

DATE IN 7/5/11	SUSPENSE	ENGINEER DB	LOGGED IN 7/5/11	TYPE NSL	APP NO. PWTJ1118654065
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



BTA
Pardue 8808 JV-P#1
RECEIVED OGD

2011 JUL -5 A 11:5

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify Overlap proration units (Pardue Lease/Pardue B Lease)

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Pam Inskeep
Print or Type Name

Signature

Regulatory Administrator
Title

06/09/2011
Date

pinskeep@btaoil.com
e-mail Address



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

June 9, 2011

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

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

Re: Application for Administrative Approval
Non-Standard Well Location/Simultaneous Dedication
Pardue, 8808 JV-P, #1
30-075-25964
2310' FSL & 660' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

NEW MEXICO OIL CONSERVATION DIVISION
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Attn: Mr. William Jones

Dear Mr. Jones,

BTA Oil Producers hereby seeks administrative approval to produce at the above referenced location in the Culebra Bluff, Bone Spring, South Pool 15011. This location is unorthodox because it is governed by the Division's statewide rules which provide for wells in this pool to have an 80-acre spacing unit dedication. This will encroach upon our 8808 JV-P Pardue -B- Lease.

This well last produced from the Atoka formation. We have recently tested the Strawn and Wolfcamp in this well and have received permission to test the Bone Spring. Attached hereto is a copy of a certified plat showing the proposed spacing unit and existing well. The proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Brushy Canyon channel while maintaining an optimum structural position.

As we are the only location/lease that the referenced well would be encroaching on, there are no notifications necessary. BTA also holds 100% Working Interest.

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

Respectfully,

Pam Inskeep
For BTA Oil Producers

/pdi

District I
625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-25964	² Pool Code 15011	³ Pool Name Culebra Bluff, Bone Spring, South
⁴ Property Code 002338	⁵ Property Name Pardue, 8808 JV-P	⁶ Well Number 1
⁷ OGRID No. 260297	⁸ Operator Name BTA Oil Producers, LLC	⁹ Elevation 2988' GR

