| 05. 3. DATE IN | -1y.07 susi | • • • • • • | 10. July. OT OGGED IN | Sw D TYPE | PCLP0719130106 |
|-------------------|----------------------------|--|--|--|---|
| | | ABOVE THIS | LINE FOR DIVISION USE ONLY | | |
| | | NEW MEXICO OIL CONS - Engineering 1220 South St. Francis Drive | Bureau - | A SHAV | |
| | | ADMINISTRATIVE A | PPLICATI | ON CHEC | KLIST |
| Tŀ- | HISCHECKLIST IS | | | | |
| Applic | ation Acrony NSL-Non-St | WHICH REQUIRE PROCESSI ms: tandard Location] [NSP-Non-Stan | | | |
| | [DHC-Do [PC-I | wnhole Commingling] [CTB-Lea | se Commingling ease Storage] [PMX-Pressure N [IPI-Injection |] [PLC-Pool/ [OLM-Off-Leas /laintenance Ex Pressure Incre | Lease Commingling] e Measurement] xpansion] ase] |
| 1] | Γ ΥΡΕ ΟΓ Α [A] | APPLICATION - Check Those WI Location - Spacing Unit - Simu NSL NSP S | ltaneous Dedicati | - | |
| | [B] | ck One Only for [B] or [C] Commingling - Storage - Meas DHC CTB P | urement LC DPC [| OLS | OLM |
| | [C] | Injection - Disposal - Pressure WFX PMX S | Increase - Enhanc WD IPI [| | y PPR |
| | [D] | Other: Specify | | | |
| 2] | NOTIFICA [A] | TION REQUIRED TO: - Check Working, Royalty or Over | | • | Not Apply |
| | [B] | Offset Operators, Leaseho | lders or Surface C | Dwner | |
| | [C] | Application is One Which | Requires Publish | ed Legal Notic | e |
| | [D] | Notification and/or Concu U.S. Bureau of Land Management - Com | rrent Approval by missioner of Public Lands | / BLM or SLO State Land Office | |
| | [E] | For all of the above, Proof | of Notification of | r Publication is | Attached, and/or, |
| | [F] | Waivers are Attached | | | |
| 3] | | CCURATE AND COMPLETE I CATION INDICATED ABOVE. | NFORMATION | REQUIRED | TO PROCESS THE TYPE |
| | al is accurate | ATION: I hereby certify that the in and complete to the best of my known required information and notification | owledge. I also u | nderstand that | no action will be taken on this |

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

Print or Type Name

Signature

Title

Date

e-mail Address



PARTNERS CARLTON BEAL, IR. BARRY BEAL SPENCER REAL KELLY BEAL BARRY BEAL, JR. STUART BEAL ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS MIDLAND, TEXAS 79701

> 432-682-3753 FAX: 432-683-0311

> > June 28, 2007

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

6

Re: Application for Authorization for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E Eddy County, NM

NEW MEXICO OIL CONSERVATION COMMISSION **OIL CONSERVATION DIVISION** 2040 S. Pacheco Street Santa Fe, NM 87505

Attention: Mr. Ben Stone, Engineer

Dear Mr. Stone.

BTA Oil Producers hereby seeks approval for Authorization to Inject at the above referenced location.

Enclosed herewith is our Application Packet.

BTA permitted and drilled this well as an oil well. During final drilling and completion operation it was determined that this well would not be a commercial producer. Completion paperwork sobeline processed and will be submitted as soon as possible.

BTA has notified all Offset Operators and the Surface Owner of our intentions by certified main We will forward copies of the signed "green card" PS Form 3811 certifications as soon as received back.

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

Respectfully.

PAMELIA D. INSK For BTA Oil Producers

/pdi

Enclosures

C:\Owl #5 Authorization to Inject.doc

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION FOR AUTHORIZATION TO INJECT

| I. | PURPOSE: Secondary Recovery Pressure Maintenance XDisposal Storage Application qualifies for administrative approval? XYes No |
|--------|---|
| II. | OPERATOR: <u>BTA Oil Producers</u> |
| | ADDRESS:104 S. Pecos, Midland, TX 79701 |
| | CONTACT PARTY:Pam Inskeep, Regulatory AdministratorPHONE:(432) 682-3753 |
| III. | WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary. |
| IV. | Is this an expansion of an existing project? Yes X_NO If yes, give the Division order number authorizing the project: |
| V. | Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. |
| VI. | Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. |
| VII. | Attach data on the proposed operation, including: |
| | Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). |
| *VIII. | Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. |
| IX. | Describe the proposed stimulation program, if any. |
| *X. | Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). |
| *XI. | Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken. |
| XII. | Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water. |
| XIII. | Applicants must complete the "Proof of Notice" section on the reverse side of this form. |
| XIV. | Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief. |
| | NAME: <u>Pam Inskeep</u> |
| | SIGNATURE: DATE: 06/25/2007 |
| | |

E-MAIL ADDRESS: ______pinskeep@btaoil.com______ If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: ______

*

6 e v

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
 - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
 - (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

| Side 1 INJECT | INJECTION WELL DATA SHEET | | | |
|--|----------------------------------|---|--|-----------------|
| OPERATOR: BTA Oil Producers | | | | |
| WELL NAME & NUMBER: 20504 JV-P Owl #5 | | | | |
| WELL LOCATION: 2310' FSL & 2130' FEL FOOTAGE LOCATION | J UNIT LETTER | 18 SECTION | 26 <u>S</u> TOWNSHIP | 27E RANGE |
| WELLBORE SCHEMATIC | | <u>WELL CONSTR</u> Surface Casing | WELL CONSTRUCTION DATA Surface Casing | |
| | Hole Size: <u>17-1/2</u> " | | Casing Size: 13-3/8" | |
| | Cemented with: 450 | SX. 6 | or | ft ³ |
| | Top of Cement: <u>Surface</u> | | Method Determined: | |
| | | Intermediate Casing | asing | |
| | Hole Size: 12-1/4" | | Casing Size: <u>9-5/8"</u> | |
| | Cemented with: 750 | SX. 0 | or | ft ₃ |
| | Top of Cement: Surface | | Method Determined: | |
| | | Production Casing | asing | |
| | Hole Size: <u>8-3/4"</u> | | Casing Size: 7" | |
| | Cemented with: 500 | SX. | or | ft3 |
| | Top of Cement: Surface | | Method Determined: | |
| | Total Depth: 3800' TD 3701' PBTD | 01' PBTD | | |
| | | Injection Interval | erval | |
| | 2934 | feet | to <u>3282</u> | |
| | (Perfo | (Perforated or Open Hole; indicate which) | s; indicate which) | |

