

Jones, William V., EMNRD

From: Macquesten, Gail, EMNRD
Sent: Wednesday, June 30, 2010 2:51 PM
To: Pinskeep@btaoil.com
Cc: Jones, William V., EMNRD; Swazo, Sonny, EMNRD; Sanchez, Daniel J., EMNRD; Phillips, Dorothy, EMNRD; William Carr; Inge, Richard, EMNRD
Subject: Application for injection Owl 20504 JV-P #005
Attachments: 2010 2-25 Formal Notice of Loss of Injection Authority.pdf

Handwritten: (Carr) 6/15/10

Ms. Inskeep-

Sonny Swazo is out of the office for a few days, so I am responding to your questions regarding what BTA Oil Producers LLC (BTA) needs to do to come into compliance with 19.15.5.9 NMAC, so that it can pursue its request for an injection permit for the Owl 20504 JV-P #005, 30-015-35435.

As I'm sure Sonny explained, the OCD cannot issue an injection permit to an operator who is out of compliance with 19.15.5.9 NMAC (Part 5.9). See 19.15.26.8 NMAC.

BTA entered into a stipulated order and settlement agreement in Case 14413, agreeing that it would be treated as out of compliance with Part 5.9 until it completed certain corrective actions with regard to a pit located at the site of the Pardue C 8808 JVP #001 well. See R-13218. Although BTA is working on the corrective actions required under R-13218, it has not completed those actions and is therefore still considered out of compliance with Part 5.9. I understand that you and Sonny were discussing the possibility of entering into a stipulated amendment to R-13218 that would allow BTA to move forward with its request for an injection permit for the Owl 20504 JV-P #005, while keeping BTA under Part 5.9 for all other purposes.

Before the Oil Conservation Division (OCD) will agree to such an amendment, BTA needs to resolve some outstanding issues with regard to the Owl well. The well was permitted as a disposal well in August 2007, but the permit expired after one year because BTA did not report any injection. It wasn't even clear from OCD records that the well had even been drilled and completed. In 2010, an OCD inspector found that the well was injecting. By letter dated February 25, 2010, Daniel Sanchez notified BTA that it had lost its injection authority. The letter also instructed BTA to file amended C-115s reporting the injection into the well, and file missing reports regarding the completion of the well. I've attached a copy of the letter.

It appears that BTA has filed amended C-115s, showing injection into the well since August 2007. There is no reported injection for February 2010, however. The inspector observed injection on February 18, 2010. Please explain why no C-115 amendment was filed showing the injection in February.

I reviewed the well file, and found no additional filings regarding the completion of the well. Please work with the district office to ensure that the regulatory filings for the well are complete.

Once the C-115s are correctly amended and the regulatory filings are complete, the OCD will be willing to discuss an amendment to R-13218. Since Mr. Bill Carr represents BTA in that case, please have him contact me if BTA wants to discuss an amendment.

Please note that if BTA receives an amendment to R-13218 and is able to pursue its application for injection permit, OCD Legal may request that the application be set for hearing.

Sincerely,

Jones, William V., EMNRD

From: Phillips, Dorothy, EMNRD
Sent: Friday, June 25, 2010 9:56 AM
To: Jones, William V., EMNRD
Subject: FW: BTA 20504 JV-P Owl #5 App to Inject

Will, just thought you might want to know that the well Hughes 689 C #4 (30-025-24914) on BTA Financial Assurance Report is plugged and they are now okay on Financial Assurance. There is still an issue with 5.9 problem listed below with Sonny.

From: Phillips, Dorothy, EMNRD
Sent: Friday, June 25, 2010 9:51 AM
To: Swazo, Sonny, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Sonny, I found your e-mail below. Just wanted to let you know that BTA plugged Hughes 689 C #4 (30-025-24914) Site released.

30-025-24914 HUGH 689-C #004 [305303]

General Well Information Status: Plugged, Site Released

From: Swazo, Sonny, EMNRD
Sent: Thursday, June 17, 2010 11:32 AM
To: Phillips, Dorothy, EMNRD
Cc: Jones, William V., EMNRD; Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Mull, Donna, EMNRD; Hill, Larry, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

BTA Oil Producers LLC is in violation of 5.9 in at least two ways—financial assurance and a corrective order. The “LLC” is in violation of 5.9 because it needs to post financial assurance on the Hughes 689 C #4 (30-025-24914). The “LLC” is also in violation of 5.9 by virtue of Order No. 13218. Provision 11.d of the Order states: “BTA shall be in violation of 19.15.5.9 NMAC until it has submitted an acceptable delineation plan, received OCD approval of a remediation plan, completed soil remediation and begun remediation of water contamination. If the OCD remediates the site, BTA shall be in violation of 19.15.5.9 NMAC until it demonstrates that it has reimbursed the OCD for its expenses in excess of any amount recovered from the applicable financial assurance.” The “LLC” needs to demonstrate to us—at a minimum—that it has complied with Order No. 13218.

Sonny

From: Phillips, Dorothy, EMNRD
Sent: Thursday, June 17, 2010 9:32 AM
To: Jones, William V., EMNRD
Cc: Sanchez, Daniel J., EMNRD; Altomare, Mikal, EMNRD; Swazo, Sonny, EMNRD; Mull, Donna, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Will, I think these are Hobbs wells and I have already contacted Donna Mull about it. BTA is on my hold list from the Attorneys and the 5.9 Corrective Action List. I was told not approve anything for them until they spoke with them. I have e-mailed Gail, Mikal and Sonny as to how they want me to proceed.

Inactive Well Additional Financial Assurance Report

3019 BTA OIL PRODUCERS
Total Well Count: 5
Printed On: Thursday, June 17 2010

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Bond In Place	In Violation
2357	LEA 7406 JV-S #002	S	N-28-26S-36E	N	30-025-25702	O	02/2007	03/01/2009	3349	8349	Y	0	Y
	LEA 7406 JV-S #004	S	K-28-26S-36E	K	30-025-25829	O	09/2007	10/01/2009	3268	8268	Y	0	Y
	LEA 7406 JV-S #006	S	F-28-26S-36E	F	30-025-25909	O	03/2007	04/01/2009	3250	8250	Y	0	Y
	LEA 7406 JV-S #008	S	C-28-26S-36E	C	30-025-25930	O	03/2007	04/01/2009	3270	8270	Y	0	Y
	LEA 7406 JV-S #009Y	S	D-28-26S-36E	D	30-025-26068	O	02/2007	03/01/2009	3270	8270	Y	0	Y

From: Jones, William V., EMNRD
Sent: Thursday, June 17, 2010 9:20 AM
To: Pam Inskeep
Cc: Dustin_Winkler@blm.gov; Sanchez, Daniel J., EMNRD; Phillips, Dorothy, EMNRD; Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Hello Pam:

Thanks for the updated diagrams and information. This clears up a lot, but some loose ends remain.