¹⁰ Surface Location

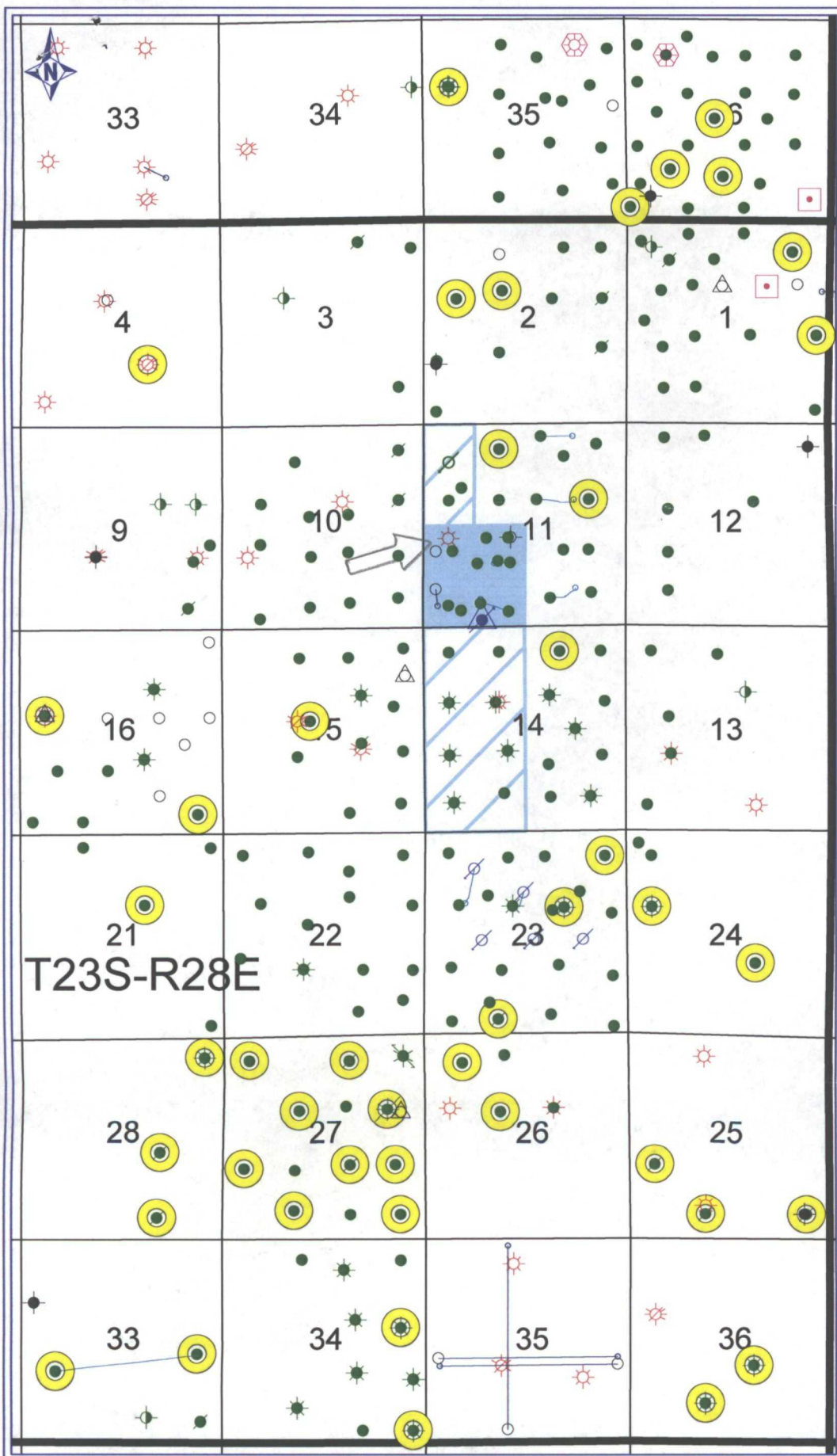
UL or lot no. L	Section 11	Township 23S	Range 28E	Lot Idn	Feet from the 2310	North/South line S	Feet from the 660	East/West line W	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature Date 6/09/2011 Pam Inskeep, Regulatory Administrator Printed Name pinskeep@btaoil.com</p>
				<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 08/10/1988 Date of Survey Signature and Seal of Professional Surveyor: Max A Schumann, Jr. Certificate Number 1510</p>




BTA OIL PRODUCERS, LLC

8808 JV-P Pardue Venture Area


















Eddy Co. New Mexico

T23S - R28E

ATTRIBUTE MAP

 Yellow Highlight Indicates Bonespring Production

WELL SYMBOLS

-  Location Only
-  Drilled, Waiting on Completion
-  Completing/Completed
-  Oil Well
-  Gas Well
-  Oil & Gas Well
-  Dry Hole
-  Injection Well
-  Plugged & Abandoned Oil Well
-  Plugged & Abandoned Gas Well
-  Injection From Oil
-  Plugged Injection
-  Service Well
-  Shut In Oil and Gas
-  Plugged and Abandoned
-  Plugged & Abandoned With OIL Show
-  Plugged And Abandoned Oil and Gas Well

BTA Acreage Highlighted in Lt. Blue

By: JHB





BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

June 9, 2011

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

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

Re: Application for Administrative Approval
Non-Standard Well Location/Simultaneous Dedication
Pardue, 8808 JV-P, #1
30-025-25964
2310' FSL & 660' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

NEW MEXICO OIL CONSERVATION DIVISION
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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As we are the only location/lease that the referenced well would be encroaching on, there are no notifications necessary. BTA also holds 100% Working Interest.