| | INJECTION WELL DATA SHEET | |
|-----|--|------------------------|
| Tuł | Tubing Size: 4-1/2" Lining Material: None | |
| Tyj | Type of Packer: 7" Baker Loc-Set (nickel-plated, internal plastic-coated) | I |
| Pac | Packer Setting Depth: 2906' | |
| Oth | Other Type of Tubing/Casing Seal (if applicable): <u>N/A</u> | , |
| | Additional Data | |
| Ξ. | 1. Is this a new well drilled for injection? Yes X No | |
| | If no, for what purpose was the well originally drilled? <u>This well was permitted to drill as an oil well. During drilling completion operations, it was determined that this well would not be a commercial producer.</u> | oil |
| 5 | 2. Name of the Injection Formation: <u>Cherry Canyon</u> | |
| З. | 3. Name of Field or Pool (if applicable): <u>Wildcat</u> | |
| 4 | Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. <u>No. Other Cherry Canyon intervals are: 3612-3728' - composite BP @ 3570'; 3332-3356' - composite BP @ 3320' - cap w/20'</u> cmt; | <u>myon</u> p w/20' |
| 5. | Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: <u>oil productive - 3332 - 3728' - Cherry Canyon;</u> potentially oil productive - Delaware Ramsey Sand top 2070 - 2105' | oductive |
| | | |

