

DATE IN 4/16/99	SUSPENSE 5/6/99	ENGINEER MS	LOGGED KV	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

### ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

#### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

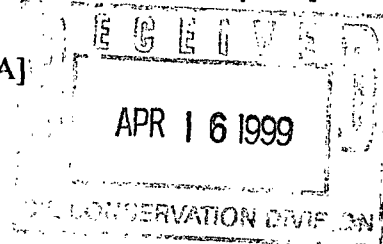
Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



#### [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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

DOROTHY HOUGHTON

Print or Type Name

*Dorothy Houghton*  
Signature

Regulatory Administrator

Title

04/15/99

Date



MIDLAND 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  
915-682-3753  
FAX 915-683-0311

April 15, 1999

ROCKY MOUNTAIN DIVISION  
600 17TH STREET  
SUITE 2230  
SOUTH TOWER  
DENVER, CO 80202  
303-292-9299  
FAX 303-297-0666

Re: Application for Administrative Approval  
Unorthodox Well Location  
Grama -C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

NEW MEXICO OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, NM 87505

Attention: Ms. Lori Wrotenbery, Director

Dear Ms. Wrotenbery,

OIL CONSERVATION DIV.  
99 APR 16 AM 9:03

BTA Oil Producers hereby seeks administrative approval to drill at the above referenced location in the Grama Ridge, Morrow Gas Pool with the south half of Section 16 dedicated to this well. This location in the Morrow formation, is unorthodox because it is governed by the Division's statewide rules which provide for wells on 320 acre spacing units to be located no closer than 660 feet to the nearest side boundary nor closer than 1650 feet to the nearest end boundary.

Attached hereto is Exhibit "A", a Morrow Structure Map, and Exhibit "B" a Morrow Net Sand Isopach Map. The proposed unorthodox well location is necessary to enable BTA to locate this well in the thickest portion of the Morrow channel while, while maintaining an optimum structural position, under the South half of Section 16.

We are enclosing an area of the Lea County map showing the offsetting leases operated by Santa Fe Energy Resources, Inc. BTA would be encroaching on Section 17 to the west. BTA has notified Santa Fe by certified mail and requested their signing of a waiver. We are enclosing the "green card" PS Form 3811 signed by Santa Fe on 04/08/99. We are also enclosing the signed certificate of notification for the Commissioner of Public Lands.

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

Sincerely,

  
DOROTHY HOUGHTON  
For BTA Oil Producers

Attachments & Enclosures: Form C101 & C102  
Lea Co. Map; Offset Operator  
and SLO Notification; Exhibits "A" & "B"

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

**State of New Mexico**  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101

Revised October 18, 1994

Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address BTA OIL PRODUCERS 104 South Pecos Midland, TX 79701		<sup>2</sup> OGRID Number 003002
		<sup>3</sup> API Number 30 - 0
<sup>4</sup> Property Code	<sup>5</sup> Property Name Grama -C-, 8817 JV-P	<sup>6</sup> Well No. 1

**7 Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
M	16	22S	34E		660	South	660	West	Lea

**8 Proposed 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
<sup>9</sup> Proposed Pool 1 77680 - Grama Ridge, Morrow					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3477
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 13550	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Pending	<sup>20</sup> Spud Date 05-17-99

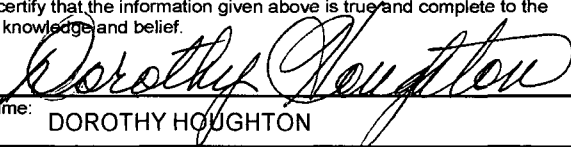
**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	94#	900'	Sufficient to	Circ. to surface
17-1/2"	13-3/8"	68#	2200'	Sufficient to	Circ. to surface
12-1/4"	9-5/8"	40#	5200'	500 sx	Cmt to +4000'
8-3/4"	7"	29#	11,700'	Sufficient to	Cmt to 5000'
6-1/8"	5" Liner	18#	11300-13550'	Sufficient to	Circ. around Liner

<sup>22</sup>Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BOP's on 9-5/8" csg and below: 5,000 psi WP SRRA

(7) Unorthodox Location Application Attached -NMOCD - Santa Fe  
NMOCD - Hobbs  
NM-SLO

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		<b>OIL CONSERVATION DIVISION</b>	
Signature: 		Approved By:	
Printed name: DOROTHY HOUGHTON		Title:	
Title: Regulatory Administrator		Approval Date:	Expiration Date:
Date: 04-15-99	Phone: 915/682-3753	Conditions of Approval: Attached: <input type="checkbox"/>	

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 77680	Pool Name Grama Ridge, Morrow
Property Code	Property Name 8817 JV-P GRAMA "C"	Well Number 1
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3477

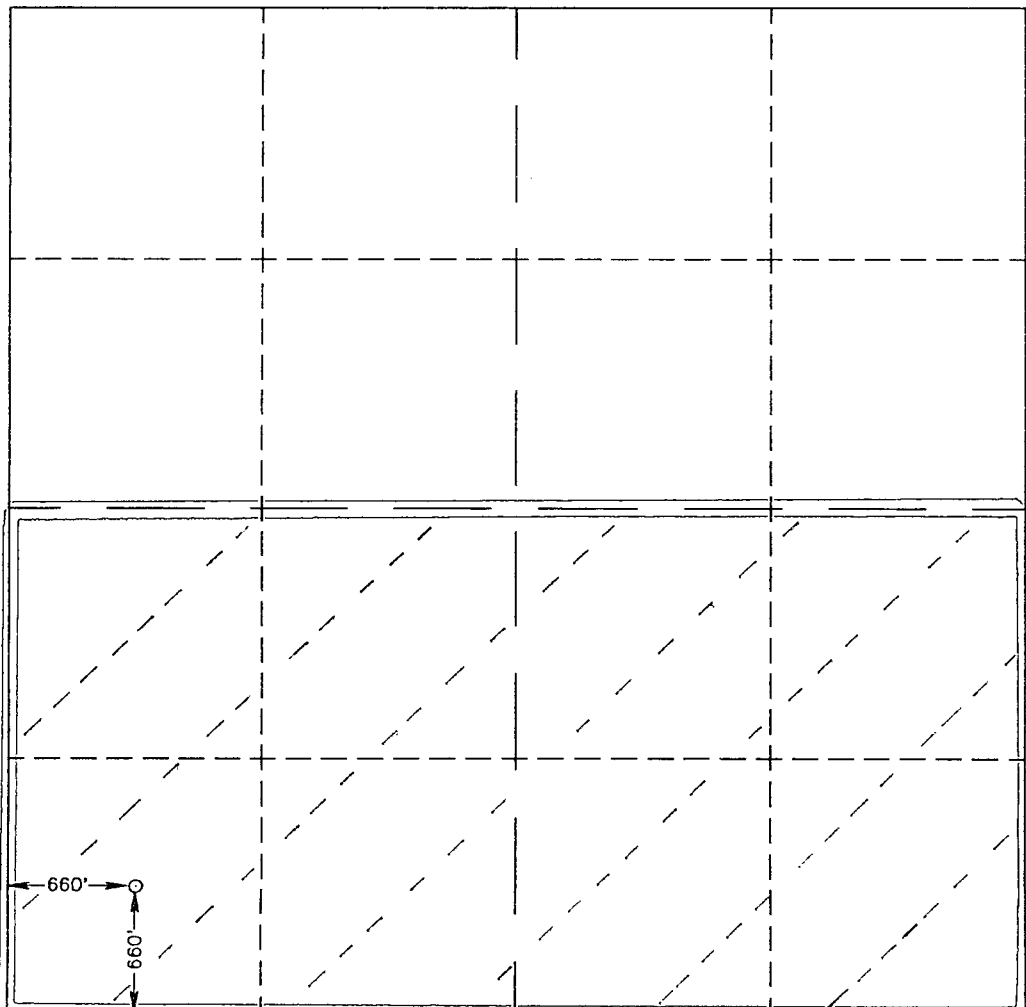
Surface Location

UL or lot No. M	Section 16	Township 22 S	Range 34 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County LEA
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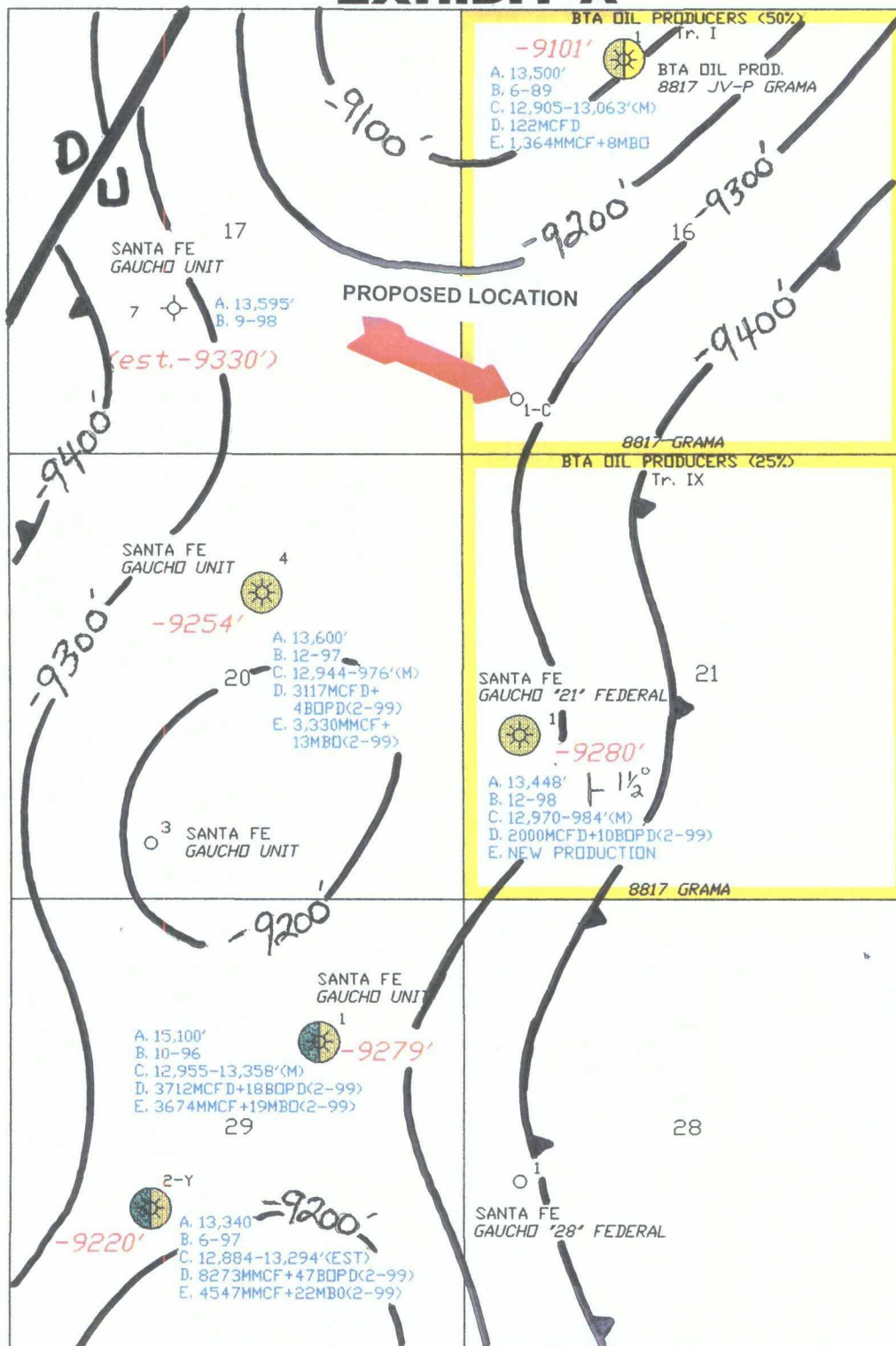
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Dorothy Houghton</i> Signature</p> <p>DOROTHY HOUGHTON Printed Name</p> <p>Regulatory Administrator Title</p> <p>04/07/99 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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>APRIL 1999 Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature</p> <p>RONALD J. EIDSON Professional Surveyor</p> <p>3239 Seal of the State of New Mexico</p> <p>W.O. 99-11-03 Certificate Number</p> <p>RONALD J. EIDSON, 3239 GARY S. EIDSON, 12641 MACON McDONALD, 12185</p>