- a. Sounds like the 30-015-34749 well is still a valid producer. Since the BLM has protested this application because of this 30-015-34749 well, please send an explanation and those new wellbore diagrams to Dustin Winkler in Carlsbad with BLM and ask him to retract the protest. Once a protest is received, we cannot proceed until retracted.
- b. On the 30-015-10730 well, it appears a plug should have been placed over the 9-5/8 inch cut/pull point at 1783 feet. Would you please find out from your field people the likely reason this was not done? (for my information and for the records in this application)

The plugging bond issue. As I understand it, you get the individual well bonds back as soon as the well no longer requires this bond and they can be posted very quickly with Dorothy Phillips of this office. I can't release any injection/disposal permit until bonds are posted – per OCD Rule 5.9.

- c. Clearly BTA needs an individual well bond posted for one well of the 94 wells listed for OGRID 260297.
- d. The stranded OGRID 3019 has 5 wells and from your information it appears they are being taken care of. The trouble is they show up in our records as each well needing a bond. I will ask Dorothy and Daniel if this is OK but it would be better if you would work with them and the Artesia district office on this issue.

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

Jones, William V., EMNRD

From: Dustin_Winkler@blm.gov
Sent: Friday, June 25, 2010 1:25 PM
To: Jones, William V., EMNRD
Cc: Pam Inskeep
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Will,

BTA has thier plug and abandonment notice of intent approved. BTA has 3 months to commence plugging operations.

With this approval, the BLM no longer objects to the Owl #5 becoming a SWD.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

Pam Inskeep
<Pinskeep@btaoil.com>

06/17/2010 12:14 PM

"[Dustin Winkler@blm.gov](mailto:Dustin_Winkler@blm.gov)"
<[Dustin Winkler@blm.gov](mailto:Dustin_Winkler@blm.gov)>

To

cc

"Jones, William V., EMNRD"
<William.V.Jones@state.nm.us>

Subject

RE: BTA 20504 JV-P Owl #5 App to Inject

Thanks, Mr. Winkler. Currently, reclamation of the P&A'd site is underway. The reclamation plan was approved by the BLM and OCD. We hope to have the work completed within one week, barring any unforeseen circumstances. Terry Gregston with the BLM Carlsbad office was at the site yesterday and stated to our Environmental Coordinator, Skip Baca, that she was pleased with the progress.

Will I need to notify you, specifically, once the reclamation is completed?

Will the protest remain in place until the reclamation is completed and the site is inspected?

Thanks,

Pam

-----Original Message-----

From: Dustin_Winkler@blm.gov [mailto:Dustin_Winkler@blm.gov]

Sent: Thursday, June 17, 2010 12:35 PM

To: Pam Inskeep

Cc: Jones, William V., EMNRD

Subject: Re: BTA 20504 JV-P Owl #5 App to Inject

It appears that with the proximity of the two Owl #1 wells, there was a mistake on which well is the reason for the BLM protest. The producing Owl #1 (30-015-34749) is fine. The P&A Owl #1 (30-015-10730) is the one that needs corrected. I'm sorry for the confusion and any problems this has caused.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

Pam Inskeep
<Pinskeep@btaoil.com>

06/17/2010 10:45 AM

"[Dustin Winkler@blm.gov](mailto:Dustin_Winkler@blm.gov)"

<[Dustin Winkler@blm.gov](mailto:Dustin_Winkler@blm.gov)>

To

cc

"Jones, William V., EMNRD"

<William.V.Jones@state.nm.us>

Subject

BTA 20504 JV-P Owl #5 App to Inject

Good morning, Mr. Winkler.

Attached please find a letter of request regarding your protest to our application for Authorization to Inject at our 20504 JV-P Owl #5 location, Lea County which was submitted to the OCD. Also attached are three wellbore diagrams for all of our Owl locations, current and plugged.

Should you have any questions or require additional information, please do not hesitate to contact me. You will receive an immediate response.

Thank you for your time,

Pam

Pam Inskeep

Regulatory Administrator

BTA Oil Producers

104 S. Pecos

Midland, TX 79701

(432) 682-3753

(432) 683-0325 fax

pinskeep@btaoil.com[attachment "BTA Owl wells wellbore diagrams.pdf"

deleted by Dustin H Winkler/CF0/NM/BLM/DOI] [attachment "BTA 20504 JV-P Owl

#1 Request to BLM.pdf" deleted by Dustin H Winkler/CF0/NM/BLM/DOI]

Jones, William V., EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Thursday, June 24, 2010 2:53 PM
To: Swazo, Sonny, EMNRD
Cc: Jones, William V., EMNRD
Subject: BTA 20504 JV-P Owl #5 App to Inject

Good afternoon, Mr. Swazo.

I wanted to touch base with you regarding our conversation and correspondence last week.

- a. The delineation report is currently being prepared for submittal to the OCD.
- b. The Hughes 689-C #4 has been re-inspected and released by the OCD. No additional financial assurance is needed for this location.
- c. Mr. Winkler and Mr. Ingram, BLM, have approved BTA's proposal to re-enter the P&A Owl Draw Unit #1 to set an additional plug. It is my understanding that, once the proposed procedure is approved, their protest to the referenced Application to Inject will be withdrawn.
- d. Have you had the opportunity to speak with Mr. Sanchez? We are awaiting your additional recommendations.
- e. Re the stranded OGRID 3019 – all wells were plugged last summer. Three locations have been fully reclaimed, with the final work on the remaining locations currently underway. We expect to be completed within the next week. C103 Subsequent Report Location Ready will be submitted for all five locations at that time, along with a request for inspection/release.

Thanks for your time.

Pam

From: Pam Inskeep
Sent: Thursday, June 17, 2010 5:05 PM
To: 'Jones, William V., EMNRD'
Cc: 'Sonny.Swazo@state.nm.us'
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Mr. Jones,

An update to our ongoing correspondence:

- a. We are aware of and are working on Order No. 13218. Order No. R-13218-A First Amendment to the Stipulated Order & Settlement Agreement was signed by Mr. Daniel Sanchez on 3/10/2010 stating approval of the delineation plan. Work is underway, with updates to Mr. von Gonten as work progresses. I believe that the delineation report is currently being prepared for submittal to the OCD (item 2(b) of Order No. R-13218-A).
- b. The Hughes 689-C #4 (P&A 6/24/08) location was inspected today by Maxey Brown, OCD. The site will require some additional work. This additional work has been scheduled for tomorrow. Mr. Brown will be contacted for re-inspection, as soon as the work is completed. Hopefully, the location will be released after this work is performed.
- c. Our production engineer for the area, Tom Williams, has spoken with Wesley Ingram and Dustin Winkler with the BLM about the plugged well (Owl Draw Unit #1). Tom is reviewing all of the records and working on a proposal(s) regarding the situation.

