



MIDLAND PARTNERS
CARLTON BEAL
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BARRY BEAL
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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

January 11, 1989

RE: Application For Exception To Rule 303-A
Surface Commingling
BTA - Gem, 8705 JV-P
State Lse #V-2199
Teas-Bone Spring, Well No. 1
Gem (Morrow) East, Well No. 2
Sec. 2, T-~~2~~S, R-33-E
Lea County, New Mexico

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

Attn: Mr. William J. LeMay

Gentlemen:

BTA hereby requests administrative approval to surface commingle oil production from the above referenced wells, into a common tank battery on the above referenced lease. We propose individual separation equipment and metering of gas.

The attached data sheets are submitted along with our schematic. If further information is necessary for approval, please advise.

Sincerely,

DOROTHY HOUGHTON
For BTA Oil Producers

DH/acs
Attachments

xc: OCD - Hobbs
Commissioner of Public Lands

Application for Commingling
Exception to Rule 303-A
Gem, 8705 JV-P, Well #1 & 2
State Lease # V-2199
Sec. 2, T-2-S, R-33-E
Lea County, New Mexico

1. We propose to use the existing tank battery located in Unit letter -B-, just to the south of Well #1.
2. Well No. 1 produces from the Teas-Bone Spring pool. Well No. 2 has just been completed in the Gem (Morrow) East.
3. The gas from each well will be metered separately. Each well will have a separator located at the well as shown on the attached schematic diagram.
4. The hydrocarbons will be allocated based on monthly well tests.
5. All royalty and overriding royalty are the same.
6. The attached gravity comparison scale shows a slight value increase from commingling this production.

GRAVITY COMPARISON - POSSIBLE COMMINGLING

LEASE NAME	CORRECTED GRAVITY	B/D	LSE %	GRAVITY DEDUCT	VALUE
Based on current Posting (1-11-88)				(\$16.75)	
Gem #1	38°	30	11	-\$0.04	\$501.30
Gem #2	54.1°	<u>250</u>	<u>89</u>	-\$0.63	<u>\$4,030.00</u>
TOTALS		280	100		\$4,531.30
AVERAGE GRAVITY	52.3°	280		-\$0.36	\$4,589.20

N 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.

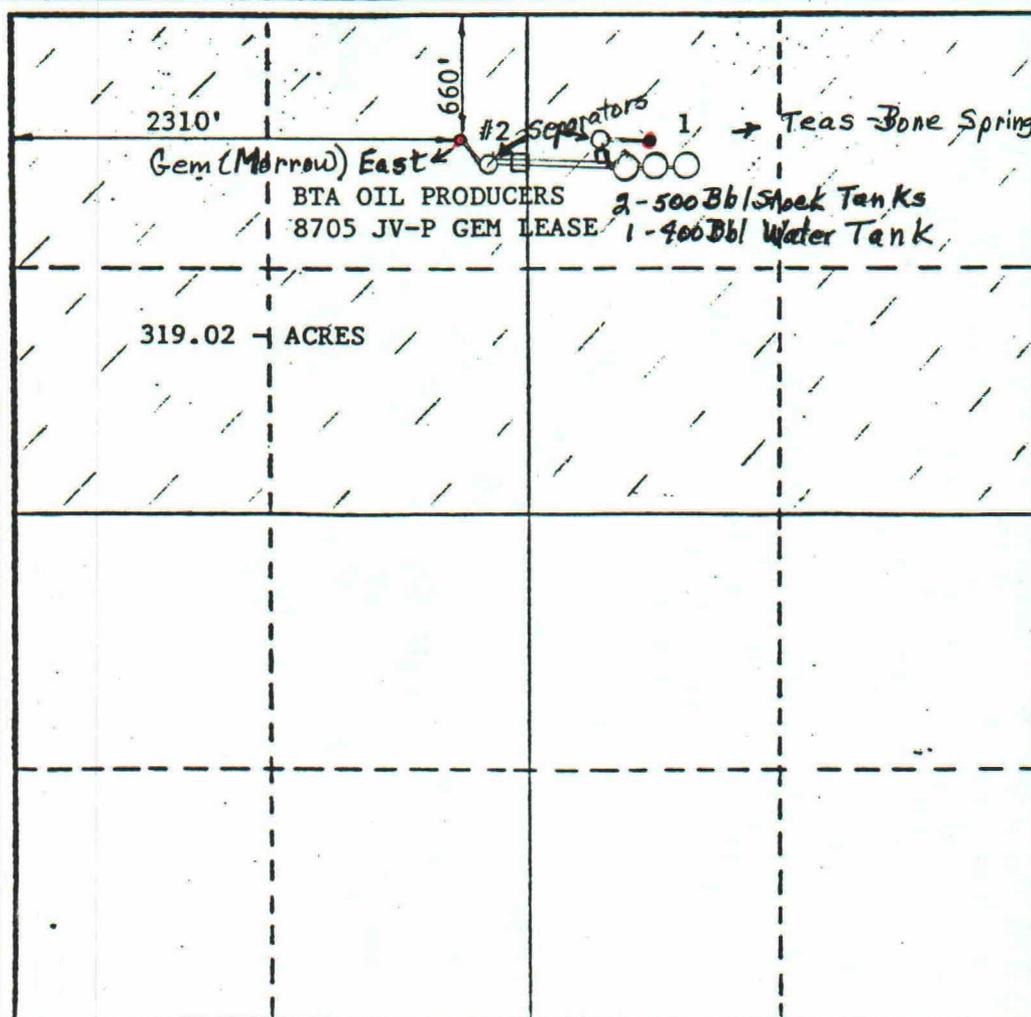
Operator BTA OIL PRODUCERS		Lease 8705 JV-P GEM			Well No. 1 of 2
Unit Letter "C"	Section 2	Township 20-S	Range 33-E	County LEA	
Actual Footage Location of Well: 660		feet from the NORTH		line and 2310	
				feet from the WEST	
Ground Level Elev. 3589	Producing Formation MORROW	Pool GEM (MORROW), EAST	Dedicated Acreage: 319.02 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 Woughton
 Name

DOROTHY WUGHTON

Position

Regulatory Administrator

Company

BTA OIL PRODUCERS

Date

September 15, 1988

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

SEPTEMBER 14 1988

Registered Professional Engineer
 and/or Land Surveyor

Max A. Schumann, Jr.
 MAX A. SCHUMANN, JR.

Certificate No.

1510

