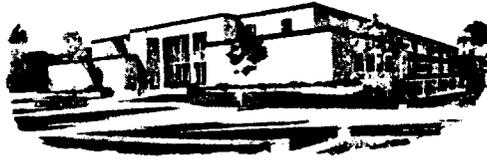


State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

OTB-3J3

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 9, 1989

BTA Oil Producers
105 South Pecos
Midland, Texas 79701

ATTN: Ms. Dorothy Houghton

RE: Request for Off-Lease Storage and Surface Commingling
State Leases E-8581 and V-1415
Sec. 13, T-17-S, R-36-E Lea County, New Mexico

Gentlemen:

Reference is made to your letters of October 5, 1989 and October 26, 1989 wherein you request to commingle production from 8408 JV-P Midway wells No. 1, 3 and 4 located on State Lease E-8581-2 and 8408 JV-P Midway B well No. 1-B on State Lease V-1415-1, Section 13, T-17-S, R-36-E in Lea County, New Mexico. We received your complete application package including the \$30.00 filing fee.

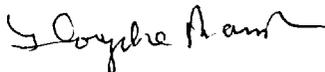
Approval is hereby granted to commingle the oil produced from the four wells as described above. Please be advised that any deviation from your proposed request will be grounds to rescind your approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

In the future, when submitting an request for commingling application package, please identify the well numbers in each New Mexico State Lease that you want to commingle, the API gravity of produced fluids from each well and the current production rate from each well. We review the commingle application packages on a well-by-well basis rather than on a lease basis.

If you have any questions, please do not hesitate to contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

enclosure

cc: OCD

Lease files: B-8581, V-1415



MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER
BARRY BEAL, JR.

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

ROCKY MOUNTAIN DIVISION
555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

October 5, 1989

Re: Exception to Rule 309-A
Surface Commingling & Off-Lease Storage
Midway (Abo) Pool
8408 JV-P Midway
8408 JV-P Midway -B-
Sec. 13, T-17-S, R-36-E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Dept.
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. William J. LeMay
Division Director

Gentlemen:

We hereby request authority to permit surface commingling of oil and gas production and off-lease storage from the above referenced leases.

The 8408 JV-P Midway lease has three producing wells with an average production of 36 B/D. The 8408 JV-P Midway -B- lease has one producing well with an average production of 4 B/D. Both leases are in the Midway (Abo) Pool. The production will be allocated based on monthly well tests.

*Drinking interval is the same
for both leases.*

RECEIVED

OCT 10 1989

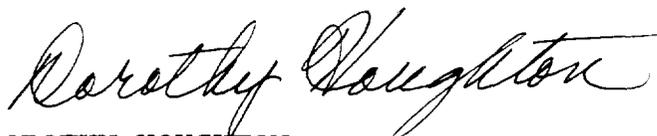
OIL CONSERVATION DIV.
SANTA FE

STATE OF NEW MEXICO
October 5, 1989
Page 2

All Working Interest on the attached list have been notified of our filing by certified mail. We are applying to the Commissioner of Public Lands for their approval and requesting consent from our purchaser, Texaco Trading and Transportation, Inc.

Should further information be necessary to grant this request, please advise.

Sincerely,



DOROTHY HOUGHTON
For BTA Oil Producers

DH/wt

Attachment: Plat with wells and Tank Battery

xc: State of New Mexico - Hobbs
Commissioner of Public Lands
Texaco Trading & Transportation, Inc.
Texas New Mexico Pipeline Co.

WORKING INTEREST OWNERS

8408 JV-P Midway
8408 JV-P Midway -B-
Sec. 13, T-17-S, R-36-E
Lea County, New Mexico

B & S ENTERPRISES
P. O. Box 606
Roswell, N.M. 88201

DAVID PETROLEUM CORP.
116 West 1st
Roswell, N.M. 88201

COLIN McMILLAN
118 West 1st
Roswell, N.M. 88201

FREDRICK J. SCHLICHER
P. O. Box 606
Roswell, N.M. 88201

PURCHASER

TEXACO TRADING & TRANSPORTATION, INC.
P. O. Box 6196
Midland, TX 79711-0196

MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-4-65

All distances must be from the outer boundaries of the Section.