- d. I have spoken with Mr. Swazo about our financial assurance and compliance matters. He is going to talk with Mr. Sanchez and get back to us. We will move forward with his recommendations, as soon as we hear back from him.

Thanks again for all of your time,

Pam

Pam Inskeep
BTA Oil Producers

From: Swazo, Sonny, EMNRD
Sent: Thursday, June 17, 2010 11:32 AM
To: Phillips, Dorothy, EMNRD
Cc: Jones, William V., EMNRD; Sanchez, Daniel J., EMNRD; Macquesten, Gail, EMNRD; Altomare, Mikal, EMNRD; Mull, Donna, EMNRD; Hill, Larry, EMNRD
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Sonny

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Jones, William V., EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Thursday, June 17, 2010 11:24 AM
To: Jones, William V., EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject
Attachments: Owl Draw Unit #1 data.pdf

Mr. Jones,

We very much appreciate your time in handling this application. In response to your additional questions:

- a. We have submitted well information, wellbore diagrams, and a request to Mr. Winkler with the BLM to retract their protest to the application. You were copied on same.
- b. The original plugging operations for this well, in February 1966, placed plugs at the top of 13-3/8" csg, 588-688', 5690-5800', 6990-7100', 8290-8400', 9990-10100', 11790-11900', and 13400-13510' as shown on the approved BLM sundry notices dated Feb 7, 1966 and Feb 21, 1966. When reentering the wellbore in December 2006, BTA was able to clean out to 1781' but was unable to go inside the 9-5/8" csg stub. In May 2007, we spotted plugs at 588—688' and surface to 66'. These operations were reported on accepted for record BLM sundry notice dated May 28, 2007. All plugs are also shown on the previously submitted wellbore diagram.
- c. Property 305303, 30-025-24914, Hugh 689-C #004, was plugged 6/24/08. Sundry with plugging operations was submitted to the OCD July 2008 and approved (for plugging of the wellbore only) July 2008. Sundry Location Ready for Inspection was submitted to the OCD on 6/15/2010. Maxey Brown, Hobbs OCD, has scheduled to inspect the location this date. Once Mr. Brown approves the location, we will request the well be removed from our bond.
- d. I will contact Dorothy Phillips and Daniel Sanchez to work with them on the bonding issues for the 5 remaining wells.

Thanks,

Pam

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, June 17, 2010 10:20 AM
To: Pam Inskeep
Cc: Dustin_Winkler@blm.gov; Sanchez, Daniel J., EMNRD; Phillips, Dorothy, EMNRD; Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

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New Mexico
Oil Conservation Division
Images Contacts

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Jones, William V., EMNRD

From: Dustin_Winkler@blm.gov
Sent: Thursday, June 17, 2010 1:06 PM
To: Pam Inskeep
Cc: Jones, William V., EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Pam,

The protest was not for the reclamation, it was for the way the well was plugged. I believe Will mentioned this well in one of his e-mails.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

Pam Inskeep
<Pinskeep@btaoil.com>

06/17/2010 12:14 PM

"Dustin_Winkler@blm.gov"
<Dustin_Winkler@blm.gov>

To

cc

"Jones, William V., EMNRD"
<William.V.Jones@state.nm.us>

Subject

RE: BTA 20504 JV-P Owl #5 App to Inject

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To: Pam Inskeep

Cc: Jones, William V., EMNRD

Subject: Re: BTA 20504 JV-P Owl #5 App to Inject

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Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

Pam Inskeep
<Pinskeep@btaoil.com>

06/17/2010 10:45
AM

"Dustin_Winkler@blm.gov"
<Dustin_Winkler@blm.gov>

To

cc

"Jones, William V., EMNRD"
<William.V.Jones@state.nm.us>

Subject

BTA 20504 JV-P Owl #5 App to Inject

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Should you have any questions or require additional information, please do not hesitate to contact me. You will receive an immediate response.

Thank you for your time,

Pam

Pam Inskeep

Regulatory Administrator

BTA Oil Producers

104 S. Pecos

Midland, TX 79701

(432) 682-3753

(432) 683-0325 fax

pinskeep@btaoil.com[attachment "BTA Owl wells wellbore diagrams.pdf"

deleted by Dustin H Winkler/CFO/NM/BLM/DOI] [attachment "BTA 20504 JV-P Owl

#1 Request to BLM.pdf" deleted by Dustin H Winkler/CFO/NM/BLM/DOI]

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

LC 068840

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER **Dry Hole**

2. NAME OF OPERATOR
Jake L. Hamon

3. ADDRESS OF OPERATOR
Box 663, Dallas, Texas

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.)
At surface
1980' FE & S1, Unit K, Section 18, T-26-S, R-27-E, Eddy County, New Mexico

14. PERMIT NO. _____ 15. ELEVATIONS (Show whether DF, RT, GR, etc.) _____

7. UNIT AGREEMENT NAME
Owl Draw Unit

8. FARM OR LEASE NAME
Owl Draw Unit

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 18, T-26-S, R-27-E Eddy County, New Mexico

12. COUNTY OR PARISH
Eddy

13. STATE
New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Plug Back</u>	(Other) <input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Cement plugs have been spotted as follows:

- 13,510 - 13,400 30 sx.
- 11,900 - 11,790 30 sx.
- 10,100 - 9,990 30 sx.
- 8,400 - 8,290 30 sx.
- 7,100 - 6,990 30 sx.
- 5,800 - 5,690 30 sx.

Drilling mud was left between each cement plug. Upon recovery of 9 5/8" casing down to 1775', a 10 sx. cement plug will be set in 13 3/8" casing and a marker will be set.

