 305261		⁵ Property Name Gem, 8705 JV-P			⁶ Well Number 1
⁷ OGRID No. 260297		⁸ Operator Name BTA Oil Producers LLC			⁹ Elevation 3687'

¹⁰ Surface Location

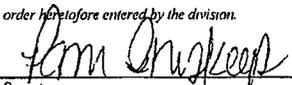
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	2	20S	33E		660	N	1980	E	Lea

¹¹ Bottom Hole Location If Different From Surface

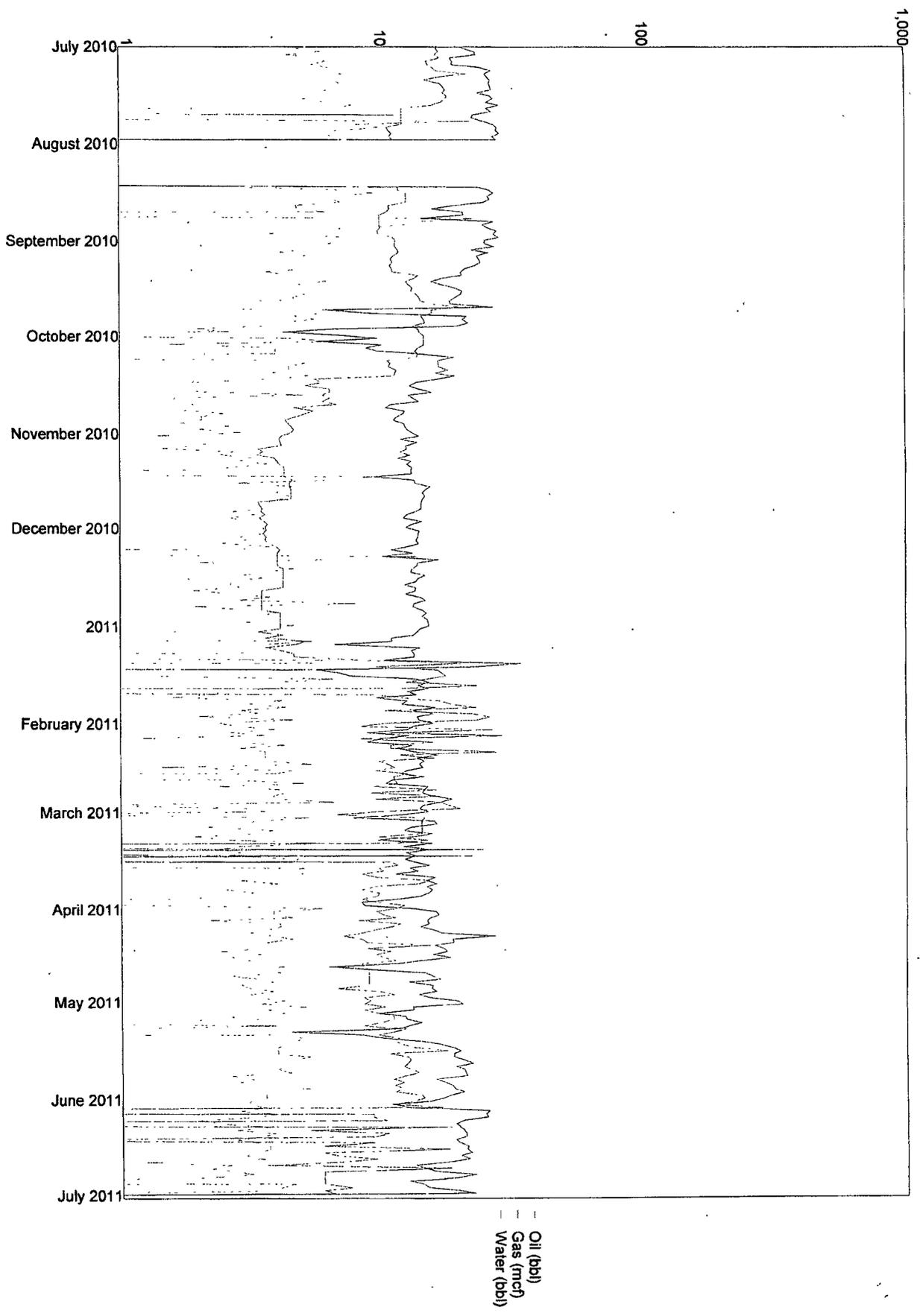
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p> 07/01/2011 Signature Date</p> <p>Pam Inskeep, Regulatory Administrator Printed Name</p>
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>04/27/1987 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Max A. Schumann, Jr. 1510 Certificate Number</p>

GEM 1, 2, 6, 8, 9 LEASE - 870551 - Gem 1





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 GREENSPOINT 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

July 18, 2011

Re: Offset Operator Notification
Application for Downhole Commingling
Gem, 8705 JV-P #1
660' FNL & 1980' FEL
Section 2, T20S, R33E
Lea County, NM

Offset Operator

Gentlemen:

BTA has filed an application for administrative approval for downhole commingling 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 Form C107A and a plat of the area showing well location.

If you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

PAM INSKEEP
For BTA Oil Producers LLC

/pdi

Attachments



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 GREENSPOINT 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

July 18, 2011

Re: Downhole Commingling Application
Gem, 8705 JV-P, Well No. 1
Unit Letter B, Section 2-20S-33E
Teas, Delaware and Teas, Bone Springs Pool
Lea County, NM

NEW MEXICO STATE LAND OFFICE
COMMISSIONER OF PUBLIC LANDS
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Ray Powell

Dear Mr. Powell,

BTA has filed an application for administrative approval for downhole commingling 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 Form C107A and a plat of the area showing well location.

If you have any questions regarding this, please do not hesitate to contact me.

Sincerely,


PAM INSKEEP
For BTA Oil Producers LLC

/pdi

Attachments

BTA OIL PRODUCERS LLC

Application for Administrative Approval
Downhole Commingling
Gem, 8705 JV-P #1
660' FNL & 1980' FEL
Section 2, T20S, R33E
Lea County, NM

I hereby certify that BTA Oil Producers holds 100% Working Interest in this well.

OFFSET OPERATOR LIST

Nearburg Exploration Company, L. L. C.
3300 North "A" Street, Bldg. 2, Suite 120
Midland, TX 79705

Cimarex Energy Company
1700 Lincoln St., Suite 1800
Denver, CO 80203-4518

Gruy Petroleum Management Co.
A wholly-owned subsidiary of Cimarex Energy Company
1700 Lincoln St., Suite 1800
Denver, CO 80203-4518

Shackelford Oil Company
P. O. Box 10665
Midland, TX 79702

Samson Resources Company
Samson Plaza
Two West Second Street
Tulsa, OK 74103

Linn Operating, Inc.
600 Travis Suite 5100
Houston, TX 77002

Matador Petroleum Corporation
Suite 158, Pecan Creek
8340 Meadow Road
Dallas, TX 75231-3751

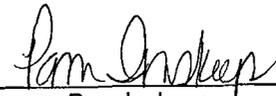
Marshall & Winston
P. O. Box 50880
Midland, TX 79710-0880

Breck Operating Corporation
P. O. Box 911
Breckenridge, TX 76424

Endurance Resources LLC
P. O. Box 1466
Artesia, NM 88211

I hereby certify that notification of BTA's application was mailed via certified mail on this 19th day of July, 2011 to the above listed Offset Operators.

Signed: _____


Pam Inskeep