# EXHIBIT A



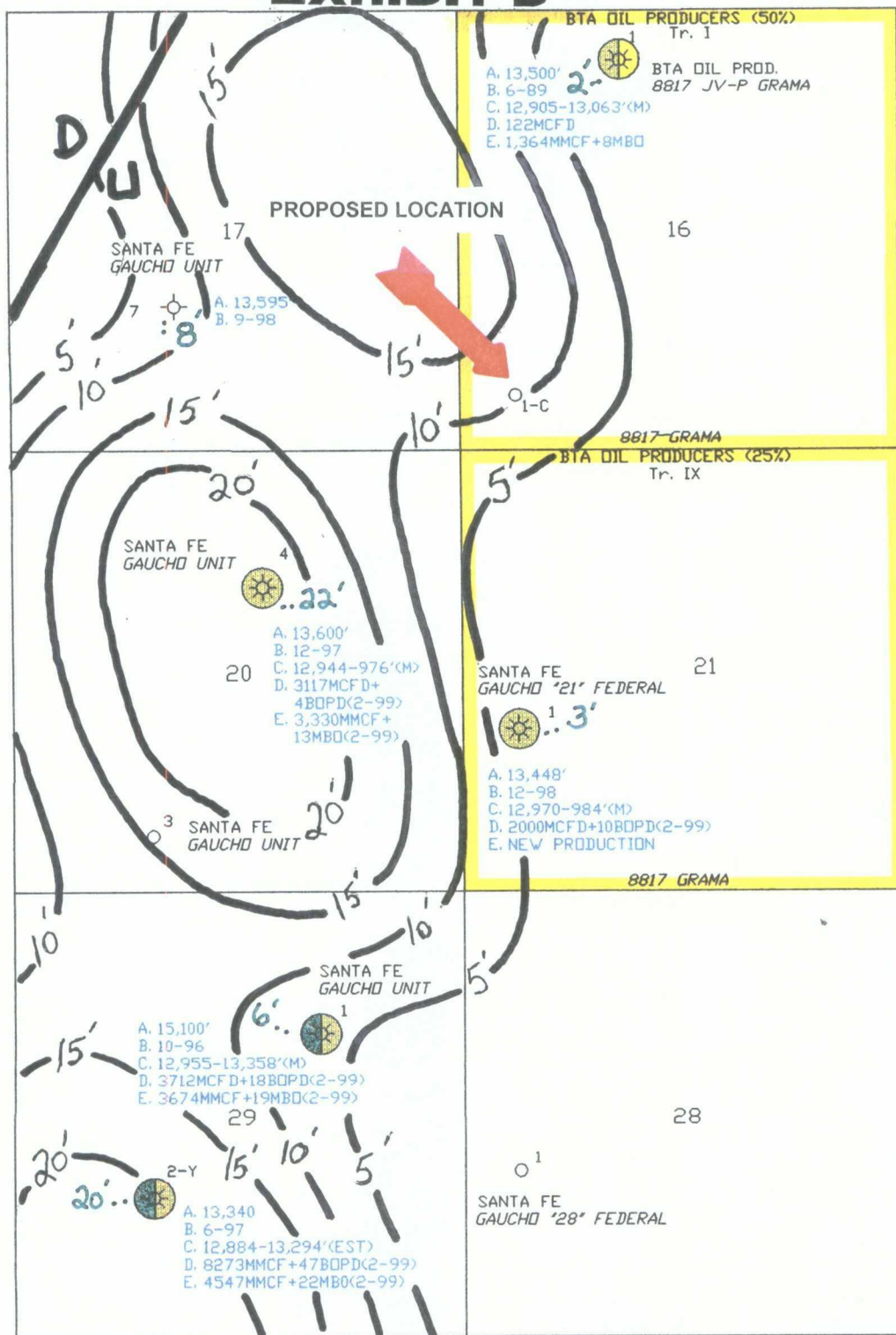
## Production Key

- Upper Morrow "Gaucho" Sand
- Middle Morrow "A" Sand
- Middle Morrow "C" Sand

**BTA Oil Producers**  
**8817 JV-P Grama "C" # 1**  
**Structure Map**  
**Top Morrow Clastics**  
 C.I. = 100 Feet

1 mile

# EXHIBIT B



A. TOTAL DEPTH  
B. COMPLETION DATE  
C. PRODUCING PERFS  
D. DAILY RATE  
E. CUMULATIVE PROD.

## Production Key

- Upper Morrow "Gaucho" Sand
- Middle Morrow "A" Sand
- Middle Morrow "C" Sand

## BTA Oil Producers 8817 JV-P Grama "C" # 1 Net Isopach Map Upper Morrow "Gaucho Sand"

Net Pay = x-plot porosity  $\geq$  8% (LM MTX)

C.I. = 5 Feet



1 mile

**BTA OIL PRODUCERS**  
**OFFSET OPERATOR LIST**

Application for Administrative Approval  
Unorthodox Well Location  
Grama - C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

Santa Fe Energy Resources, Inc.  
550 W. Texas, Suite 1330  
Midland, TX 79701  
Attention: Steven J. Smith

<b>SENDER:</b> <ul style="list-style-type: none"><li>■ Complete items 1 and/or 2 for additional services.</li><li>■ Complete items 3, 4a, and 4b.</li><li>■ Print your name and address on the reverse of this form so that we can return this card to you.</li><li>■ Attach this form to the front of the mailpiece, or on the back if space does not permit.</li><li>■ Write "Return Receipt Requested" on the mailpiece below the article number.</li><li>■ The Return Receipt will show to whom the article was delivered and the date delivered.</li></ul>		I also wish to receive the following services (for an extra fee):  1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:  Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330 Midland, TX 79701		4a. Article Number P 268 426 351	
5. Received By: (Print Name) <i>M. Choate</i>		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery <i>4-8-99</i>	
6. Signature: (Addressee or Agent) <i>X [Signature]</i>		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.







## BTA OIL PRODUCERS

Application for Administrative Approval  
Unorthodox Well Location  
Grama -C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

NEW MEXICO STATE LAND OFFICE  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, NM 87504-1148

I hereby certify that a complete copy of BTA's application was mailed by  
certified mail on this day 15<sup>th</sup> day of April, 1999 to the above listed,  
COMMISSIONER OF PUBLIC LANDS.