RECEIVED
FEB 9 1966
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

RECEIVED

FEB 10 1966

18. I hereby certify that the foregoing is true and correct

SIGNED Jake L. Hamon TITLE Petroleum Engineer DATE February 7, 1966

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
FEB 9 1966
R. L. BELMONT
ACTING DISTRICT ENGINEER

*See Instructions on Reverse Side

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIP DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

LC 068840

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER **Dry Hole**

2. NAME OF OPERATOR
Jake L. Hamon

3. ADDRESS OF OPERATOR
Box 663, Dallas, Texas

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface **S & W**
**1980' FB & S1, Unit K, Section 18, T-26-S, R-27-E,
Eddy County, New Mexico**

14. PERMIT NO.
30-015-10730

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

7. UNIT AGREEMENT NAME

Owl Draw Unit

8. FARM OR LEASE NAME

Owl Draw Unit

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat (Morrow)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

**Sec. 18, T-26-S, R-27-E,
Eddy County, New Mexico**

12. COUNTY OR PARISH

Eddy

13. STATE

New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Shot and pulled 1782.96' of 9 5/8" casing. Set 80 sack cement plug in and out of 13 3/8" casing from 588' to 688' and a 20 sack cement plug in top of 13 3/8" casing. Hole was loaded with mud laden fluid and brine water. Marker was erected. Job completed February 12, 1966.

Final report will be filed when location is cleaned up in four to six months.

RECEIVED

JUL 11 1966

U. S. G. S.
ARTESIA OFFICE

RECEIVED

FEB 23 1966

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED *T. Mayberry* TITLE District Clerk DATE February 21, 1966

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
 JUL 8 1966
 H. L. [Signature]
 ACTING DISTRICT ENGINEER

*See Instructions on Reverse Side

RM

AUG - 4 2009
OCD-ARIESIA

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5 Lease Serial No
NMNM 114969

6 If Indian Allottee or Tribe Name

7 If Unit or CA Agreement, Name and/or No.

8 Well Name and No.
Owl Draw Unit, 20504 JV-P #1 SWD

9 API Well No
30-015-10730

10 Field and Pool or Exploratory Area
Wildcat

11 County or Parish, State
Eddy Co., NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well
 Oil Well Gas Well Other

2 Name of Operator BTA Oil Producers

3a Address
104 S. Pecos, Midland, TX 79701

3b Phone No. (include area code)
432-682-3753

4 Location of Well (Footage, Sec. T, R, M, or Survey Description)
UL -K-, Sec. 18, T26S-R27E
1980' FSL & 1980' FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BTA respectfully submits the following:

12/13-29/06 Dug out 13-3/8" surface csg stub, weld on extension & collar. Filled cellar w/cmt. Test BOP to 5000 psi. Clean out to 1781'. unable to go inside 9-5/8" csg stub. Prep to P&A.

5/10/2007 Spot 77 sv cmt plug 588 - 688'. POH w/20 jts tbg. Spot 56 sv cmt plug surface to 66'. Cut of wellhead. Install P&A marker.

(Note: This was a re-entry of Jake L. Hamon Owl Draw Unit #1, P&A 2/12/1966)

Accepted as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.

ACCEPTED FOR RECORD

JUL 30 2009

J. Hamon

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) _____ Title Regulatory Administrator _____

Signature *Tom Inskeep* Date 05/28/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

5/15/08
8/5/08
[Signature]

Jones, William V., EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Thursday, June 17, 2010 10:45 AM
To: Dustin_Winkler@blm.gov
Cc: Jones, William V., EMNRD
Subject: BTA 20504 JV-P Owl #5 App to Inject
Attachments: BTA Owl wells wellbore diagrams.pdf; BTA 20504 JV-P Owl #1 Request to BLM.pdf

Good morning, Mr. Winkler.

Attached please find a letter of request regarding your protest to our application for Authorization to Inject at our 20504 JV-P Owl #5 location, Lea County which was submitted to the OCD. Also attached are three wellbore diagrams for all of our Owl locations, current and plugged.

Should you have any questions or require additional information, please do not hesitate to contact me. You will receive an immediate response.

Thank you for your time,

Pam

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

*Check w/SONNY SWAZO
about Rule 5.9
FOR BTA*

*WDT
6/21/10*

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, June 17, 2010 9:20 AM
To: 'Pam Inskeep'
Cc: 'Dustin_Winkler@blm.gov'; Sanchez, Daniel J., EMNRD; Phillips, Dorothy, EMNRD; Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Hello Pam:

Thanks for the updated diagrams and information. This clears up a lot, but some loose ends remain.

- a. Sounds like the 30-015-34749 well is still a valid producer. Since the BLM has protested this application because of this 30-015-34749 well, please send an explanation and those new wellbore diagrams to Dustin Winkler in Carlsbad with BLM and ask him to retract the protest. Once a protest is received, we cannot proceed until retracted.
- b. On the 30-015-10730 well, it appears a *plug should have been placed over the 9-5/8 inch cut/pull point at 1783 feet*. Would you please find out from your field people the likely reason this was not done? (for my information and for the records in this application)

The plugging bond issue. As I understand it, you get the individual well bonds back as soon as the well no longer requires this bond and they can be posted very quickly with Dorothy Phillips of this office. I can't release any injection/disposal permit until bonds are posted – per OCD Rule 5.9.

- c. Clearly BTA needs an individual well bond posted for one well of the 94 wells listed for OGRID 260297.
- d. The stranded OGRID 3019 has 5 wells and from your information it appears they are being taken care of. The trouble is they show up in our records as each well needing a bond. I will ask Dorothy and Daniel if this is OK but it would be better if you would work with them and the Artesia district office on this issue.

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, June 15, 2010 4:43 PM
To: 'Pam Inskeep'
Cc: 'Dustin_Winkler@blm.gov'; Ezeanyim, Richard, EMNRD; Phillips, Dorothy, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Pam:

- a. Please look through this application and pick out all the Wellbore Diagrams and place the API numbers on these diagrams and email them back to me – I will replace the ones in the application. I am having trouble matching up diagrams and wells because the well names are so similar.
- b. One well was drilled to 13510 feet and plugged back to 5743 feet but no further – why was that well not plugged to surface? Is it producing? Maybe you could mark the status and productive interval on the wellbore diagram.
- c. The well you plan to inject into – it seems to be plugged back with a retrievable packer – is this true? Why was not a permanent bridge plug used?
- d. The 30-015-34749 well has not been plugged and the BLM is now protesting this application unless this well is plugged. My records show the well recently produced and may still be producing – is this well no longer productive? Please let me know the story.
- e. Did you get the bond posted?

Thank You,
[Will Jones](#)
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

OFRID 3019
Hor 5 wells all Road BOND
OGRID 260297
Hor 94 wells

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Tuesday, June 15, 2010 9:33 AM
To: Jones, William V., EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

We are, actually, in a bind for this. The well was previously permitted, drilled, and disposed into. All of the paperwork was not received in the OCD offices, and we lost our permit. We immediately ceased disposal – and production of the well disposing into it. Thus, the re-application. All missing paperwork has been submitted.

The OGRID with the 94 wells is BTA Oil Producer LLC's current OGRID. The OGRID with 5 wells still under it is an old business deal. Those wells have been plugged, but are waiting final filing of the P&A C103.

I will contact Dorothy today.

Thanks,

Pam

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, June 15, 2010 10:03 AM
To: Pam Inskeep
Cc: Phillips, Dorothy, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Pam:

Let me know if you folks are in a bind for this?

One thing that can really slow things down is Rule 5.9. Please make sure the Rule 5.9 issues are OK for BTA Oil (bonding and number of inactive wells)

It looks like there are 5 wells still under one OGRID and 94 wells under the 260297 OGRID. This is unusual – why is this?

You can pull up the status on the OCD web site, here are some links for the 260297 ogrid:

<http://www.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellList.aspx?Production=15&Operator=260297&ACO=Exclude&TA=Exclude>

<http://www.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellFinancialAssuranceReport.aspx?Operator=260297>

Looks like the number of inactive wells is 2 which is OK but can't get any higher. There is a bond that needs to be posted – please call Dorothy Phillips and get that done.

Thank You,

Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Tuesday, June 15, 2010 8:43 AM
To: Jones, William V., EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Thanks for your update, Mr. Jones. Should you have any questions regarding the application, please just give a shout. You will receive an immediate response.

Thanks,

Pam

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, June 15, 2010 9:32 AM
To: Warnell, Terry G, EMNRD; Pam Inskeep
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Pam:
Our mail did not run til late yesterday, but I don't remember any protest.
My desk is high with SWD applications, so it may be a while before I get to this one, and the 15 day suspense period is a minimum wait. The attorneys tell me that anyone can protest up until the date the Division director signs the permit.

Let us know if you folks receive any protest.

Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

Jones, William V., EMNRD

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Will Jones
New Mexico
Oil Conservation Division
[Images](#) [Contacts](#)

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Thanks,

Pam

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, June 15, 2010 9:32 AM
To: Warnell, Terry G, EMNRD; Pam Inskeep
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Pam:
Our mail did not run til late yesterday, but I don't remember any protest.
My desk is high with SWD applications, so it may be a while before I get to this one, and the 15 day suspense period is a minimum wait. The attorneys tell me that anyone can protest up until the date the Division director signs the permit.

Let us know if you folks receive any protest.

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Warnell, Terry G, EMNRD
Sent: Monday, June 14, 2010 2:00 PM
To: Pam Inskeep
Cc: Jones, William V., EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Hi Pam,
As far as I know, No objection has been filed against Application No. pTGW1014450225
Let's ask Will Jones the Engineer working on your application
Will is out today but will be in tomorrow

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Monday, June 14, 2010 1:52 PM
To: Warnell, Terry G, EMNRD
Subject: RE: BTA 20504 JV-P Owl #5 App to Inject

Mr. Warnell,

With the 15-day inquiry/protest period after publication notice past, did the OCD receive any correspondence re same?

Thanks for your time.

BTA Oil Producers
20504 JV-P Owl Draw Unit No.1
Re-Enter P&A Well to Place Cement Plug on 9-5/8" casing stub
Wildcat Field
Eddy County, New Mexico

<u>Well Data:</u>	TD 13,510'	<u>Elevations:</u>	3333' KB
	BP Surf		3316' GL
			17' Diff

Casing: 13 3/8" 48# CSA 659' w/ 490 Sx (Cut 6' below GL)
9 5/8" 40 & 43.5# CSA 5,743' w/ 1100 Sx in 2 stgs, DV tool @ 2272'(Cut 6'
below GL)

Cement Plugs: 66' (56 sx) plug in 13 3/8" casing at 0 – 66'
100' (77 sx) plug in 13 3/8" casing at 588 – 688' (half in & out csg shoe)
110' (30 sx) plug in 9 5/8" casing at 5690 - 5800' (half in & out csg)
110' (30 sx) plug in 8 3/4" OH at 6990 - 7100'
110' (30 sx) plug in 8 3/4" OH at 8290 - 8400'
110' (30 sx) plug in 8 3/4" OH at 6990 - 7100'
110' (30 sx) plug in 8 3/4" OH at 9990 - 10100'
110' (30 sx) plug in 8 3/4" OH at 11790 - 11900'
110' (30 sx) plug in 8 3/4" OH at 13400 - 13510'

Procedure:

- 1) Locate plugged well at 2176278X, 348774 Y Section 28 T17S-R17E.
- 2) Prepare location.
- 3) Dig out to surface plate. Tap surface plate to determine if there is any trapped pressure inside surface casing.
- 4) Weld on extension to 13 3/8" casing to get surface pipe above GL. Weld on Cameron 5000 psi casing head.
- 5) MI and RU workover rig and reverse unit and tanks.
- 6) NU 5000 psi BOP. Test BOP to 5000 psi. NU bell nipple so circulation goes to an open top reverse unit steel tank.
- 7) Pick up 12-1/4" Piranha mill , 1 - 8" drill collar and drill pipe.
- 8) Drill out surface cement plug at 6' to 66'.
- 9) POH and laydown 8" drill collar. PU 6 – 6-1/4" drill collars.
- 10) Run in hole with mill, DC and drill pipe to cement plug at 588'.
- 11) Drill out cement plug at 588 - 688'.
- 12) Pull out of hole with drill pipe, drill collars and mill.
- 13) Run in hole with drill pipe open ended. Attempt to enter the 9-5/8" casing sub at 1785'. Work drill pipe to 1838' or deeper if possible.
- 14) Rig up cement truck. Circulate hole with 9.3# salt gel mud. Mix and pump 124 Sx Class C cement with 2% CaCl. (100' plug in 12-1/4" open-hole times 100% excess)

20504 JV-P Owl Draw Unit No.1
Re-Enter P&A Well Place Cement Plug on 9-5/8" casing stub
Wildcat Field
Eddy County, New Mexico

- 15) Pull drill pipe up into surface casing at 659'.
- 16) Wait on cement overnight.
- 17) Run in hole with drill pipe and tag cement plug.
- 18) Rig up cement truck. Mix and pump 62 Sx Class C cement with 2% CaCl. (100' plug in 12-1/4" open-hole)
- 19) Raise drill pipe to 688'. Spot a 100' (77 Sx) Class C cement with 2% Cacl plug half in and half out of the 13-3/8" casing shoe.
- 20) Raise drill pipe to 66'. Spot a 66' (56 Sx) Class C cement with 2% Cacl plug at top 13-3/8" casing.
- 21) Cut off 13-3/8" casing below ground level. Install P&A marker.
- 22) Restore surface location.