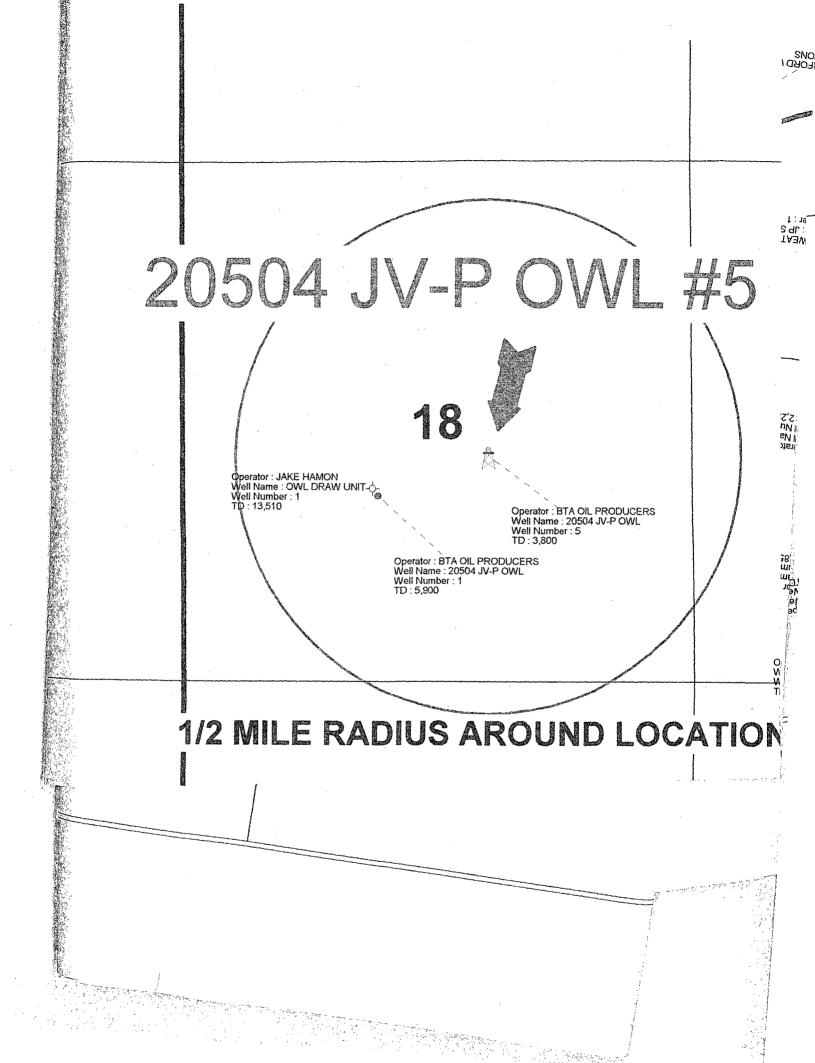
Side 2

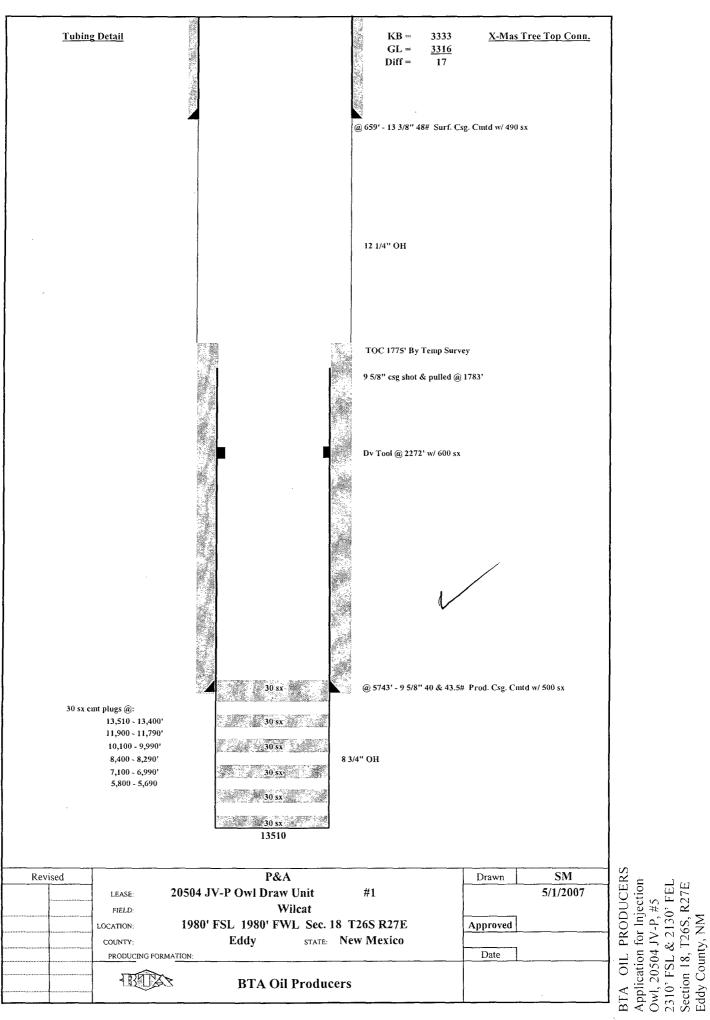
| Application for Authorization for Injection Dwi, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E Eddy County, NM |
|--|
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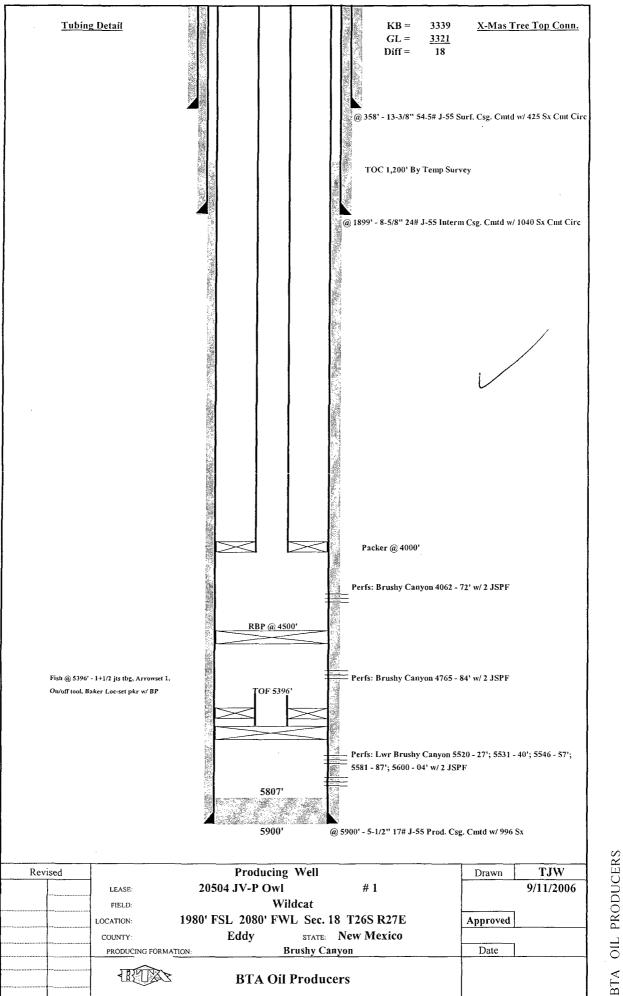
<u>Item VI</u> Wells within the AOR

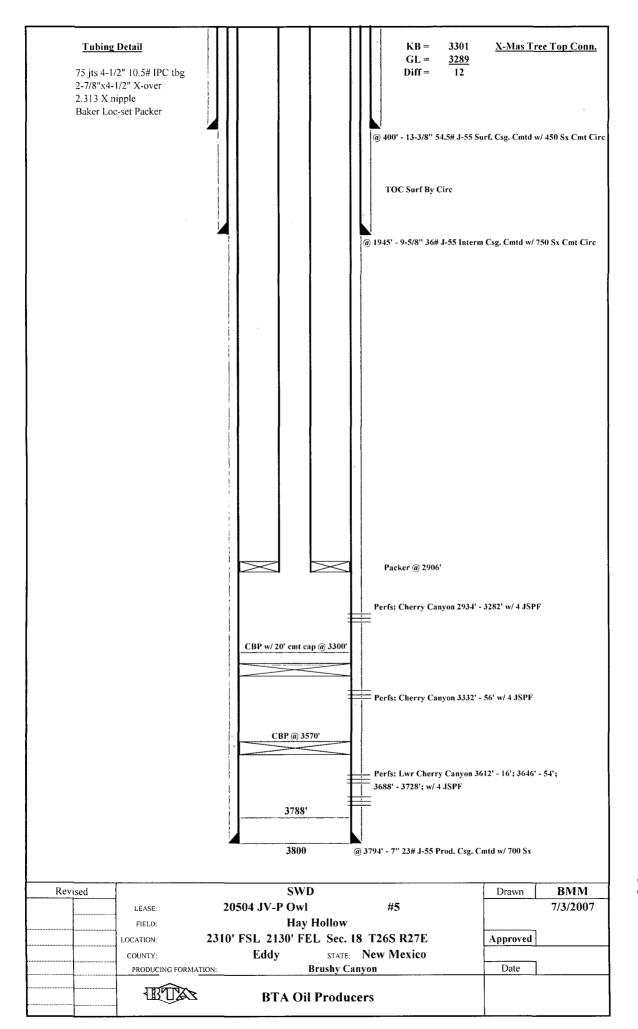
| . Abi Nimber Onerster Name | l ease Name | Well # C | tate Count | · Footan | AVC E | ontago | EAM Two | ¢ | Dag | 202 | Ę, | Wall Status | · Formation at TD | Well Status Formation at TD Droducing Formation | Soud | Completion | D&A | te | | 11 Source | |
|---------------------------------------|--------------------------|----------|------------|---|-------|--------|---------|---------|-----|-------|-------|-------------|-------------------|---|------------|-----------------|-----------|--------------------------------|------------------------|-----------|---|
| 30-015-10730-0000 HAMON JAKE L | OWL DRAW UNIT | | VM EDDY | EDDY 1980 FSL 1980 FWL S 26 E 27 18 13510 | FSL | 1980 | FWL S | ۲ 26 | 'nш | 27 18 | 13510 | D&A | DEVONIAN | | 11/14/1965 | 2/6/1966 2/1966 | 2/1966 | 2/1966 32.0404746 -104.2309973 | | | \ |
| X 30-015-10730-0001 BTA OIL PRODUCERS | OWL DRAW UNIT 20504 JV-F | 1 SW 1 | VM EDDY | 1981 | FSL | 1981 | FWL S | 26 | ш | 27 18 | 13510 | | | | 12/13/2006 | | 5/10/2007 | 32.0404746 | -104.2309973 | Ŧ | , |
|) | | | | | | | | | | | | | | | | | | | | | \ |
| 7 30-015-34749-0000 BTA OIL PRODUCERS | OWL 20504 JV-P | - | NM EDDY | , 1980 | FSL | 2080 | FWL S | 26 | ш | 27 18 | 5900 | ŝ | BONE SPRING | BRUSHY CANYON | 5/11/2006 | 7/16/2006 | | 32.0404782 | 2.0404782 -104.2306714 | Ξ | |
| | | | | | | | | | | | | | | | | | | | | • | |
| | | | | | | | | | | | | | | | | | | | | | |

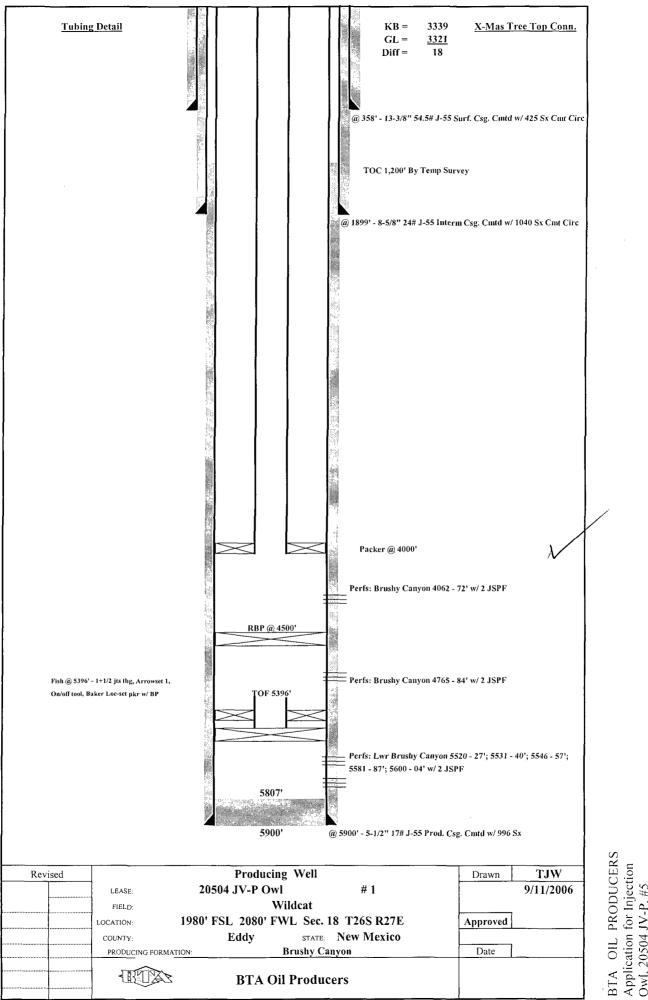
Seve well











<u>VII.</u>

Data on the Proposed Operation:

1. Proposed average and maximum daily rate and volume of fluids to be injected:

800 BWPD Avg 2100 BWPD Max

- 2. System will be closed.
- 3. Proposed average and maximum injection pressure:

500 psi Avg 586 psi Max

4. Source and analysis of injection fluid:

BTA Oil Producers 20504 JV-P Owl #1 -K-, Sec. 18, T26S, R27E Eddy County, NM

See attached analysis

5. Chemical analysis of disposal zone formation water:

See attached analysis

<u>IX.</u>

No additional stimulation proposed

. .

<u>X.</u>

- 1. Logs provided with the completion report.
- 2. Swab tests were performed as follows:

| 3612-3728' | Swab at a rate of 6 BOPD + 49 BWPD |
|------------|-------------------------------------|
| 3332-3356' | Swab at a rate of 17 BOPD + 34 BWPD |
| 3054-3282' | Swab 100% water |

3. Injectivity test was performed as follows:

2934-3282' Injected at a rate of 2160 BWPD @ 570

psi.

<u>XI.</u>

There are no fresh water wells within one mile of the proposed injection.