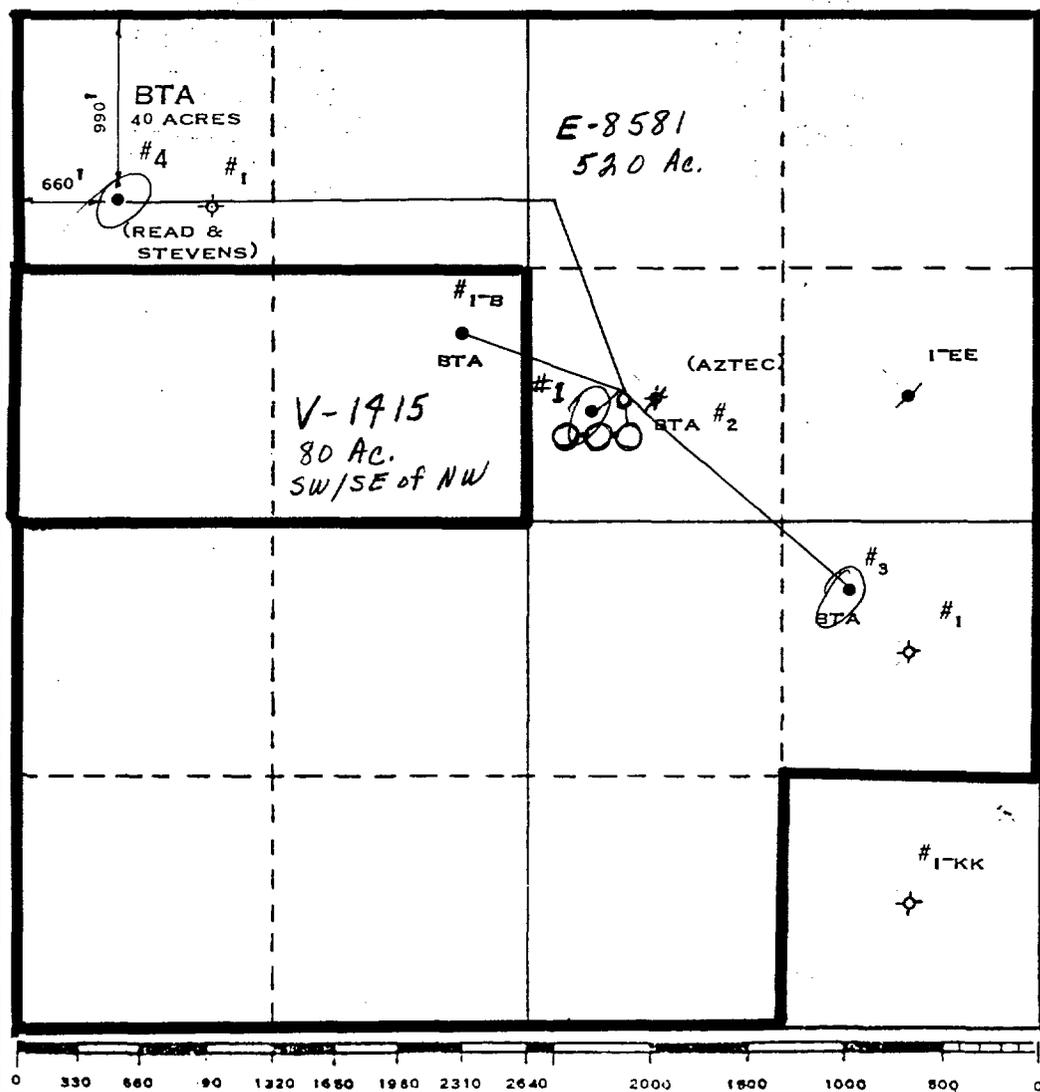
Operator BTA OIL PRODUCERS		Lease 8408 JV-P MIDWAY		Well No. 1-B, 1, 3, 4	
Unit Letter "D"	Section 13	Township 17-S	Range 36-E	County LEA	
Actual Footage Location of Wells:					
feet from the		line and		feet from the	
line		line		line	
Ground Level Elev. 3824	Producing Formation ABO	Pool MIDWAY (ABO)		Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Dorothy Houghton

Name
DOROTHY HOUGHTON
 Position
Regulatory Administrator
 Company
BTA OIL PRODUCERS
 Date
10/5/89

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 knowledge and belief.

Date Surveyed
FEBRUARY 5, 1987

Registered Professional Engineer
 and/oK Land Surveyor

Max A. Schumann Jr.
MAX A SCHUMANN JR.

