30-015-38341

# SURFACE USE PLAN SUMMARY

## FOR

## BTA OIL PRODUCERS
## #3, OWL, 20504 JV-P
## Sec. 18, T26S, R27E
## Eddy County, New Mexico

| | |
|---|---|
| LOCATED: | 14 Miles Southwest from Malaga, NM |
| FEDERAL LEASE NUMBER: | NMNM 114969 |
| SURFACE OWNERSHIP: | Federal – BLM |
| GRAZING LEASEE: | Forehand Ranches, Inc.<br>P. O. Box 5373<br>Carlsbad, NM 88221<br>505-885-1108 |
| POOL: | Hay Hollow (Delaware) |
| DEDICATED ACRES: | 40 |
| EXHIBITS: | A. BOP Schematic<br>B. Topographic Vicinity Map<br>C. Topographic Road Map<br>D. Well Location Map<br>E. Well Location and Acreage Plat (C-102)<br>F. Area Location Map |

# MULTI-POINT SURFACE USE & OPERATIONS PLAN

## BTA OIL PRODUCERS

## #3, OWL, 20504 JV-P
## 2180' FNL & 1660' FEL
## Sec. 18, T26S, R27E
## Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the referenced well. The plan describes the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance, and the procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made concerning the environmental effects associated with the operations.

1. Existing Roads

   A. The well was staked by John West Surveying Company.
   B. Exhibit –B– is a topographic map showing the location of the proposed well as staked with existing roads and conditions within the one mile area. The proposed location is approximately 14 miles southwest from Malaga, New Mexico as shown on Exhibit –C–.
   C. From Co. Rd. 724 (White City Road) and Co Rd. 742 (John D. Forehand Rd. – caliche), go south-southeast approximately 2.2 miles. Veer left and go east approximately 0.8 miles to the northwest corner of an existing injection well pad and road. Follow road survey approximately 1137 feet southeast to the southeast corner of the 20504 JV-P Owl #5 location. From the northeast corner, follow proposed road approximately 563 feet northeast to this location as shown on Exhibits –C– and –D–.

2. Access Roads

   A. Our proposed new access road will be 563 feet southwest from the well pad to the existing access road as shown on Exhibit –C–.
   B. The maximum width of the road will be 15'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion. The road will be maintained during drilling operations and, if productive, as long as producing.
   C. Native caliche will be used for the access road and drill pad, compacted and watered. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be 1°.
   D. No cattle guards, grates, or fence cuts will be required. No turnouts are planned.
   E. We are, with this application, applying for new access ROW from Eddy Co Rd 742 extending to this location for BLM surface.

3. Location of Existing Wells

   A. All existing wells within ½ mile radius of our proposed well are shown on Exhibit –F–.

4. Location of Existing and/ or Proposed Facilities if Well is Productive.

   A. If well is productive, we will use the existing well pad for the tank battery and all necessary production facilities.
   B. If necessary, the well will be operated by means of an electric prime mover. Electric power poles and lines will be set along side of the access road.
   C. All flow lines will adhere to API standards.
   D. Additional facilities, if necessary for operations, will be applied for via Sundry notice with a schematic diagram prior to installation.
   E. Should the well be successfully completed for production, the original topsoil from the site will be returned to the location. The drill site will be contoured as close as possible to the original state.
   F. All facilities will be painted a flat, nonreflective, earthtone color to match the standard environmental colors within six months of installation.

5. Location and Type of Water Supply

   A. Water for drilling and completion operations will either be purchased from commercial water stations in the area and trucked to the well site using the existing and proposed roads or transported from a pre-existing water well by plastic temporary "fas-line" laid on the surface alongside existing roads.

6. Source of Construction Materials

   A. Caliche used for construction of the drilling pad and access road will be obtained from the closest existing caliche pit as designated by the BLM or from prevailing deposits found under the location.
   B. If there is not sufficient material available, it will be purchased from the area designated by the BLM.

7. Methods of Handling Waste Disposal

   A. This will be a closed loop system.
   B. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.

C. Oil and condensate produced during testing will be stored in test tanks until sold.
D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
E. The supplier will pick up salts remaining after completion of well, including broken sacks.
F. Trash, waste paper and garbage will be disposed of by hauling to an approved and available disposal. All waste material will be contained in a totally enclosed trash basket with a fine wire mesh, to prevent wind scattering during collection. The road and pad will be kept litter free.

8. Ancillary Facilities

A. It is possible that a mobile home will be used at the well site during drilling operations.

9. Wellsite Layout

A. Exhibit –D– shows the proposed pad layout.
B. No cut and fill will be required at the well site, however, it will require clearing and leveling.
C. Mud pits in the active circulating system will be steel pits.

10. Plans for Restoration of Surface

A. Following drilling and/or completion operations, all equipment and material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site as clean as possible.
B. The unused pad area will be contoured to the natural terrain. Topsoil will be evenly distributed over the entire location. The seedbed will be prepared by disking to a depth of four to six inches following the contour.
C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible.
D. All disturbed areas will be seeded on the contour at a depth of one-half inch using the following mixture:

1 pound per acre Alkali Sacaton (Sporobolus airoides)
5 pound per acre Four-wing Saltbush (Atriplex canescens)

E. Seeding will be completed after September 15 and prior to November 15th before freeze up or as early as possible the following spring to take advantage of available ground moisture.
F. Newly constructed access road will be recontoured, disked, and seeded as specified above. All rehabilitation work, including seeding, will be completed as specified by the BLM, or sooner if conditions permit.

11. Surface Topography

A. The surface ownership is Federal and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
B. The grazing lessee is Forehand Ranches, Inc. They have been contacted and notified of the staking of our well and our plans for drilling.
C. The wellsite and access route are located to the south of Hay Hollow as shown on Exhibit –B–, topographic map of the area. The area is fairly flat with sandy loam soil underlain with caliche.
D. There is no permanent or live water in the general proximity of the location.
E. There are no houses or buildings within one mile of the drillsite.
F. Signs identifying and locating our well will be maintained at the drillsite and principle entrance, commencing with the spudding of the well.
G. An Archaeological Survey was conducted of the entire section and a complete description has been provided in a report from Southern New Mexico Archaeological Services directly to the Carlsbad BLM office.

12. Bond Coverage: NM1195

13. Operator's Representative:

A. The field representative that is responsible for assuring compliance with the approved surface use plan is:

Drilling Manager: Mr. L. G. Johnson
Phone: 432/682-3753 (Office)
432/682-5149 (Home)
432/553-2756 (Mobile)