Signed:

  
DOROTHY HOUGHTON



**Santa Fe Energy Resources, Inc.**

RECEIVED  
APR 26 1999  
OIL CONSERVATION DIVISION

**VIA FACSIMILE AND U.S. MAIL**

Fax # 505-827-1389

April 22, 1999

Mr. Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: BTA Oil Producer's  
Application for Administrative Approval  
Unorthodox Gas Well Location  
8817 JV-P Grama "C" #1  
660' FSL & 660' FWL  
Section 16, T-22-S, R-34-E, NMPM  
Lea County, New Mexico  
SFERI's Gaucho Prospect NM-0415

Dear Mr. Stogner:

Santa Fe Energy Resources, Inc (Santa Fe) owns a significant working interest in the Santa Fe operated Gaucho "21" Fed. #1 and the Gaucho Unit #4 wells offsetting the proposed unorthodox location referenced above. Santa Fe believes the referenced unorthodox location should be denied. Please advise when this application will be scheduled for a formal hearing.

Sincerely,

**SANTA FE ENERGY RESOURCES, INC.**

Meg Muhlinghaue  
Senior Landman

CC: BTA Oil Producers – Dorothy Houghton

H:\worddata\gaucho-nmocc-bta offset

Central Division  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551



**Santa Fe Energy Resources, Inc.**

**VIA FACSIMILE AND U.S. MAIL**

Fax # 505-827-1389

April 22, 1999

Mr. Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

*Case 12189*

Re: BTA Oil Producer's  
Application for Administrative Approval  
Unorthodox Gas Well Location  
8817 JV-P Grama "C" #1  
660' FSL & 660' FWL  
Section 16, T-22-S, R-34-E, NMPM  
Lea County, New Mexico  
SFERI's Gaucho Prospect NM-0415

Dear Mr. Stogner:

Santa Fe Energy Resources, Inc (Santa Fe) owns a significant working interest in the Santa Fe operated Gaucho "21" Fed. #1 and the Gaucho Unit #4 wells offsetting the proposed unorthodox location referenced above. Santa Fe believes the referenced unorthodox location should be denied. Please advise when this application will be scheduled for a formal hearing.

Sincerely,

**SANTA FE ENERGY RESOURCES, INC.**

*Meg Muhlinghouse*  
Meg Muhlinghouse  
Senior Landman

CC: BTA Oil Producers -- Dorothy Houghton

H:\word\data\gaucho-nmood-bta offset

Central Division  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

April 27, 1999

BTA Oil Producers  
Attention: Dorothy Houghton  
104 South Pecos  
Midland, Texas 79701

*RE: Administrative application of BTA Oil Producers to drill its Grama "C" 8817 JV-P Well No. 1 at an unorthodox Morrow gas well location 660' FS & WL (Unit M) of Section 16, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, in which the S/2 of Section 16 is to be dedicated in order to form a standard 320-acre gas spacing and proration unit within the Undesignated Grama Ridge-Morrow Gas Pool.*

Dear Ms. Houghton:

On April 26, 1999 the Division received an objection from Santa Fe Energy Resources, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for May 27, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
Santa Fe Energy Resources, Inc. (Attn. Meg Muhlinghouse) - Midland, Texas  
Kathy Valdes - OCD, Santa Fe





**Santa Fe Energy Resources, Inc.**

**VIA FACSIMILE AND U.S. MAIL**

Fax # 505-827-1389

APR 26  
OIL CONSERVATION DIVISION

April 22, 1999

Mr. Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: BTA Oil Producer's  
Application for Administrative Approval  
Unorthodox Gas Well Location  
8817 JV-P Grama "C" #1  
660' FSL & 660' FWL  
Section 16, T-22-S, R-34-E, NMPM  
Lea County, New Mexico  
SFERI's Gaucho Prospect NM-0415

Dear Mr. Stogner:

Santa Fe Energy Resources, Inc (Santa Fe) owns a significant working interest in the Santa Fe operated Gaucho "21" Fed. #1 and the Gaucho Unit #4 wells offsetting the proposed unorthodox location referenced above. Santa Fe believes the referenced unorthodox location should be denied. Please advise when this application will be scheduled for a formal hearing.

Sincerely,

**SANTA FE ENERGY RESOURCES, INC.**

Meg Muhlinghouse  
Senior Landman

CC: BTA Oil Producers – Dorothy Houghton

H:\worddata\gaucho-nmocc-bta offset

Central Division  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551



OIL CONSERVATION DIV.  
MIDLAND PARTNERS

98 MAY 26 PM 12:58  
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  
915-682-3753  
FAX 915-683-0311

May 24, 1999

ROCKY MOUNTAIN DIVISION  
600 17TH STREET  
SUITE 2230  
SOUTH TOWER  
DENVER, CO 80202  
303-292-9299  
FAX 303-297-0666

Re: Letter of Dismissal  
Case No. 12189

*File*

*NSL-4287*

STATE OF NEW MEXICO  
ENERGY MINERALS & NATURAL RESOURCES DEPT.  
OIL CONSERVATION DIVISION  
2040 South Pacheco St.  
Santa Fe, NM 87505

Attention: Hearing Examiner

Gentlemen:

Please be advised BTA has reached an agreement with Santa Fe Energy Resources, Inc. concerning the above referenced case. We are attaching the original signed "Waiver of Objection" and a copy of the letter agreement.

BTA hereby request dismissal of Case No. 12189.

Should further information be required to issue our drilling permit, please give me a call. Thank you.

Sincerely,

*Dorothy Houghton*  
DOROTHY HOUGHTON  
For BTA Oil Producers

Attachments



OIL CONSERVATION DIV.

MIDLAND 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  
915-682-3753  
FAX 915-683-0311

May 20, 1999

ROCKY MOUNTAIN DIVISION  
600 17TH STREET  
SUITE 2230  
SOUTH TOWER  
DENVER, CO 80202  
303-292-9299  
FAX 303-297-0666

Re: Offset Operator – Waiver of Objection  
Unorthodox Location  
**Case No. 12189**  
Grama –C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

SANTA FE ENERGY RESOURCES, INC.  
550 W. Texas, Suite 1330  
Midland, TX 79701

Attention: Steven J. Smith

Gentlemen:

BTA previously notified you of our intention to drill the Grama –C- #1 gas well at the above referenced unorthodox location. This location requires an exception to NMOC Rule 104.C (2)(b) and BTA has filed an application for administrative approval for geologic conditions.