Certificate No. **1510**





MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER
BARRY BEAL, JR.

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

ROCKY MOUNTAIN DIVISION
555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299

October 5, 1989

Re: 8408 Midway Lease # 81366
8408 Midway -B- Lease # 81380
Lea County, New Mexico

TEXACO TRADING & TRANSPORTATION, INC.
P. O. Box 6196
Midland, Texas 79711-0196

Gentlemen:

Attached please find a copy of our application to the State of New Mexico for authority to surface commingle the above referenced leases.

We will furnish you each month, an allocation based on production well tests.

Please furnish us a letter with your consent for this commingling.

Sincerely,

A handwritten signature in cursive script that reads 'Dorothy Houghton'.

DOROTHY HOUGHTON
For BTA Oil Producers

DH/wt

xc: Texas New Mexico PL
Midway Lease # 0948
Midway -B- Lease # 0934



MIDLAND PARTNERS
CARLTON BEAL
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL

DENVER PARTNER
BARRY BEAL, JR.

BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TEXAS 79701
AC 915-682-3753

October 25, 1989

RECEIVED
ROCKY MOUNTAIN DIVISION
555-17TH STREET
SUITE 835
DENVER, CO 80202
AC 303-292-9299
'89 OCT 27 AM 9 50

RE: Exception to Rule 309-A
Surface Commingling and Off-Lease Storage
Midway (Abo) Pool
8408 JV-P Midway
8408 JV-P Midway -B-
Section 13, T-17-S, R-36-E
Lea County, New Mexico

STATE OF NEW MEXICO
Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. William J. LeMay
Division Director

Gentlemen:

We are enclosing supplements to our earlier application dated October 5, 1989 on the above referenced leases. Enclosed please find the letter of consent from Texaco Trading and Transportation and the return receipt cards from all of the Working Interest Owners.

Please advise should further information be necessary for approval of this application.

Sincerely,

DOROTHY HOUGHTON
For BTA Oil Producers

DH/pdi

Enclosures



Texaco Trading and Transportation Inc

P O Box 60628
Midland TX 79711-0628
915 563 1313

October 19, 1989

Ms. Dorothy Houghton
BTA Oil Producers
104 South Pecos
Midland, Texas 79701

RE: 8408 Midway Lease #81366
8408 Midway-B-Lease #81380
Lea County, New Mexico

Ms. Houghton,

This will serve as our consent for commingling the above referenced properties to become effective 11-01-89. If I may be of any further assistance please call me.

Very truly yours,

Gary L. Moore
Crude Oil Representative
Texaco Trading and
Transportation Inc

PS Form 3811, July 1983 447-945

SENDER: Complete items 1, 2, 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
 2. Restricted Delivery.

3. Article Addressed to:
 Fredrick J. Schlicher
 P. O. Box 606
 Roswell, N.M. 88201

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 296 959 258
--	--	---------------------------------

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X *Fredrick J. Schlicher*

6. Signature - Agent
 X

7. Date of Delivery
 OCT 6 1989

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-945

1. Show to whom, date and address of delivery.
 2. Restricted Delivery.

3. Article Addressed to:
 DAVID PETROLEUM CORP.
 116 West 1st
 Roswell, N.M. 88201

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 296 959 260
--	--	---------------------------------

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X *David Smith*

6. Signature - Agent
 X

7. Date of Delivery
 10-6-89

8. Addressee's Address (ONLY if requested and fee paid)
 116 W 1st
 Roswell, N.M. 88201

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-945

SENDER: Complete items 1, 2, 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1. Show to whom, date and address of delivery.
 2. Restricted Delivery.

3. Article Addressed to:
 Colin McMillan
 118 West 1st
 Roswell, N.M. 88201

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 296 959 259
--	--	---------------------------------

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X

6. Signature - Agent
 X *Colin McMillan*

7. Date of Delivery
 10-6-89

8. Addressee's Address (ONLY if requested and fee paid)
 118 W 1st
 Roswell, N.M. 88201

DOMESTIC RETURN RECEIPT

PS Form 3811, July 1983 447-945

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3. Article Addressed to:
 B & S ENTERPRISES
 P. O. Box 606
 Roswell, N.M. 88201

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 296 959 261
--	--	---------------------------------

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee
 X *David Smith*

6. Signature - Agent
 X

7. Date of Delivery
 OCT 6 1989

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT