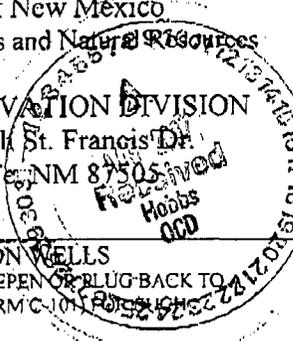


Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-103
 May 27, 2004



SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG-BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
 BTA Oil Producers

3. Address of Operator
 104 S. Pecos, Midland, TX 79701

4. Well Location
 Unit Letter B : 660 feet from the north line and 1980 feet from the east line
 Section 02 Township 20S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3687' GR 3606' RKB

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

WELL API NO.
 30-025-29916

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-2199

7. Lease Name or Unit Agreement Name
 Gem, 8705 JV-P

8. Well Number 1

9. OGRID Number 003002

10. Pool name or Wildcat
 Teas (Delaware) 96797

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL

OTHER: Surface Commingle

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BTA proposes to surface commingle (combine and store) oil, gas, and water production from BTA's Gem #1 (NE/NE) Sec. 02, T20S-R33E, Lea County, ND) at our Gem #2 facility located in -C- 02-20S-33E which handles production for our Gem #2 (30-025-30468), #6 (30-025-31318), #8 (30-025-34727), and #9 (30-025-34831). The #2, 8, & 9 produce from the Teas, Bone Spring 58960. The Gem #6 produces from the Gem Morrow East (Gas) 77380.

The Gem #1 averages 4 BOPD, 30 BWPD, and 9 MCFD
 The Gem #2 averages 2 BOPD, 3 BWPD, and 13 MCFD
 The Gem #6 averages 0 BOPD, 0 BWPD, and 6 MCFD
 The Gem #8 averages 3 BOPD, 20 BWPD, and 9 MCFD
 The Gem #9 averages 4 BOPD, 7 BWPD, and 21 MCFD

Unit B TEAS-DELAWARE (96797)
 Unit C TEAS-BONESPRING (58960)
 Unit K EAST GEM MORROW GAS (77380)
 Unit E TEAS-BONE SPRING (58960)
 Unit A TEAS-BONE SPRING (58960)

The daily production for these wells will be allocated based on regularly performed well tests. The tests will be performed by shutting in one well and measuring the other.

BTA holds 100% interest in all of these wells.

A schematic of the tank battery site and flowline route is attached

PC-1187

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 08/03/2007

Type or print name Pam Inskeep E-mail address: pinskeep@btaoil.com Telephone No. (432) 682-3753

For State Use Only

APPROVED BY: Will Jones TITLE Engineer DATE 10/9/07

Conditions of Approval (if any):

IDENTICALLY OWNED POOL COMMINGLED