We have furnished Form C101 and C102 along with the Lea County land map showing this area. If you have no objections to this unorthodox location, please signify your approval by signing one copy of this letter in the space provided below and returning same to the undersigned.

Sincerely,

DOROTHY HOUGHTON  
For BTA Oil Producers

The undersigned hereby waives any objection to the unorthodox location proposed by BTA Oil Producers this 24th day of May, 1999.

Santa Fe Energy Resources, Inc. \*

Name:

Title:

Sr. Staff Landman

\* Subject to Conditional letter dated May 21, 1999



**Santa Fe Snyder Corporation**

VIA FAX AND U.S. MAIL

(915) 683-0311

OIL CONSERVATION DIV.

99 MAY 26 PM 12: 58

May 21, 1999

BTA Oil Producers  
104 South Pecos  
Midland, Texas 79701  
ATTN: Mr. Robert Crawford

Re: Unorthodox Well Location  
BTA's Grama -C-, 8817 JV-P, #1 Well  
660' FSL & 660' FWL  
Sec. 16, T-22-S, R-34-E  
Lea County, New Mexico  
SFS's Gaucho Prospect - NM-0415

Gentlemen:

Reference is made to the request by BTA Oil Producers (BTA) for administrative approval of the above referenced unorthodox well location. As you know Santa Fe Snyder Corporation (Santa Fe) filed an objection to the proposed location and this matter has been set for hearing before the NMOCD.

In an effort to reach a mutually acceptable compromise in this matter, Santa Fe hereby agrees to waive its objection to the above referenced unorthodox well location in exchange for a guarantee by BTA that it will (i) grant Santa Fe waivers of mirror unorthodox locations for the drilling of Morrow tests in Sections 17, 20 and 21, T-22-S, R-34-E, Lea County, New Mexico, and (ii) provide Santa Fe with all logs and tests results acquired in connection with drilling the above referenced well as outlined on the attached Exhibit "A". All logs and test results shall be provided to Santa Fe within forty-eight (48) hours of BTA's receipt of same. In addition, Santa Fe shall provide BTA with like well information on any well drilled by Santa Fe at any of the mirror unorthodox locations in Sections 17, 20 and 21.

If you agree to the foregoing, please so indicate by signing both copies of this letter and returning one fully executed copy to the undersigned. My direct phone number is (915) 686-6712 and my fax number is (915) 686-6714.

Sincerely,

**SANTA FE SNYDER CORPORATION**

Steven J. Smith  
Senior Staff Landman

Central Division  
550 W. Texas, Suite 1330  
Midland, Texas 79701  
915/687-3551



Dockets Nos. 17-99 and 18-99 are tentatively set for June 10 and June 24, 1999. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 12185:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authorization to drill a well to the Morrow formation, Undesignated Crow Flats-Morrow Gas Pool, at an unorthodox well location 660 feet from the North and East lines of Section 5, Township 17 South, Range 27 East. The N/2 of Section 5 is to be dedicated to the well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 5 miles east-northeast of Artesia, New Mexico.

**CASE 12186:** Application of Chesapeake Operating Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 15, Township 16 South, Range 35 East, in the following manner: (a) the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Townsend-Morrow Gas Pool and the North Shoe Bar-Atoka Gas Pool; (b) the NE/4 to form a standard 160-acre gas spacing and proration for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the North Shoe Bar-Wolfcamp Gas Pool; (c) the E/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre oil spacing within that vertical extent; and (d) the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre oil spacing within that vertical extent, including the Townsend-Permo Upper Pennsylvanian Pool. These units are to be dedicated to its Boyce "15" Well No. 1 which will be located at a standard location within Unit H of the section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in this well. This unit is located approximately 5 1/2 miles southwest of the center of the City of Lovington, New Mexico.

**CASE 12187:** Application of Richardson Operating Company for compulsory pooling and downhole commingling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the N/2 of Section 2, Township 30 North, Range 14 West, forming standard 160-acre and 320-acre spacing and proration units, respectively. These units are to be dedicated to its WF State "2" Well No. 1 which is to be located at a standard gas well location within Unit A of this section for downhole commingled production from the Undesignated Harper Hill Fruitland Sand-Pictured Cliffs Gas Pool and the Basin Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in the well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. The well is located approximately 6 miles north of the northwestern corner of the City of Farmington, New Mexico.

**CASE 12157:** Continued from May 13, 1999, Examiner Hearing.

Application of Chi Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 19, Township 20 South, Range 34 East, to form a standard 320-acre spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Undesignated Quail Ridge-Morrow Gas Pool. The unit is to be dedicated to the Greenstone Fed. Com. Well No. 1, located at an unorthodox surface/bottomhole location 480 feet from the South line and 1650 feet from the East line (Unit O), or in the alternative, directionally drilled from the above surface location to an unorthodox gas well bottomhole location 760 feet from the South line and 1650 feet from the East line (Unit O). Also to be considered will be the cost of drilling and completing this well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Louis Dreyfus Natural Gas Corp. as operator of the well and unit, and a charge for risk involved in drilling and completing the well. This unit is located approximately 20 miles west-southwest of Monument, New Mexico.

**CASE 12188:** Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 2035 feet below the surface to the base of the Morrow formation underlying the following described acreage in Section 8, Township 17 South, Range 28 East, in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Dog Canyon-Strawn Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to its Silver Streak State Com. Well No. 1 to be drilled at an unorthodox location 1400 feet from the North line and 1650 feet from the East line (Unit G) of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a charge for risk involved in drilling and completing the well. The units are located approximately 11.5 miles east of Artesia, New Mexico.

**CASE 12189:** Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval to drill its Grama "C" 8817 JV-P Well No. 1 at an unorthodox Morrow gas well location 660 feet from the South and West lines (Unit M) of Section 16, Township 22 South, Range 34 East, located approximately 19 miles southwest of Eunice, New Mexico. The S/2 of Section 16 is to be dedicated to the well to form a standard 320-acre gas spacing and proration unit within the Undesignated Grama Ridge-Morrow Gas Pool.