Date: 6/18/10

TJW / ___ / ___

20504 JV-P Owl Draw Unit No.1
Re-Enter P&A Well Place Cement Plug on 9-5/8" casing stub
Wildcat Field
Eddy County, New Mexico

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other P&A		5. Lease Serial No. NMNM 114969
2. Name of Operator BTA Oil Producers		6. If Indian, Allottee or Tribe Name --
3a. Address 104 S. Pecos, Midland, TX 79701	3b. Phone No. (include area code) 432-682-3753	7. If Unit or CA/Agreement, Name and/or No. --
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL -K-, Sec. 18, T26S-R27E 1980' FSL & 1980' FWL		8. Well Name and No. Owl Draw Unit, 20504 JV-P #1 SWD
		9. API Well No. 30-015-10730
		10. Field and Pool, or Exploratory Area Wildcat
		11. County or Parish, State Eddy Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Re-Enter P&A well
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	to place cement plug on
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	9-5/8" csg stub

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BLA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BTA respectfully submits the attached procedure for re-entry into the plugged wellbore to place a cement plug on the 9-5/8" casing stub.

[Attachment]

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Pam Inskeep		Title Regulatory Administrator
Signature 	Date 06/18/2010	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Jones, William V., EMNRD

From: Dustin_Winkler@blm.gov
Sent: Wednesday, June 09, 2010 12:26 PM
To: Jones, William V., EMNRD
Cc: Wesley_Ingram@blm.gov
Subject: 20504 JV-P Owl #5 SWD Application

Will,

After review, the BLM has noted that the 20504 JV-P Owl #1 (API: 30-015-34749) was not plugged adequately. The BLM would like to see this well addressed and fixed before disposal takes place with the 20504 JV-P Owl #5.

Thanks,

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

BTA OIL Producers, LLC

Jones, William V., EMNRD

From: Dustin_Winkler@blm.gov
Sent: Wednesday, June 09, 2010 2:00 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Wesley_Ingram@blm.gov
Subject: RE: 20504 JV-P Owl #5 SWD Application

Spot a plug from 5690-5530' (minimum 25sx) (Bone Spring) CIBP @ 4010' with 25sx (Perfs - Brushy Canyon) Spot plug (minimum 25sx) from 2900'-2770' (Cherry Canyon) Spot plug (minimum 25sx) from 2050'-1850' WOC and tag (Delaware - Base of salt - Casing shoe) Spot plug (minimum 25sx) from 410'-300' WOC and tag (Top of salt) Spot plug 60' to surface

Dusty Winkler
Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
575-234-5914

"Jones, William
V., EMNRD"
<William.V.Jones@
state.nm.us> To
<Dustin_Winkler@blm.gov>
cc
06/09/2010 01:20
PM <Wesley_Ingram@blm.gov>, "Ezeanyim,
Richard, EMNRD"
<richard.ezeanyim@state.nm.us>
Subject
RE: 20504 JV-P Owl #5 SWD
Application

Dustin:
Protest noted...

They neglected to put the API numbers on the diagrams...but I got it.
One well appears to be on top of the other one. I will look over the files on both API's
located almost at the same location. Let me know if you have specifics on how to plug it or
where to put plugs - I can write it up generically if you don't.

Apparently they did not start disposal soon enough and lost permit
SWD-1091 and had to re-apply.

Will Jones
New Mexico
Oil Conservation Division

Jones, William V., EMNRD

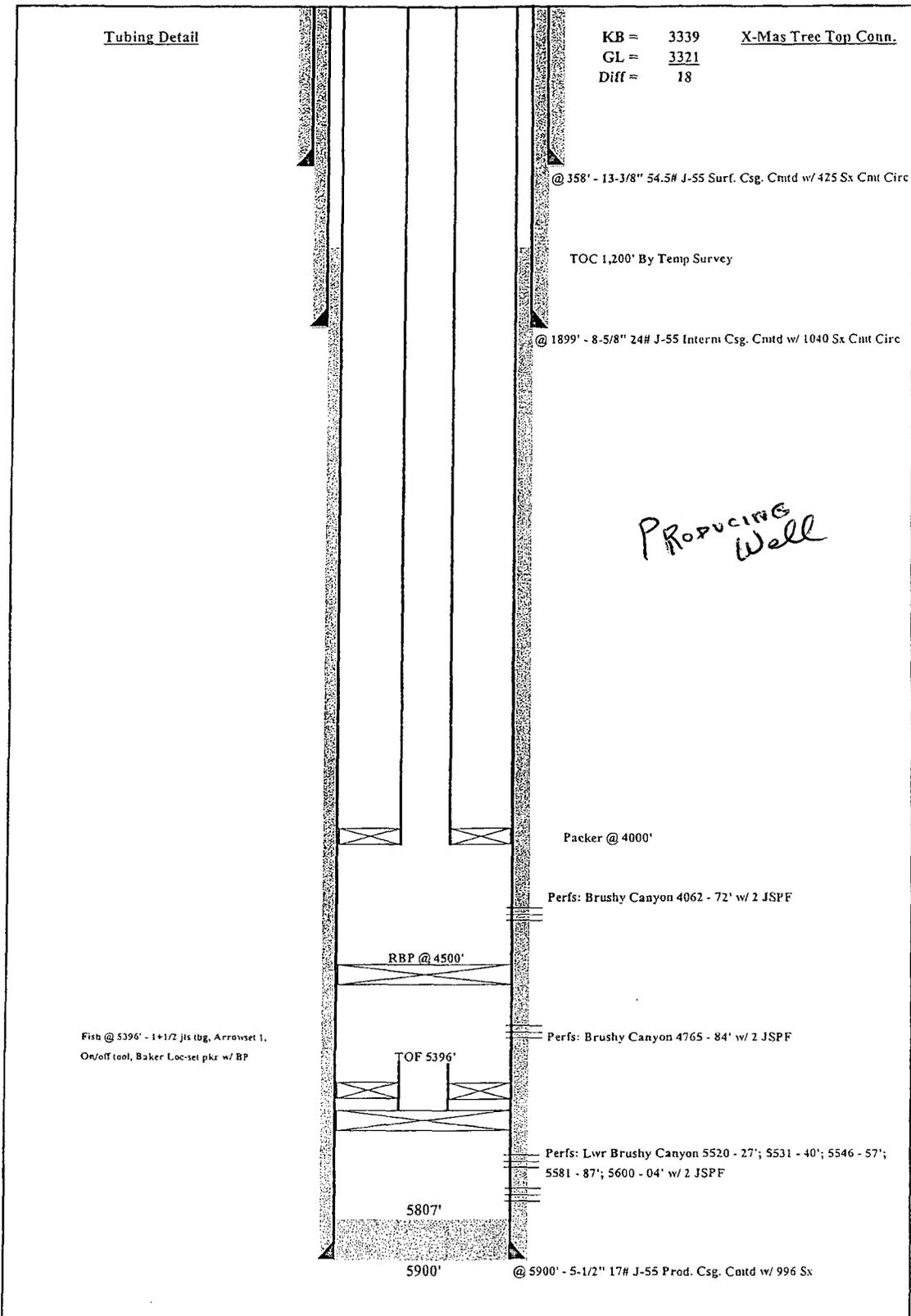
From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Wednesday, June 16, 2010 3:17 PM
To: Jones, William V., EMNRD
Subject: BTA 20504 JV-P Owl #5 App to Inject
Attachments: BTA Owl wells wellbore diagrams.pdf