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

Respectfully,

Pam Inskeep
For BTA Oil Producers

/pdi

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
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State of New Mexico
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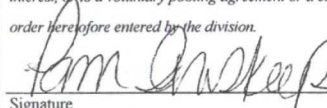
UL or lot no. L	Section 11	Township 23S	Range 28E	Lot Idn	Feet from the 2310	North/South line S	Feet from the 660	East/West line W	County Eddy
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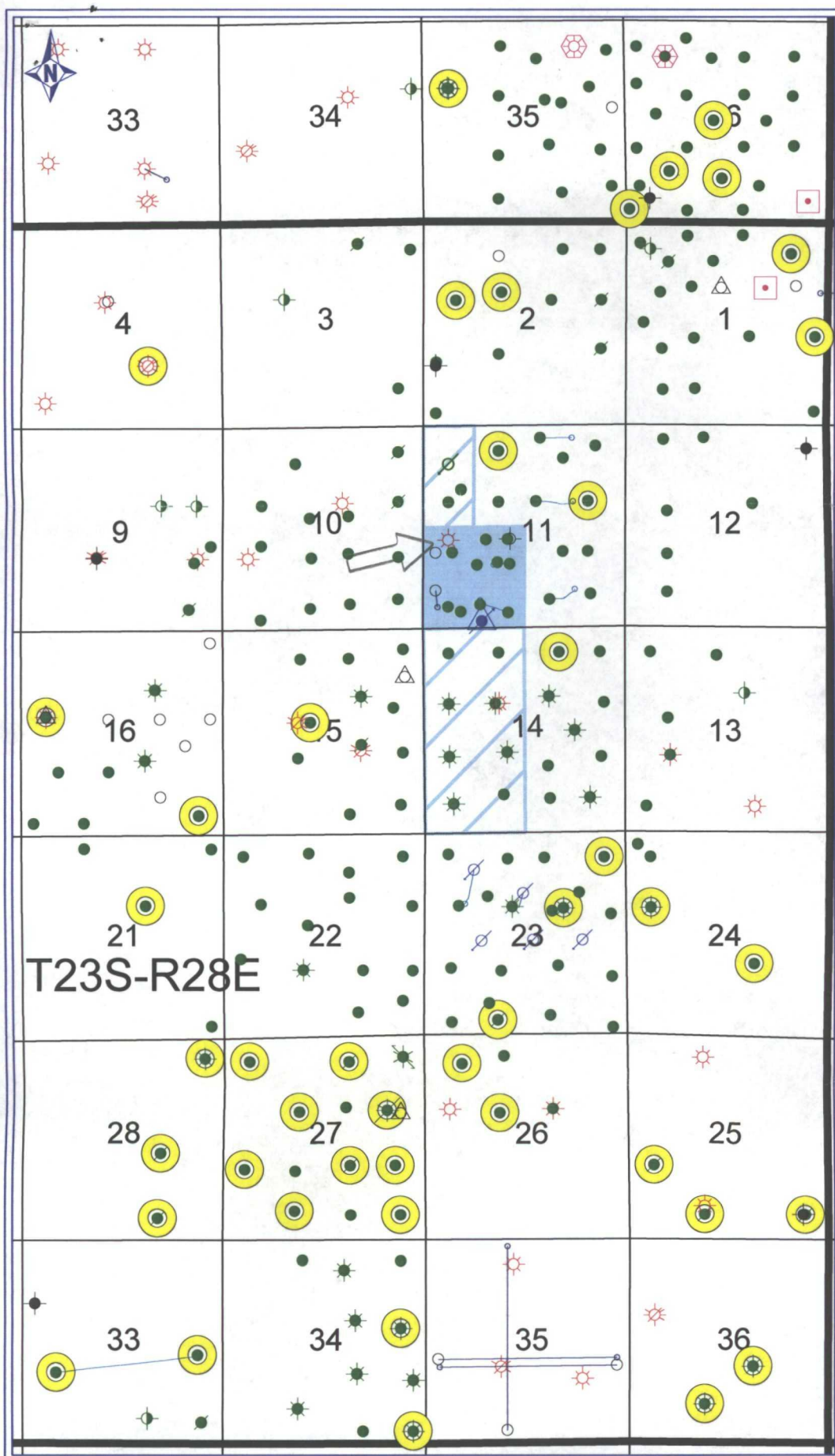
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 80	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

				<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 6/09/2011 Signature Date</p> <p>Pam Inskeep, Regulatory Administrator Printed Name pinskeep@btaoil.com</p>
				<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>08/10/1988 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Max A Schumann, Jr. Certificate Number 1510</p>



BTA OIL PRODUCERS, LLC

8808 JV-P Pardue Venture Area

Eddy Co. New Mexico

T23S - R28E

ATTRIBUTE MAP

Yellow Highlight Indicates Bonespring Production

WELL SYMBOLS

- Location Only
- Drilled, Waiting on Completion
- Completing/Completed
- Oil Well
- Gas Well
- Oil & Gas Well
- Dry Hole
- Injection Well
- Plugged & Abandoned Oil Well
- Plugged & Abandoned Gas Well
- Injection From Oil
- Plugged Injection
- Service Well
- Shut In Oil and Gas
- Plugged and Abandoned
- Plugged & Abandoned With OIL Show
- Plugged And Abandoned Oil and Gas Well

BTA Acreage Highlighted in Lt. Blue

By: JHB



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, July 14, 2011 8:38 AM
To: 'Pam Inskeep'
Subject: RE: Request for Administrative Approval - Non-Standard Location

Dear Ms. Inskeep

I have heard nothing further from you since the below email.

Accordingly, I am holding this application until I receive either waivers as suggested or proof of notice to the parties identified as affected owners in the offsetting tracts. If you supply proof of notice as required by 19.15.15.16.A(2) NMAC, we can issue the order twenty days after the date notice is given abasen protest.

Sincerely

David K. Brooks

From: Pam Inskeep [<mailto:Pinskeep@btaoil.com>]
Sent: Thursday, July 07, 2011 1:53 PM
To: Brooks, David K., EMNRD
Subject: RE: Request for Administrative Approval - Non-Standard Location

Mr. Brooks,

In response to your ownership question, I began verification this morning, first thing. Though I had been advised that BTA had all interest in affected quarter sections, I discovered that Chesapeake Operating, Inc. has 50% Working Interest in UL D and E. Range Operating has 100% Working Interest in UL F. I have forwarded waiver requests to both Chesapeake and Range for our NSL and expect to hear back from them today and tomorrow.

Assuming we receive the waivers, I will provide you a copy of the waivers, an amended Administrative Application Checklist, along with a letter detailing this additional information. I understand that, should the waivers not be provided before day's end today, you will probably not be able to write an order approving the NSL this week.

Thank you for time and I apologize for any inconvenience this amended data may cause.

Pam

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Wednesday, July 06, 2011 4:51 PM
To: Pam Inskeep
Subject: RE: Request for Administrative Approval - Non-Standard Location

Dear Ms. Inskeep

I have examined the referenced application.

The first issue to resolve is whether any notices are necessary. I do not find record of any producing wells in the Bone Spring in the NW/4 of Section 11. Accordingly, notice would be required to owners in either a stand-up or a lay-down

20-acre unit in the NW/4. That would mean all owners in Units D, E and F would be entitled to notice. If BTA owns 100% of the working interest in all three of those quarter-quarter sections, your conclusion that no notice is required is correct.

Please advise concerning the ownership in all three of the referenced quarter-quarter sections. If BTA does in fact own 100% in all three units and I receive this information by the close of business tomorrow, I will write the order approving the NSL on Friday.

Sincerely

David K. Brooks

From: Pam Inskeep [<mailto:Pinskeep@btaoil.com>]
Sent: Wednesday, July 06, 2011 12:28 PM
To: Brooks, David K., EMNRD
Subject: Request for Administrative Approval - Non-Standard Location

Good afternoon, Mr. Brooks.

I would like to inquire as to anticipated processing time for our request we submitted for Administrative Approval for a Non-Standard Location n Eddy County. Our Pardue, 8808 JV-P, #1 is located in Section 11, T23S-R28E, API 30-025-25964. This is an existing well that we are attempting to rework. This well previously produced from the Atoka. We recently tested the Strawn (May) and Wolfcamp (June) in this well and have been granted permission to test the Bone Spring. The Bone Spring will require the Administrative Approval. We have our operations in the field on hold, until we receive the approval for the non-standard location. We would very much like to move on this as soon as possible.

I addressed the request to Mr. Will Jones. He advised that you handle these requests.

We have all operations around the well, so no notification is required.

Please advise, should you require any additional information to proceed with your review.

Thanks,

Pam

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



please do not print this email unless necessary.

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, July 06, 2011 3:51 PM
To: 'Pam Inskeep'
Subject: RE: Request for Administrative Approval - Non-Standard Location

Dear Ms. Inskeep

I have examined the referenced application.

The first issue to resolve is whether any notices are necessary. I do not find record of any producing wells in the Bone Spring in the NW/4 of Section 11. Accordingly, notice would be required to owners in either a stand-up or a lay-down 80-acre unit in the NW/4. That would mean all owners in Units D, E and F would be entitled to notice. If BTA owns 100% of the working interest in all three of those quarter-quarter sections, your conclusion that no notice is required is correct.