BTA. DD

12189

CASE \_\_\_\_\_:

Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval to drill its Grama "C" 8817 JV-P Well No. 1 at an unorthodox Morrow gas well location 660 feet from the South and West lines (Unit M) of Section 16, Township 22 South, Range 34 East, located approximately 19 miles west by south of Eunice, New Mexico. The S/2 of Section 16 is to be dedicated to the well in order to form a standard 320-acre gas spacing and proration unit within the Undesignated Grama Ridge-Morrow Gas Pool.

Please sit her  
~~up~~ hearing  
on the  
next available  
date.  
Thank.  
MS

District I  
PO Box 1980, Hobbs, NM 88241-1980

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address BTA OIL PRODUCERS 104 South Pecos Midland, TX 79701		<sup>2</sup> OGRID Number 003002
		<sup>3</sup> API Number 30 - 0
<sup>4</sup> Property Code	<sup>5</sup> Property Name Grama -C-, 8817 JV-P	<sup>6</sup> Well No. 1

<sup>7</sup>Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
M	16	22S	34E		660	South	660	West	Lea

<sup>8</sup>Proposed 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
<sup>9</sup> Proposed Pool 1 77680 - Grama Ridge, Morrow					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3477
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 13550	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Pending	<sup>20</sup> Spud Date 05-17-99

<sup>21</sup>Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	94#	900'	Sufficient to	Circ. to surface
17-1/2"	13-3/8"	68#	2200'	Sufficient to	Circ. to surface
12-1/4"	9-5/8"	40#	5200'	500 sx	Cmt to +4000'
8-3/4"	7"	29#	11,700'	Sufficient to	Cmt to 5000'
6-1/8"	5" Liner	18#	11300-13550'	Sufficient to	Circ. around Liner

<sup>22</sup>Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

BOP's on 9-5/8" csg and below: 5,000 psi WP SRRA

(7) Unorthodox Location Application Attached -NMOCD - Santa Fe  
NMOCD - Hobbs  
NM-SLO

<sup>23</sup>I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

DOROTHY HOUGHTON

Title:  
Regulatory Administrator

Date:  
04-15-99

Phone:  
915/682-3753

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:  
Attached: ☐

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 77680	Pool Name Grama Ridge, Morrow
Property Code	Property Name 8817 JV-P GRAMA "C"	Well Number 1
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3477

Surface Location

UL or lot No. M	Section 16	Township 22 S	Range 34 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County LEA
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Bottom Hole Location If Different From Surface

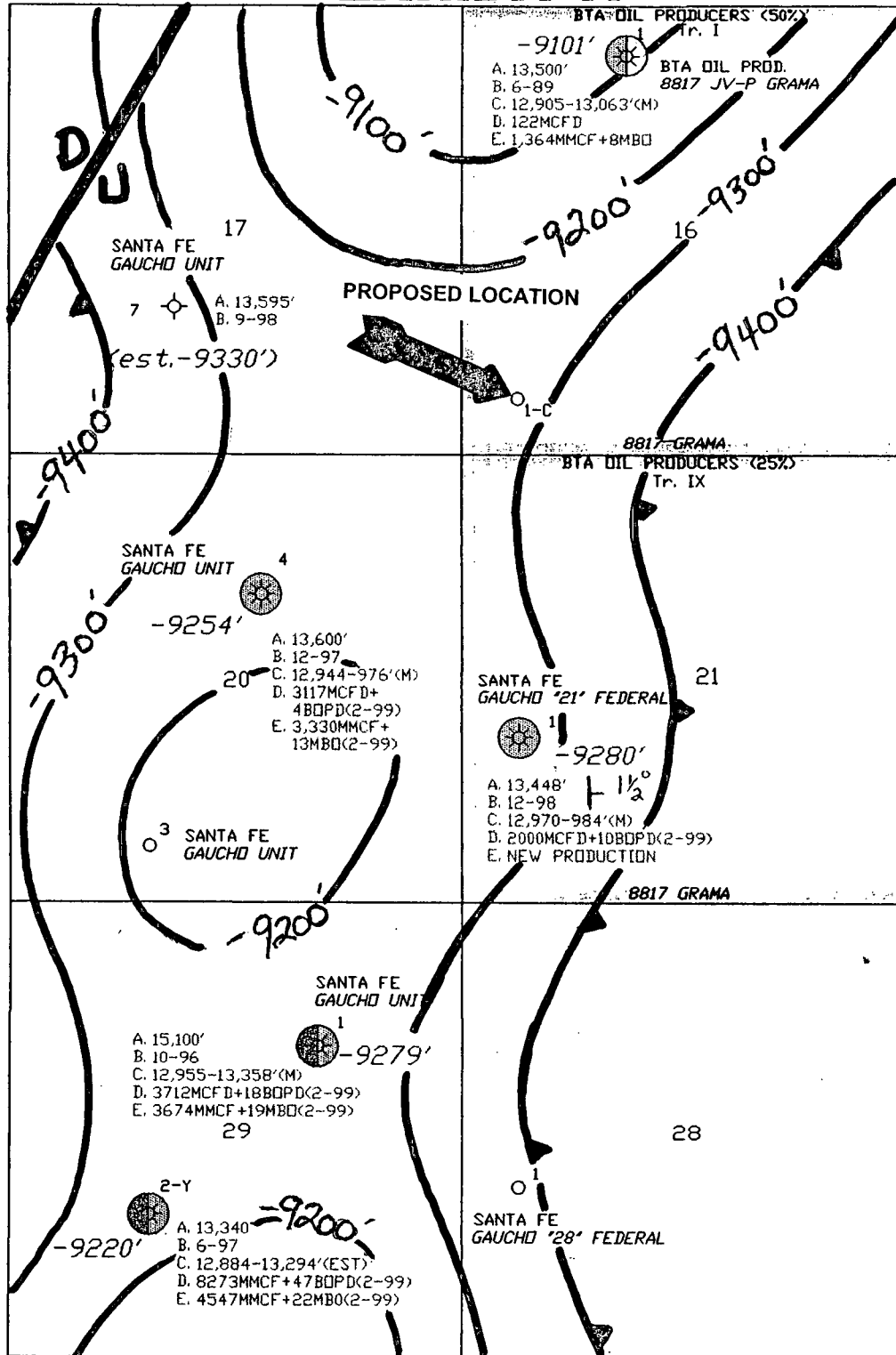
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature DOROTHY HOUGHTON Printed Name Regulatory Administrator Title 04/07/99 Date
	<b>SURVEYOR CERTIFICATION</b>  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.  APRIL 1999 Date Surveyed Signature of Seal of Professional Surveyor  W.O. 99-11-03 Certificate No. 3239 GARY O. EIDSON, 12841 MACON McDONALD, 12185