Date: 10-Jun-06

2708 West County Road, Hobbs NM 88240 Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

| Company Company | ्री स्ट्रॉस्ट ग | lell Name | are a sugar | County | 🖗 State |
|---|------------------------|-------------------------|------------------|-----------------------|------------------|
| BTA | | Owl #1 | | Lea | New Mexico |
| Sample Source | Wellhe | ad | Sample | ŧ | 1 |
| Formation | | | Depth | | |
| Specific Gravity | 1.160 | <u> </u> | SG | @ 60 "F | 1.163 |
| pH | 5.56 | | | Sulfides | Absent |
| Temperature ("F) | 74 | | Reducin | ig Agents | Not Tested |
| Cations | | | | | |
| Sodium (Calc) | | in Mg/L | 62,988 | in PPM | 54,170 |
| Calcium | | in Mg/L | 19,600 | in PPM | 16,856 |
| Magnesium | | in Mg/L | 5,040 | in PPM | 4,334 |
| Soluable (ron (FE2) | | in Mg/L | 200,0 | in PPM | 172 |
| Anions | | | | | |
| Chlorides | | in Mg/L | 146,000 | in PPM | 125,559 |
| Sulfates | | in Mg/L | 145 | in PPM | 125 |
| Bicarbonates | | in Mg/L | 415 | in PPM | 357 |
| Total Hardness (as CaCO3) | - <u> </u> | in Mg/L | 70,000 | in PPM | 60,200 |
| Total Dissolved Solids (Cald |) | in Mg/L | 234,388 | in PPM | 201,572 |
| Equivalent NaCl Concentrat | ion | in Mg/L | 204,569 | in PPM | 175,928 |
| Scaling Tendencies | | | | | |
| Calcium Carbonate Index | | · • | | · · · · · | 8,130,080 |
| | | .000 - 1,000,00 | XI Possibie / Ab | ove 1,000,000 Proba | ete |
| Calcium Sulfate (Gyp) Index | | | | | 2,842,000 |
| | • | | | we 10,000,000 Prob: | |
| This Calculation is only on appro reatment | ximation a | nd is anl y va l | id before treat | neat of a well or set | veral weeks afte |
| Remarks | | | | | |

RW=.0485

Report #

2221

BTA OIL PRODUCERS Application for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E Eddy County, NM

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| BJ SERVICES | | Wat | er Analysis Date: 04-Jun-07 | |
|---|---------------|------------------------|--------------------------------|-------------------|
| 2708 West County Road Phone (505) 392-5556 Analyzed For | | UpperCherry Sampled | Canyon 3054 6/4/07 | - 3282 (Over all) |
| Company | Wells Name | County of | State | f. |
| BTA | Owl 5 | Lea | New Mexico | j |
| Sample Source | Swab Sample | Sample # | 1 | |
| Formation | Cherry Canyon | Depth | | |
| Specific Gravity | 3_100 | \$G @ 60 *F | 1,102 | |

Sulfides

Reducing Agents

Absent

| Cations | | | | |
|-------------------------------|---------|---------|--------|---------|
| Sodium (Calc) | in Mg/L | 41,482 | in PPM | 37,642 |
| Calcium | in Mg/L | 8,000 | in PPM | 7,260 |
| Magnésium | in Mg/L | 560 | in PPM | 871 |
| Soluable Iron (FE2) | in Mg/L | 400.0 | In PPM | 363 |
| Anions | | | | |
| Chlorides | in Mg/L | 80,000 | in PPM | 72,595 |
| Sulfates | in Mg/L | 1,325 | in PPM | 1,202 |
| Bicarbonates | in Mg/L | 244 | in PPM | 221 |
| Total Hardness (as CaCO3) | in Mg/L | 24,600 | in PPM | 21,779 |
| Total Dissolved Solids (Calc) | in MgA. | 132,411 | in PPM | 120,155 |
| Equivalent NaCl Concentration | in Mg/L | 119,537 | in PPM | 108,473 |

6.70

70

Scaling Tendencies

| *Calcium Carbona | c index | 1,952,000 |
|-------------------------------------|--|----------------------------------|
| Be. | 9w 500,000 Remots / 500,000 - 1,000,600 Possible / Above 1 | 1,000,000 Probable |
| "Calcium Sulfate (| Syp) Index | 10,600,000 |
| Bei | w 500,000 Remole / 500,000 - 10,000,09 Possible / Above 1 | 0,000,000 Probable |
| This Calculation is o treatment. | uly an approximation and is only valid before treatment o | nt a well or several weeks alter |
| Remarks n | =.065@701 | |
| | | |

Report #

2497

59159926:07

BTA OIL PRODUCERS Application for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E Eddy County, NM

1/I:d

<u>XII</u>

All available geologic and engineering data has been examined and no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water is apparent.

Attachment J

XIII. Item A.

Proof of Notice

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

SURFACE OWNER

Federal – BLM

Federal Grazing Lessee:

Forehand Ranches, Inc P. O. Box 5373 Carlsbad, NM 88221

OFFSET OPERATOR LIST

Chesapeake Operating, Inc. P. O. Box 18946 Oklahoma City, OK 73154-0496

Marbob Energy Corporation P. O. Box 227 Artesia, NM 88210

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210

I hereby certify that notification of BTA's application was mailed via certified mail on this 3rd day of July, 2007 to the above listed Surface Owner, Grazing Lessee, and Offset Operators.

Inskap Signed:

Pam Inskeep



PARTNERS CARLTON BEAL, JR. BARRY BEAL SPENCER BEAL KELLY BEAL BARRY BEAL, JR. STUART BEAL ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS MIDLAND, TEXAS 79701 432-682-3753

FAX 432-683-0311

June 28, 2007

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

Re: Offset Operator Notification Application for Authorization for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E Eddy County, NM

OFFSET OPERATORS

Gentlemen,

BTA has filed an application for Authorization to Inject 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 our Application Packet.

If you have any questions regarding this, please do not hesitate to contact Britton McQuien at the letterhead address.

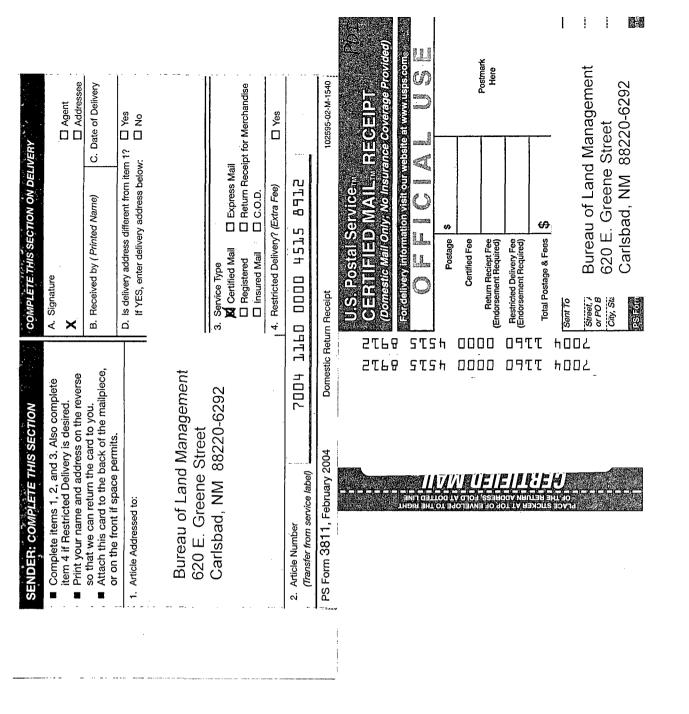
Respectfully,

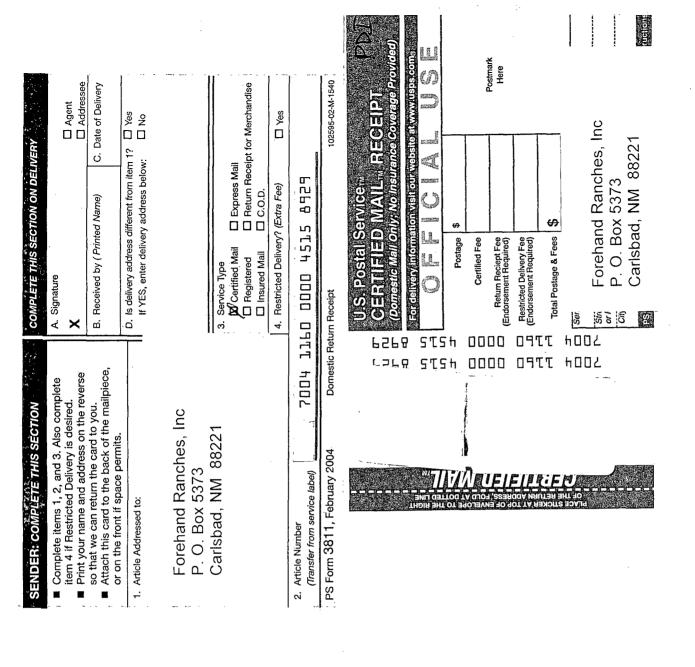
PAMELIA D. INSKEEP For BTA Oil Producers

/pdi

Enclosures

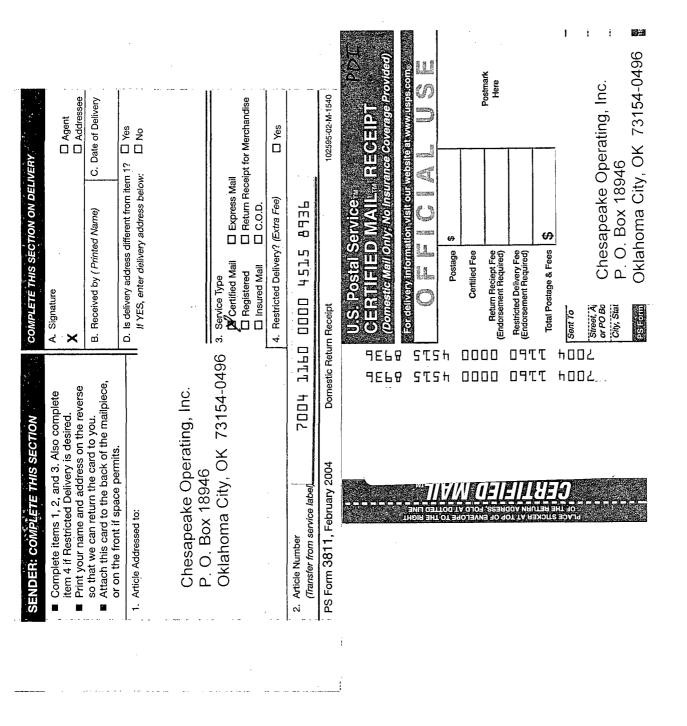
C:\ Owl #5 Authorization to Inject Offsets.doc

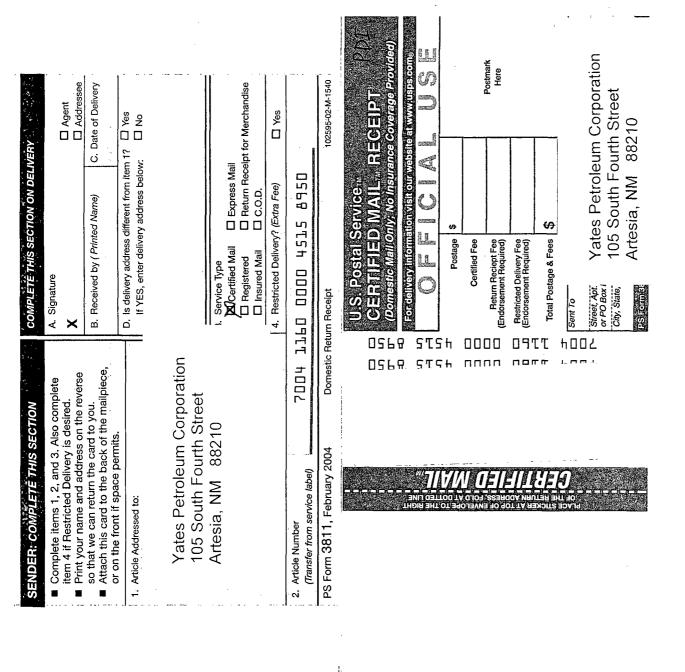


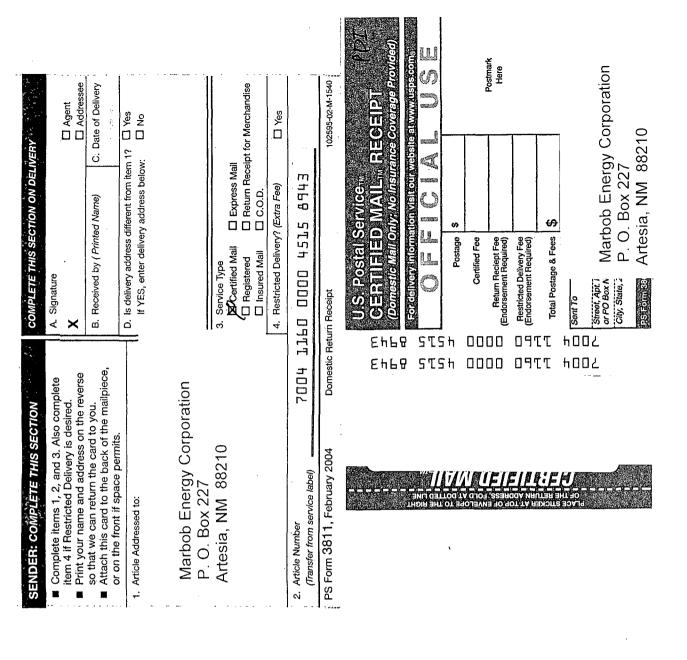


. . Lines

ан 18







Affidavit of Publication

State of New Mexico, County of Eddy, ss.

April Hernandez, being first duly sworn, on oath says:

That she is HR/Administrative Assistant of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements mav be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

June 27

2007

That the cost of publication is \$46.80 that Payment Thereof has been made and will be assessed as court costs.

april Homandez

Subscribed and sworn to before me this

day of My commission Expires on 0

Notary Public



June 27, 2007 BTA OIL PRODUCERS and, Texas 79701, is submitting form C-108 (Application for Authorization to In ject) with the New Mexico Oil Conserva tion Division seeking approval for a water disposal The proposed wel proposed 20504 JV-P the 20 #5 is FSL & O_w is located & 2130' Fl 2310 FSL & 2130' FEL, Sec tion 18, T26S, R27E, Eddy County, NM. Disposal water will be sourced from area wells producing from the Delaware. The disposal water will be injected into the for mations at a depth of 2,934' - 3,282', a maximum surface pressure of 586 psi, and an average rate of 2100 BWPD. All interested parties opposing the action must the objections or reduests for hearing with the Oil Conser vation Division, 2040 S. Pacheco Street, No- benet Santa Fe, New co 87505, with days. Additional within in 15 infor doys. Additional infor mation ean be ob tained by contacting Britton McQuien, Res ervoir Engineer, at 104 S. Pecos, Mid land, TX 79701, or (432) 682-3753.

Affidavit of Publication

State of New Mexico. County of Eddy, ss.

April Hernandez, being first duly sworn, on oath says:

That she is HR Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

July 25

2007

That the cost of publication is \$43.79 that Payment Thereof has been made and will be assessed as court costs.

april demande

Subscribed and sworn to before me this

3D day of

My commission Expires on

Notary Public



| July 25, 2007 |
|--|
| BTA OIL PRODUCERS, 104 S. Pecos, Mid land, Texas 79701, is submitting form C- 108 (Application for Authorization to In ject) with the New Mexico Oil Conserva- tion Division seeking approval for a salt water disposal well. The proposed well, the 20504 JV-P Owl #5 is located 2310' FSL & 2130' FEL, Sec- tion 18, T26S, R27E, Eddy County, NM. Disposal water will be sourced from area wells producing from the Delaware. The disposal water will be injected into the Cherry Canyon for mation at a depth of 2,934' - 3,282', a maximum surface pressure of 586 psi, and an average rate of 2100 BWPD. |
| All interested parties opposing the action must file objections or requests for hearing with the Oil Conser vation Division, 1220 S. St. Francis Drive, Santa Fe. New Mexi co 87504, within 15 days. Additional in formation can be ob tained by contacting Britton McQuien, Res ervoir Engineer at |

ervoir Engineer, atl 104 S. Pecos, land. TX 79701, Mid (432) 682-3753.

Jones, William V., EMNRD

| From: | Pam Inskeep [Pinskeep@btaoil.com] |
|-------------|--|
| Sent: | Monday, July 23, 2007 2:24 PM |
| То: | Jones, William V., EMNRD |
| Subject: | BTA Oil Producers - Owl #5 Application to Inject |
| Attachments | : BTA Owl Draw Unit #1 Wellbore Schematic.pdf |

Mr. Jones,

Attached please find the wellbore schematic we discussed regarding the Owl #5 injection application packet. This schematic was included with the original filing.

This diagram is for the well that was drilled in 1963, D&A, and which we attempted to re-enter.

Thank you for your time.

If you have any questions or require additional information, please do not hesitate to contact us.

Pam

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

This inbound email has been scanned by the MessageLabs Email Security System.