Please advise concerning the ownership in all three of the referenced quarter-quarter sections. If BTA does in fact own 100% in all three units and I receive this information by the close of business tomorrow, I will write the order approving the NSL on Friday.

Sincerely

David K. Brooks

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I addressed the request to Mr. Will Jones. He advised that you handle these requests.

We have all operations around the well, so no notification is required.

Please advise, should you require any additional information to proceed with your review.

Thanks,

Pam

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



please do not print this email unless necessary.

Brooks, David K., EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Monday, July 18, 2011 12:37 PM
To: Brooks, David K., EMNRD
Subject: Waiver of Non-Standard Well Location - Pardue, 8808 JV-P, #1
Attachments: Waiver of non-standard loc - Pardue 8808 JV-P #1.PDF

Mr. Brooks, attached is Chesapeake's official waiver to our NSL location for the referenced well.

It would be greatly appreciated, if you would have someone advise us of your approval, once given. We have personnel in the field waiting to proceed with this work.

Thank you, again, for your time.

Pam

From: Melody May [mailto:melody.may@chk.com]
Sent: Monday, July 18, 2011 1:33 PM
To: Pam Inskeep
Cc: Terry Frohnapfel; Dave Bolton; Creedence Reihs
Subject: Waiver of Non-Standard Well Location - Pardue, 8808 JV-P, #1

Pam,

Please find attached the signed Waiver of Non-Standard Well Location for the Pardue, 8808 JV-P, #1. The original will also go in the mail today.

Thank you,
Melody May
Land Technician
Chesapeake Energy Corporation



This email (and attachments if any) is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this email is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by return email and destroy all copies of the email (and attachments if any).

Brooks, David K., EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Tuesday, July 19, 2011 10:46 AM
To: Brooks, David K., EMNRD
Subject: Inquiry as to status of Request for Administrative Approval - Non-Standard Location

Hi, Mr. Brooks.

I am not attempting to be a pest; however, I would like to inquire as to the status of our request for NSL for 8808 JV-P Pardue #1. We have equipment and personnel in the field on hold, until we receive the approval for the NSL. We would very much like to move on this as soon as possible.

I realize that your office is probably covered up with requests and proposals for review. I very much appreciate the time you have already taken in reviewing this request, as well as the attention you will need to give it to issue the order.

Please advise, should you require any additional information or have any questions.

Thanks,

Pam

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

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I addressed the request to Mr. Will Jones. He advised that you handle these requests.

We have all operations around the well, so no notification is required.

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Thanks,

Pam

Pam Inskeep

Regulatory Administrator

BTA Oil Producers LLC

104 S. Pecos

Midland, TX 79701

432-682-3753

432-683-0325 fax

pinskeep@btaoil.com



please do not print this email unless necessary.

**BTA OIL PRODUCERS, LLC**

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

CARLTON BEAL, JR.
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SPENCER BEAL
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GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4401 FAX 303-534-4661

July 7, 2011

Re: Non-Standard Well Location
Pardue, 8808 JV-P, #1
30-025-25964
2310' FSL & 660' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

INTERESTED PARTIES

Gentlemen:

BTA Oil Producers LLC is applying for administrative approval to produce at the above referenced location in the Culebra Bluff, Bone Spring, South Pool 15011. This location is unorthodox because it is governed by the Division's statewide rules which provide for wells in this pool to have an 80-acre spacing unit dedication. This will encroach upon our 8808 JV-P Pardue -B- Lease.

This well initially produced from the Atoka formation. We have recently tested the Strawn and Wolfcamp in this well and have received permission to test the Bone Spring. Attached hereto is a copy of a certified plat showing the proposed spacing unit and existing well. The proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Brushy Canyon channel while maintaining an optimum structural position.

BTA hereby requests your waiver of objection to this location. Please indicate your approval by signing one copy of this letter in the space provided below and returning same to the undersigned by fax at 432-683-0325 or e-mail pinskeep@btaoil.com. We have equipment on location, so your prompt review and reply would be very much appreciated.

Please advise, should you have any questions regarding this application.