# EXHIBIT A



A. TOTAL DEPTH  
B. COMPLETION DATE  
C. PRODUCING PERFS  
D. DAILY RATE  
E. CUMULATIVE PROD.

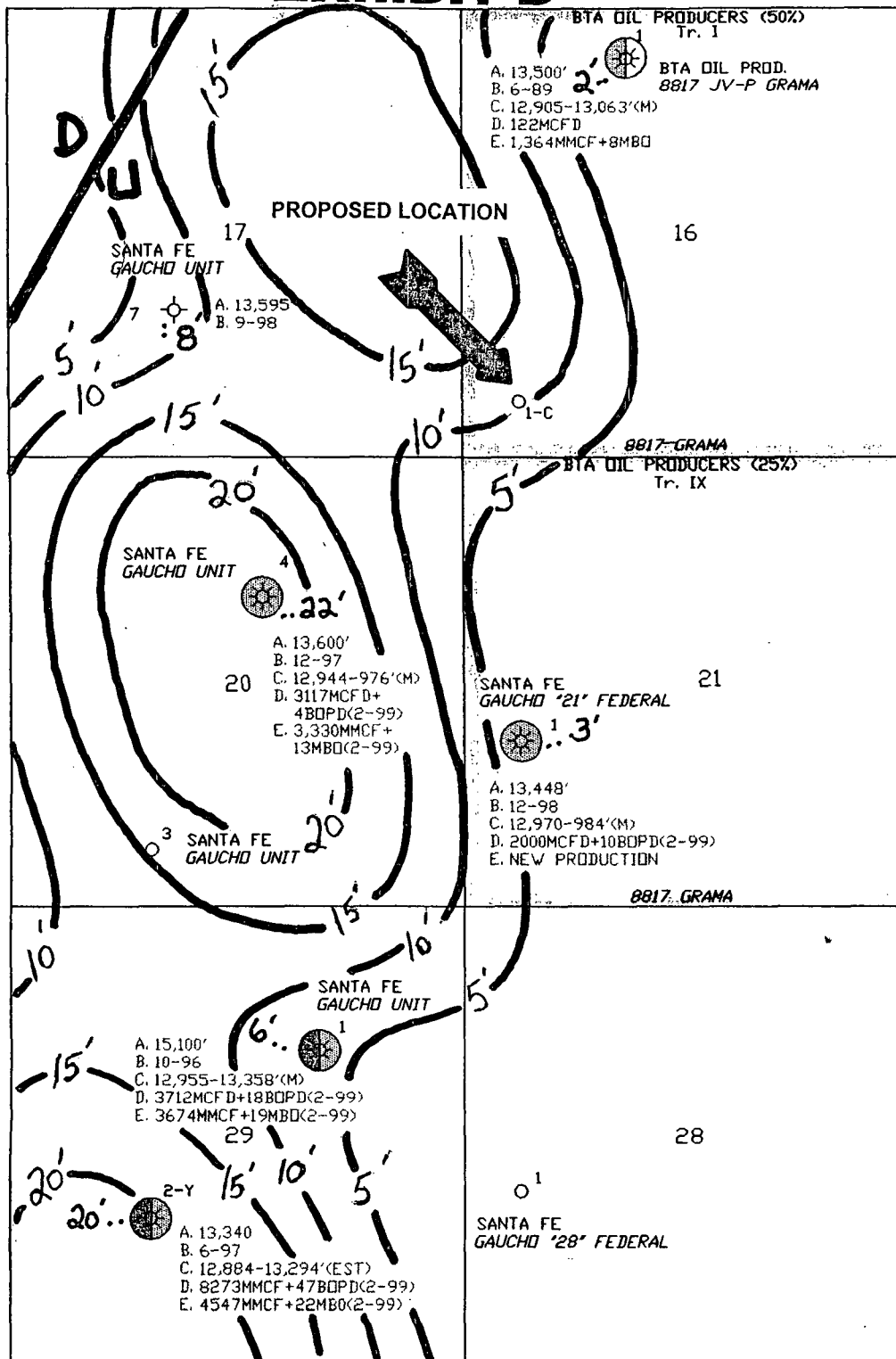
## Production Key

- Upper Morrow "Gauchó" Sand
- Middle Morrow "A" Sand
- Middle Morrow "C" Sand

**BTA Oil Producers**  
**8817 JV-P Grama "C" # 1**  
**Structure Map**  
**Top Morrow Clastics**  
C.I. = 100 Feet

1 mile

# EXHIBIT B



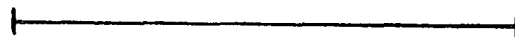
## Production Key

- Upper Morrow "Gaucho" Sand
- Middle Morrow "A" Sand
- Middle Morrow "C" Sand

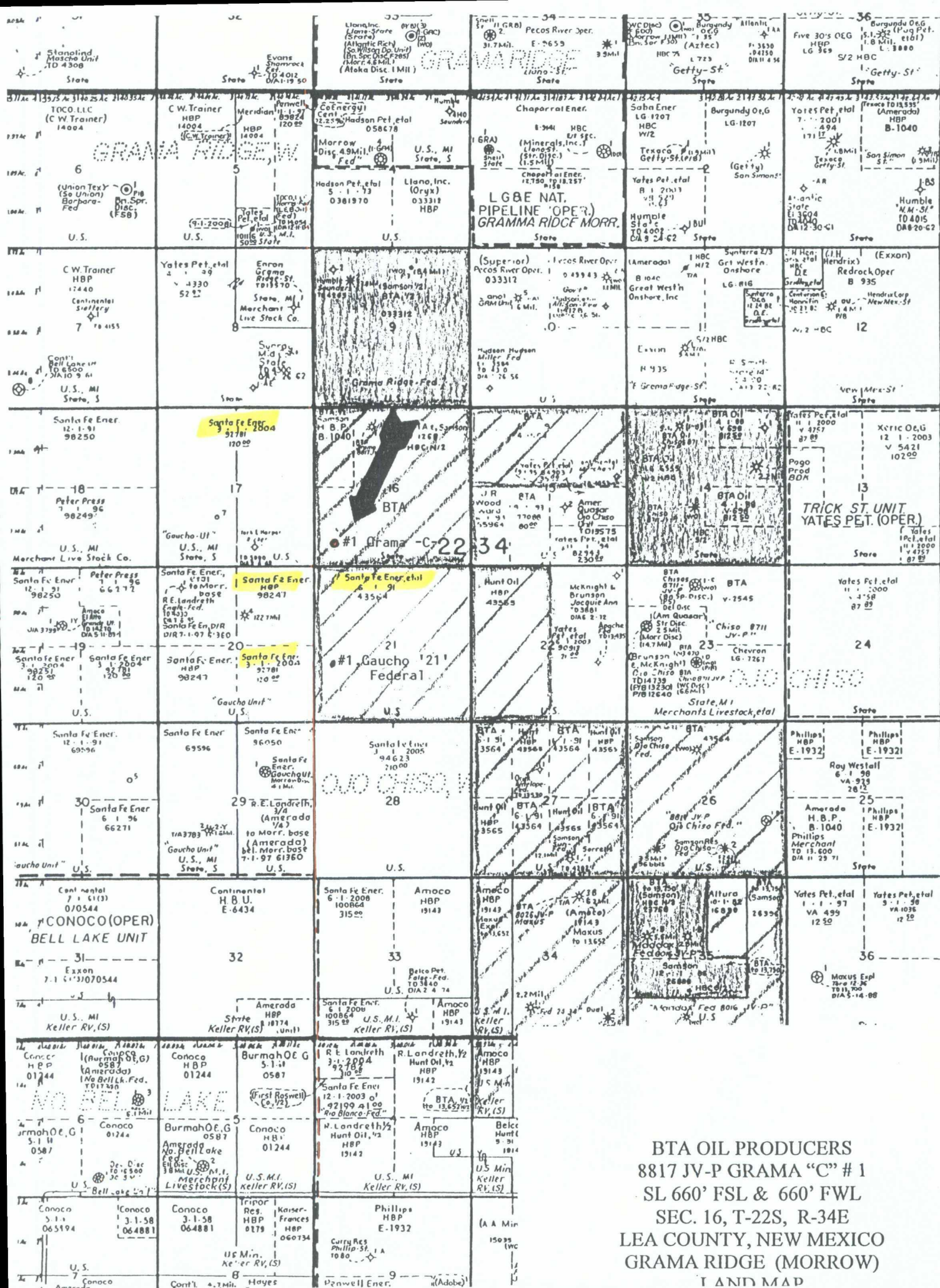
**BTA Oil Producers**  
**8817 JV-P Grama "C" # 1**  
**Net Isopach Map**

**Upper Morrow "Gaucho Sand"**  
 Net Pay = x-plot porosity ≥ 8% (LM MTX)

C.I. = 5 Feet



1 mile



T  
22  
S

BTA OIL PRODUCERS  
8817 JV-P GRAMA "C" # 1  
SL 660' FSL & 660' FWL  
SEC. 16, T-22S, R-34E  
LEA COUNTY, NEW MEXICO  
GRAMA RIDGE (MORROW)  
LAND MAP

**BTA OIL PRODUCERS**  
**OFFSET OPERATOR LIST**

Application for Administrative Approval  
Unorthodox Well Location  
Grama – C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

Santa Fe Energy Resources, Inc.  
550 W. Texas, Suite 1330  
Midland, TX 79701  
Attention: Steven J. Smith

<b>SENDER:</b> <ul style="list-style-type: none"><li>■ Complete items 1 and/or 2 for additional services.</li><li>■ Complete items 3, 4a, and 4b.</li><li>■ Print your name and address on the reverse of this form so that we can return this card to you.</li><li>■ Attach this form to the front of the mailpiece, or on the back if space does not permit.</li><li>■ Write "Return Receipt Requested" on the mailpiece below the article number.</li><li>■ The Return Receipt will show to whom the article was delivered and the date delivered.</li></ul>		I also wish to receive the following services (for an extra fee):  1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:  Santa Fe Energy Resources, Inc. 550 W. Texas, Suite 1330 Midland, TX 79701		4a. Article Number P 268 426 351	