| | OCT. |)-ARTESIA | | | | |
|--|--|--|---|--|--|--|
| Form 3160-5 February 2005) | UNITED STATES PARTMENT OF THE INTERIOR | Month - Ve | FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 | | | |
| | HUREAU OF LAND MANAGEMENT | | S, Lease Serial No. NMNM 114969 | | | |
| Do not abandoneo a | DTICES AND REPORTS ON form for proposals to drill or to fell. Use Form 3160-3 (APD) for su | o re-enter`an 🌱 | NM Indian, Allottee or Tribe Name | | | |
| SUBMIT IN TR | IPLICATE- Other instructions on | reverse side. | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| . Type of Well | | 8. Well Name and No. | | | | |
| . Name of Operator BTA Oil Pro | oducers | - | Owl, 20504 JV-P #5 9. API Well No. | | | |
| a Address | 1 | (include area code) | 30-015-35435 | | | |
| 104 S. Pecos, Midland, TX 75 | | 53 | Field and Pool, or Exploratory Area Wildcat (Delaware) | | | |
| Location of Well <i>(Footage, Sec.,</i> UL -J-, Sec. 18, T26S-R27E 2310' FSL & 2130' FWL | | II. County or Parish, State Eddy Co., NM | | | | |
| 12. CHECK A | PPROPRIATE BOX(ES) TO INDICATE N | ATURE OF NOTICE, REI | PORT, OR OTHER DATA | | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | |
| Notice of Intent | Acidize Deepen Alter Casing Fracture Tre Casing Repair New Constr | 1 | Resume) Water Shut-Off Well Integrity Cother Spud, casing | | | |
| Final Abandonment Notice | Change Plans Plug and Ab | ' | don | | | |
| Pinal Abandoninent Nonce | Convert to Injection Plug Back | Water Disposal | | | | |
| Attach the Bond under which t | the work will be performed or provide the Bond No. | on file with BLM/BIA. Required | vertical depths of all pertinent markers and zones. subsequent reports must be filed within 30 days | | | |
| Attach the Bond under which t following completion of the in testing has been completed. Fi determined that the site is read | the work will be performed or provide the Bond No. volved operations. If the operation results in a multip inal Abandonment Notices must be filed only after al | e locations and measured and true v on file with BLM/BIA. Required ole completion or recompletion in a | ertical depths of all pertinent markers and zones. subsequent reports must be filed within 30 days new interval, a Form 3160-4 must be filed once | | | |
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Jones, William V., EMNRD

| From: | Jones, William V., EMNRD |
|----------|--|
| Sent: | Wednesday, August 01, 2007 8:37 AM |
| То: | 'Pam Inskeep' |
| Cc: | Ezeanyim, Richard, EMNRD; Macquesten, Gail, EMNRD; Gum, Tim, EMNRD |
| Subject: | BTA Oil Producers - InactiveWellList |

Attachments: InactiveWellList.xls

Hello Pam:

Just spoke to you this AM about the Owl #5 proposed SWD well. I will have this ready for release by 8/10/07.

However, I just pulled up BTA's inactive well list and there seems to be 3 wells out of 90 something for one OGRD and 0 out of 5 for another OGRD.

Our Rule 40 will prohibit me from issuing an injection permit until BTA either returns at least one well to compliance or obtains an "Agreed Compliance Order" with the Division.

Please contact Gail MacQuesten as soon as possible to obtain the details.

I can't release this injection permit until the "list" as pulled up from the computer shows everything is OK. So even if you get the work done on at least one well, you must make sure the Artesia District office updates the records to reflect this.

I will check BTA's status again on 8/10/07.

Regards,

Will Jones

Inactive Well List

Total Well Count:98 Inactive Well Count:2 Since:5/13/2006 Printed On: Monday, August 06 2007

| District | API | Well | ULSTR | OCD Unit | OGRID | Operator | Lease Type | Well Type | Last Production | Formation/Notes | Status | Days in TA |
|----------|--------------|-----------------------------|--------------|-------------|-------|----------------------|---------------|--------------|--------------------|-----------------|--------|---------------|
| 1 | 30-025-29551 | BUCKEYE B 8601 JV-P #002 | G-36-17S-35E | G | 3002 | BTA OIL PRODUCERS | S | S | 01/1999 | | Т | 1931 |
| 1 | 30-025-30661 | MAXUS B 8026 JV-P #003 | B-34-22S-34E | в (| 3002 | BTA OIL PRODUCERS | F | 0 | 01/2005 | BONE SPRING | Р | |

WHERE Ogrid: 3002, County: All, District: All, Township: All, Range: All, Section: All, Production(months): 15

BTA OIL PRODUCERS

| | Inje | ection Permit C | hecklist 2/8/07 | |
|----------------------------|--------------------|---------------------|---------------------------------------|-------------------------------|
| SWD Order Number | 10 9 Dates | s: Division Approve | dDistrict | Approved |
| Well Name/Num: L | L 2504 JI | LP #5 | - Date Spudded: | New |
| API Num: (30-)05-35 | | | · · · | |
| Footages 23 10 FSL/ | | • | S Rie 27E | |
| Operator Name: BTA | OT PRODUCER | s | Contact PAMe | lia D. FNSK-eep |
| Operator Address: _/o 4 | | | | |
| Current Status of Well: | ailed oll all Plan | nned Work: | | Inj. Tubing Size: 4 12 @ 2906 |
| | Hole/Pipe Sizes | Depths | Cement | Top/Method |
| Surface | 17/2 135/8 | 400 | 450 | CIRC |
| Intermediate | | 1945 | 750 | CIRC |
| Production | 83/4 7 | 3-794 | 500te | <u>،</u> |
| Last DV Tool | ······ | , | | |
| Open Hole/Liner | | | | |
| Plug Back Depth | | |] | |
| Diagrams Included (Y/N): E | Before Conversion | After Conversio | | |
| Checks (Y/N): W | ell File Reviewed | _ELogs in Imaging | NOTTOR | - |
| Intervals: | Depths | Formation | Producing (Yes/No) | Dv = ? |
| SaltPotash | To 1800 | | | |
| Capitan Reef | | | | |
| Ctiff House, Etc: | | | | |
| Formation Above | 2862 | Cherry C. | , | |
| Top Inj Interval | 2934 | Charry Can | 100% water | 587 PSI Max. WHIP |
| Bottom Inj Interval | 3282 | ~ + | 11 11 | |
| Formation Below | | | | ₩ Deviated Hole (Y/N) |
| resh Water: Depths: | | | | |
| AOR Required Work: | 15-002 | Pam | promisal (e | Send These |
| | | | | |
| Required Work to this We | ell: | | · · · · · · · · · · · · · · · · · · · | |

2934 5868