Respectfully,

PAM INSKEEP
For BTA Oil Producers LLC

The undersigned hereby waives any objection to the location proposed by BTA Oil Producers LLC

Company: CHESAPEAKE EXPLORATION, L.P.
Name: Henry J. Hood, Senior Vice President
Title: Land and Legal & General Counsel
Date: 7/15/11

TF
LB
7/15/11



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

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

July 18, 2011

GULF COAST DISTRICT
FOUR GREENSPPOINT 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: Application for Administrative Approval
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Attn: Mr. David K. Brooks

Dear Mr. Brooks,

BTA Oil Producers submitted a request for administrative approval to produce at the above referenced location in the Culebra Bluff, Bone Spring, South Pool 15011. This location is unorthodox because it is governed by the Division's statewide rules which provide for wells in this pool to have an 80-acre spacing unit dedication. This will encroach upon our 8808 JV-P Pardue -B- Lease.

There are no Bone Spring wells in the NW/4 of Section 11. Chesapeake Energy Corporation has 50% Working Interest in UL D and E. Range Operating New Mexico, LLC has 100% Working Interest in UL F. Attached please find a waiver from Range and a notice of no objection from Chesapeake for our NSL. I am also providing an amended Administrative Application Checklist.

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

Respectfully,

Pam Inskeep
For BTA Oil Producers

/pdi



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3763
FAX 432-683-0311

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

July 7, 2011

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 670
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-634-4404 FAX 303-634-4661

Re: Non-Standard Well Location
Pardue, 8808 JV-P, #1
30-025-25964
2310' FSL & 660' FWL
Sec. 11, T23S, R28E
Eddy County, New Mexico

INTERESTED PARTIES

Gentlemen:


BTA Oil Producers LLC is applying for administrative approval to produce at the above referenced location in the Culebra Bluff, Bone Spring, South Pool 15011. This location is unorthodox because it is governed by the Division's statewide rules which provide for wells in this pool to have an 80-acre spacing unit dedication. This will encroach upon our 8808 JV-P Pardue -B- Lease.

This well initially produced from the Atoka formation. We have recently tested the Strawn and Wolfcamp in this well and have received permission to test the Bone Spring. Attached hereto is a copy of a certified plat showing the proposed spacing unit and existing well. The proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Brushy Canyon channel while maintaining an optimum structural position.

BTA hereby requests your waiver of objection to this location. Please indicate your approval by signing one copy of this letter in the space provided below and returning same to the undersigned by fax at 432-683-0325 or e-mail pinskeep@btaoil.com. We have equipment on location, so your prompt review and reply would be very much appreciated.

Please advise, should you have any questions regarding this application.

Respectfully,


PAM INSKEEP
For BTA Oil Producers LLC

The undersigned hereby waives any objection to the location proposed by BTA Oil Producers LLC

Company: Range Operating New Mexico, LLC
Name: Robert Egan
Title: District Landman
Date: 7-11-11

Pam Inskeep

From: Terry Frohnapfel [terry.frohnapfel@chk.com]
Sent: Monday, July 18, 2011 10:20 AM
To: Pam Inskeep
Cc: Teresa Long
Subject: Waiver

Pam:

Chesapeake is in receipt of the Non-Standard Well Location waiver request sent on behalf of BTA Oil Producers, LLC for the Pardue, 8808 JV-P, #1 well located in Sec. 11, T23S, R28E, Eddy Co., NM. Chesapeake Geology and Engineering have both reviewed the request and have no objection to produce this well in the Culebra Bluff, Bone Spring, South Pool 15011. We will be sending a signed approval letter as soon as it completes the routing cycle.

Thank you,
Terry Frohnapfel
Sr Landman
Chesapeake Energy Corporation
P. O. Box 18496
Oklahoma City, OK 73154-0496
Office: (405) 935-2727
Mobile: (405) 496-0815
Fax: (405) 849-2727
E-mail: terry.frohnapfel@chk.com



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DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☒ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify Overlap proration units (Pardue Lease/Pardue B Lease)
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☒ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Pam Inskeep
 Print or Type Name

Signature

Pam Inskeep

Regulatory Administrator
 Title

07/18/2011
 Date

pinskeep@btaoil.com
 e-mail Address