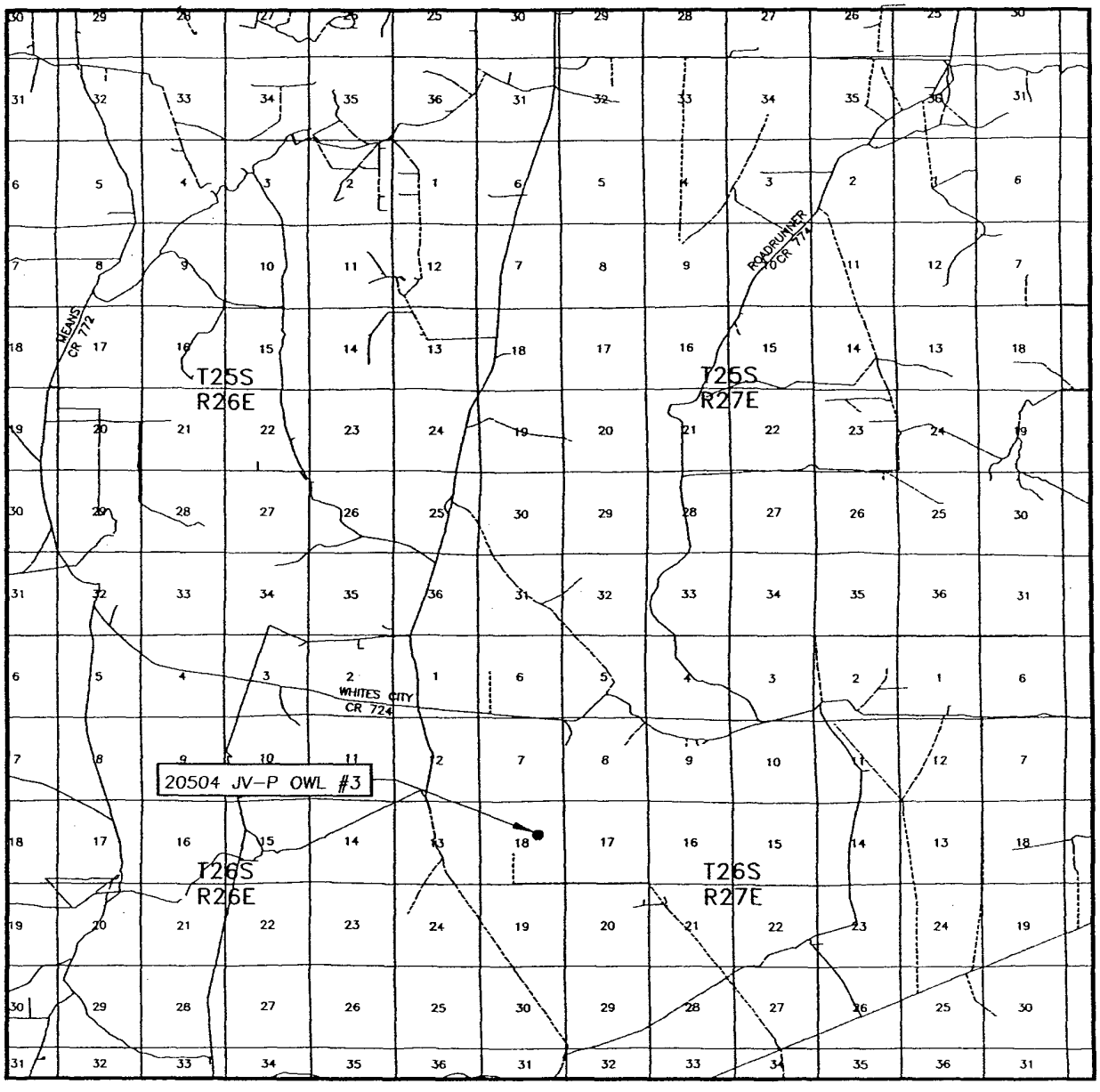
## OPERATOR CERTIFICATION

**BTA OIL PRODUCERS**
**Owl, 20504 JV-P, NO. 3**
**2180' FNL & 1660' FEL**
**Sec. 18, T26S, R27E**
**Eddy County, New Mexico**

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 USC 1001 for the filing of false statements. Executed this 20th day of September, 2007.

L. G. Johnson
Drilling Manager
BTA Oil Producers
104 S. Pecos
Midland, TX 79701
(432) 682-3753

# VICINITY MAP




SCALE: 1" = 2 MILES

SEC. 18 TWP. 26-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2180' FNL & 1660' FEL

ELEVATION 3253'

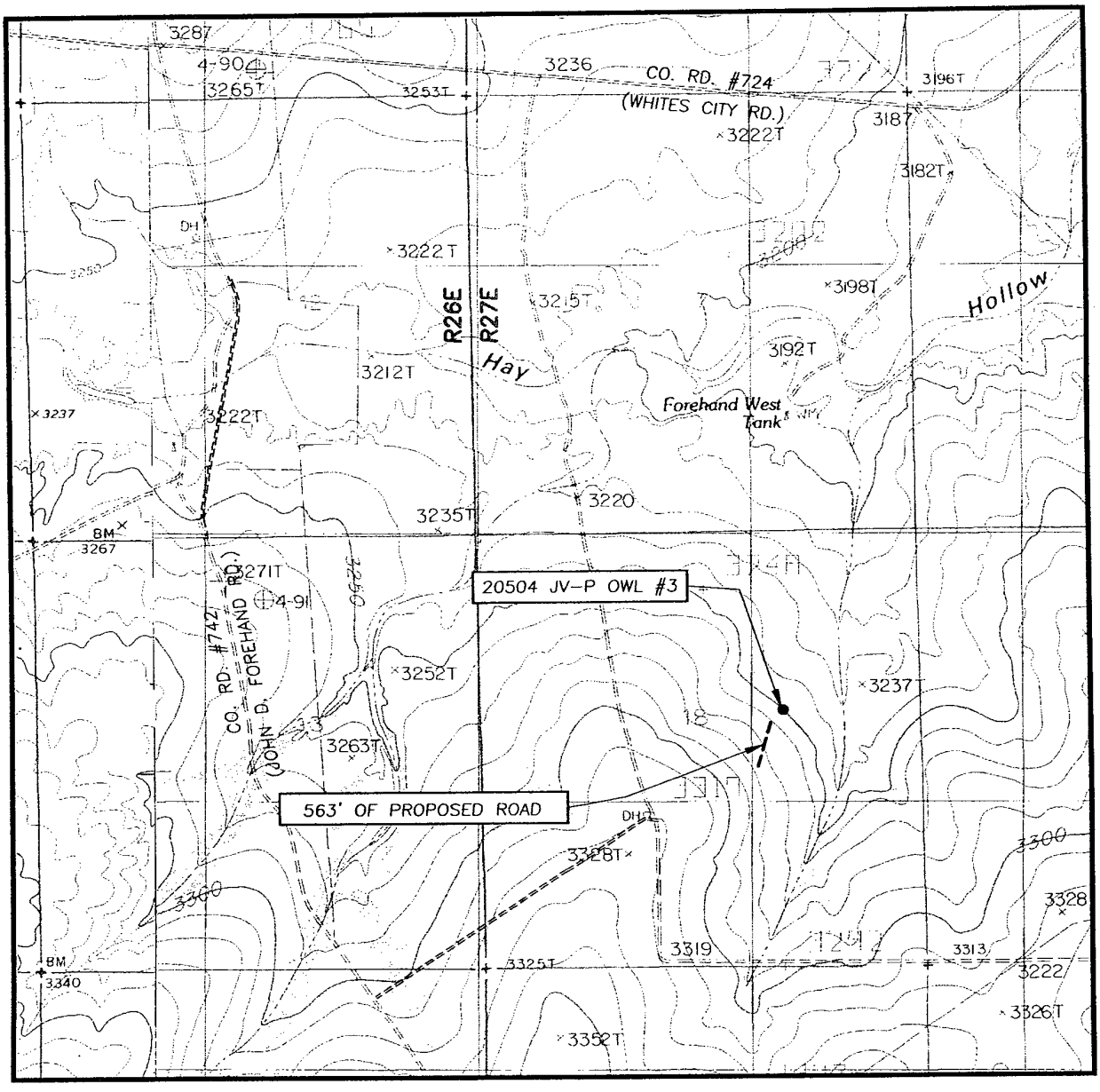
OPERATOR BTA OIL PRODUCERS

LEASE 20504 JV-P OWL

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

Exhibit -B-

# LOCATION VERIFICATION MAP




SCALE: 1" = 2000'

CONTOUR INTERVAL:
COTTONWOOD HILLS, N.M. – 10'

SEC. 18 TWP. 26-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2180' FNL &1660' FEL

ELEVATION 3253'