Mr. Jones,

The following should answer your questions from this a.m.:

- a) Wellbore Diagrams have been labeled with API numbers. The diagram for the 20504 JV-P Owl Draw Unit #1 has been updated. All are attached.
- b) The 20504 JV-P Owl Draw Unit #1 (30-015-10730) was plugged to surface. The well was originally drilled by Jake L Hamon in Nov 1965 through Feb 1966 and plugged Feb 12, 1966. BTA filed with the BLM for reentry of the wellbore in Oct 2006, with intention to permit as a disposal if reentry was possible. The application to reenter was approved in Dec 2006. The reentry was unsuccessful and a sundry was submitted to the BLM in April 2007 proposing to P&A the well. The sundry was approved in April 2007. The well was plugged to surface 5/10/2007 and sundry notice submitted to the BLM May 2007. A copy of this sundry was resubmitted to the BLM July 2009 and accepted for record July 2009. Currently, reclamation of the P&A'd site is underway. Reclamation plan was approved by the BLM and OCD.
- c) In response to your question regarding a retrievable packer in the 20504 JV-P Owl #5, a 7" composite bridge plug was set at 3320' and capped with 20' cement for a PBSD of 3300'. The 20504 JV-P Owl #5 (30-015-35435) was drilled by BTA Oil Producers. BTA filed with the BLM for a permit to drill, as an oil well, in Feb 2007. The application was approved in Feb 2007. The well was drilled in April 2007. The well was completed as a disposal well May to June 2007. Completion report was filed with the BLM June 2007. A copy of the report was resubmitted to the BLM May 2010 and accepted for record June 2010. Completion report was submitted to the OCD March 2010. Sundry notice of injection was submitted to the BLM Sept 2007. A copy of the sundry was resubmitted to the BLM May 2010 and was accepted for record June 2010. BTA submitted an application for authorization to inject to the OCD July 2007. The order (SWD-1091) was granted in August 2007. Injection began in Sept 2007. We lost our injection authority Feb 2010. Disposal into the well ceased immediately. All regulatory filings are caught up and current. Re-application for authorization to inject was submitted May 2010. Currently, reclamation of the site is underway to reduce the site footprint and reseed. Reclamation plan was approved by the BLM and OCD.
- d) The 20504 JV-P Owl #1 (30-015-34749) was drilled by BTA Oil Producers. BTA filed with the BLM for a permit to drill in Feb 2006. The application was approved in March 2006. The well was drilled in May 2006 and completed July 2006. Completion Report was filed with the BLM Sept 2006 and accepted for record Sept 2006. Completion report was filed with the OCD Sept 2006. A copy of the completion report was resubmitted to the OCD March 2007. Production began in August 2007. Currently, reclamation is underway to clean up overspray from a pop-off valve. Reclamation plan was approved by the BLM and OCD.
- e) We have not posted a bond for the five wells in question. All wells have been plugged, three locations have been fully reclaimed, with the remaining two currently being reclaimed with final work expected to be completed within the next week or two. C103 Subsequent Report will be submitted for all five at that time.

Please advise, should you have further questions or require additional information. I will give you a shout, after you have had an opportunity to review this email, as it is often easier to ask and respond to questions by phone rather than by written word.