OPERATOR BTA OIL PRODUCERS

LEASE 20504 JV-P OWL

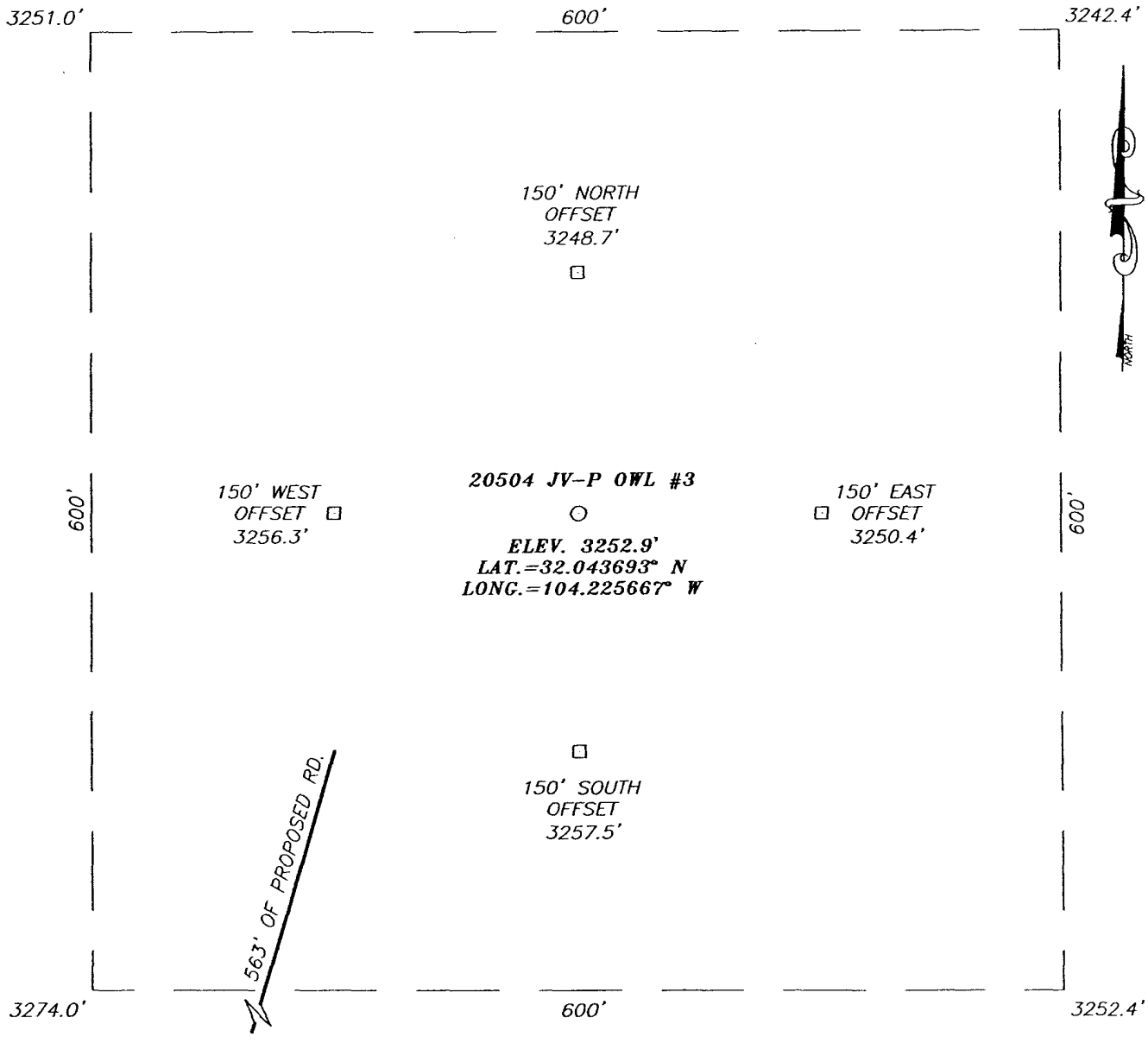
U.S.G.S. TOPOGRAPHIC MAP
COTTONWOOD HILLS, N.M.


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117


Exhibit -C-

# SECTION 18, TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO




DIRECTIONS TO LOCATION

FROM CO. RD. #724 (WHITE'S CITY RD.) AND CO. RD. #742 (JOHN D. FOREHAND RD.-CALICHE RD.), GO SOUTH-SOUTHEAST ON CALICHE RD. APPROX. 2.2 MILES. VEER LEFT AND GO NORTHEAST APPROX. 0.8 MILES TO AN EXISTING INJECTION WELL AND PROPOSED ROAD SURVEY ON EAST EDGE OF PAD. FOLLOW ROAD SURVEY APPROX 1137 FEET SOUTHEAST TO THE SOUTHEAST CORNER OF JV-P OWL #5 PROPOSED WELL. FROM THE NORTHEAST CORNER FOLLOW PROPOSED ROAD APPROX. 563 FEET TO THIS LOCATION.

100 0 100 200 Feet

Scale: 1"=100'


PROVIDING SURVEYING SERVICES SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117


## BTA OIL PRODUCERS

20504 JV-P OWL #3
LOCATED 2180 FEET FROM THE NORTH LINE
AND 1660 FEET FROM THE EAST LINE OF SECTION 18,
TOWNSHIP 26 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

| | | | |
|---|---|---|---|
| Survey Date: 09/13/06 | Sheet 1 of 1 Sheets | | |
| W.O. Number: 06.11.1396 | Dr By: M.R. | Rev 1:N/A | |
| Date: 09/21/06 | Disk: CD#6 | 06111396 | Scale: 1"=100' |

Exhibit -D-

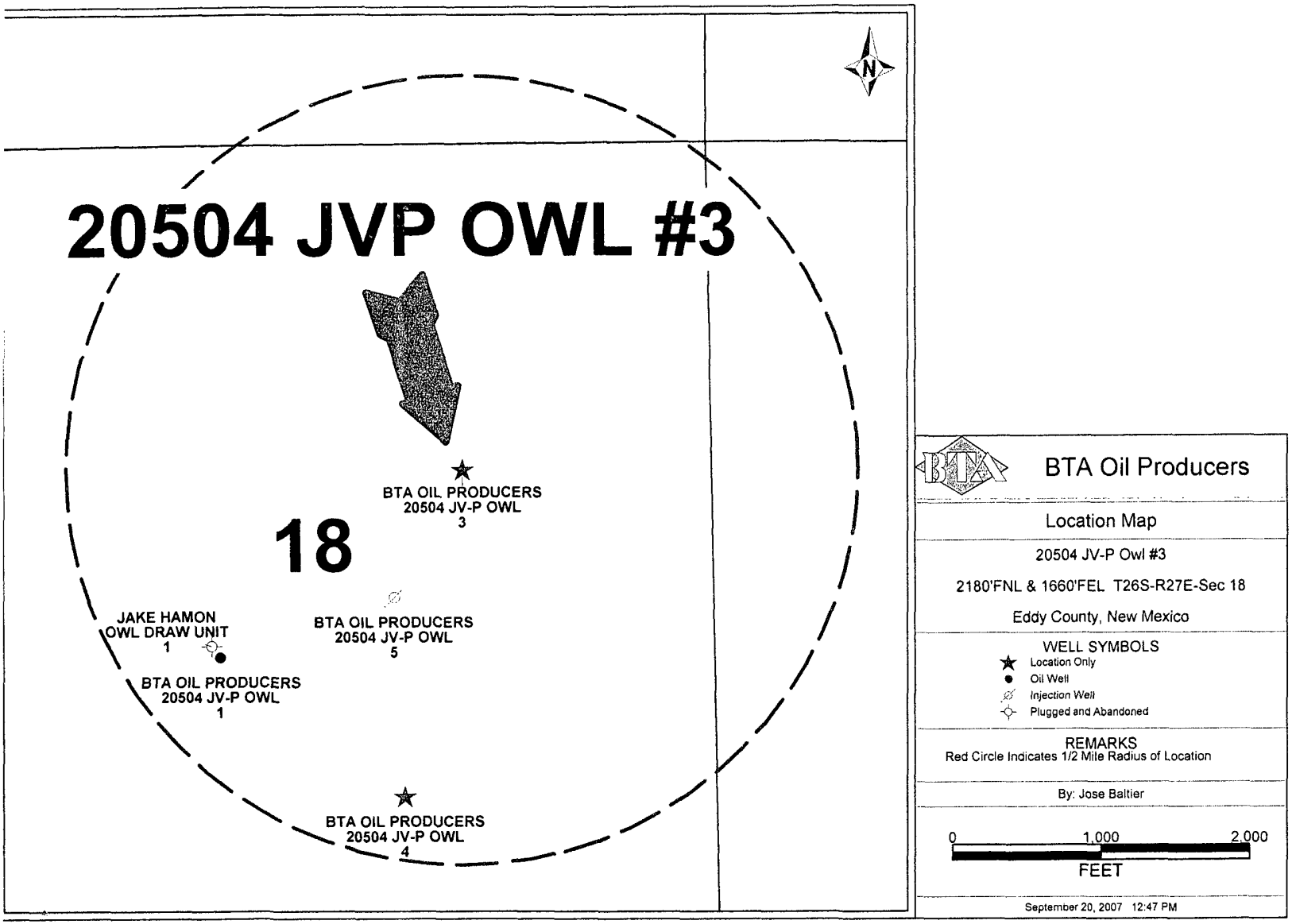

20504 JVP OWL #3
N
18
BTA OIL PRODUCERS
20504 JV-P OWL
3
JAKE HAMON
OWL DRAW UNIT
1
BTA OIL PRODUCERS
20504 JV-P OWL
5
BTA OIL PRODUCERS
20504 JV-P OWL
1
BTA OIL PRODUCERS
20504 JV-P OWL
4
BTA Oil Producers
Location Map
20504 JV-P Owl #3
2180'FNL & 1660'FEL T26S-R27E-Sec 18
Eddy County, New Mexico
WELL SYMBOLS
Location Only
Oil Well
Injection Well
Plugged and Abandoned
REMARKS
Red Circle Indicates 1/2 Mile Radius of Location
By: Jose Baltier
0
1,000
2,000
FEET
September 20, 2007 12:47 PM

Exhibit -F-