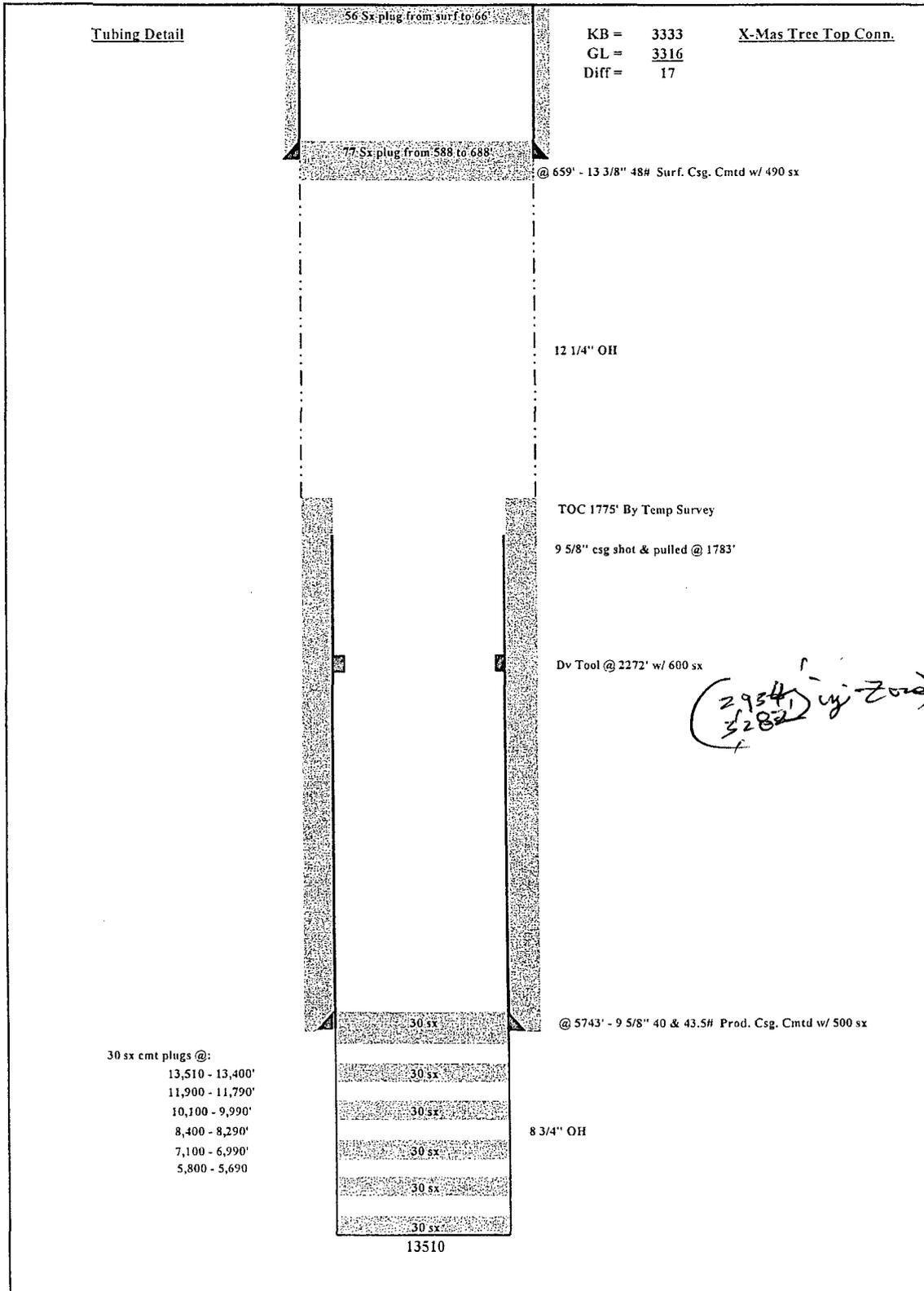


Producing Well

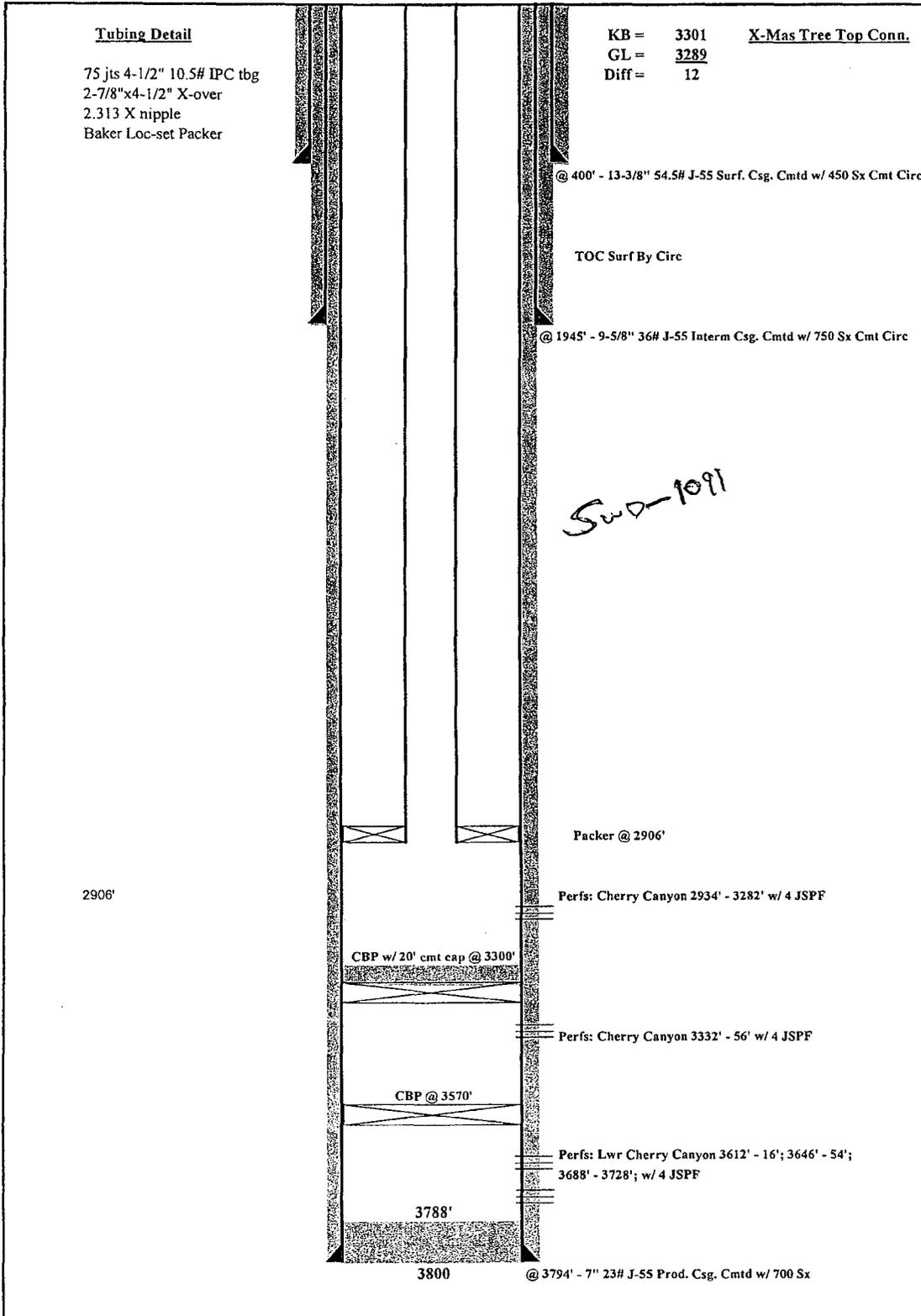
Revised	Producing Well		Drawn	TJW
	LEASE:	20504 JV-P Owl # 1	9/11/2006	
	FIELD:	Wildcat	Approved	
	LOCATION:	1980' FSL 2080' FWL Sec. 18 T26S R27E	Date	
	COUNTY:	Eddy STATE: New Mexico		
	PRODUCING FORMATION:	Brushy Canyon		
	 BTA Oil Producers			

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

30-015-10730



Revised	P&A		Drawn	SM
	LEASE:	20504 JV-P Owl Draw Unit #1	6/16/2010	
	FIELD:	Wildcat	Approved	
	LOCATION:	1980' FSL 1980' FWL Sec. 18 T26S R27E	Date	
	COUNTY:	Eddy STATE: New Mexico		
	PRODUCING FORMATION:			
	 BTA Oil Producers			



Revised	SWD	Drawn	BMM
	LEASE: 20504 JV-P Owl #5		7/3/2007
	FIELD: Hay Hollow		
	LOCATION: 2310' FSL 2130' FEL Sec. 18 T26S R27E	Approved	
	COUNTY: Eddy STATE: New Mexico		
	PRODUCING FORMATION: Brushy Canyon	Date	
	BTA Oil Producers		