5. Received By: (Print Name) <i>M. Choate</i>		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery <i>4-8-99</i>	
6. Signature: (Addressee or Agent) <i>X [Signature]</i>		8. Addressee's Address (Only if requested and fee is paid)	

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.




## BTA OIL PRODUCERS

Application for Administrative Approval  
Unorthodox Well Location  
Grama -C-, 8817 JV-P, #1  
660' FSL & 660' FWL  
Sec. 16, T22S, R34E  
Lea County, NM

NEW MEXICO STATE LAND OFFICE  
Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, NM 87504-1148

I hereby certify that a complete copy of BTA's application was mailed by  
certified mail on this day 15<sup>th</sup> day of April, 1999 to the above listed,  
COMMISSIONER OF PUBLIC LANDS.

Signed:

  
DOROTHY HOUGHTON

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

04/23/99 16:20:33  
OGOMES -TP0I  
PAGE NO: 1

Sec : 16 Twp : 22S Rng : 34E Section Type : NORMAL

D 40.00 CS B01040 0009 07/42 COLLINS & WARE C	C 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C A	B 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C	A 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C
E 40.00 CS B01040 0009 07/42 COLLINS & WARE C	F 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C	G 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C	H 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS C

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

04/23/99 16:20:39  
OGOMES -TP01  
PAGE NO: 2

Sec : 16 Twp : 22S Rng : 34E Section Type : NORMAL

L 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	K 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	J 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	I 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS
M 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	N 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	O 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS	P 40.00 CS V01268 0004 11/89 BTA OIL PRODUCERS

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

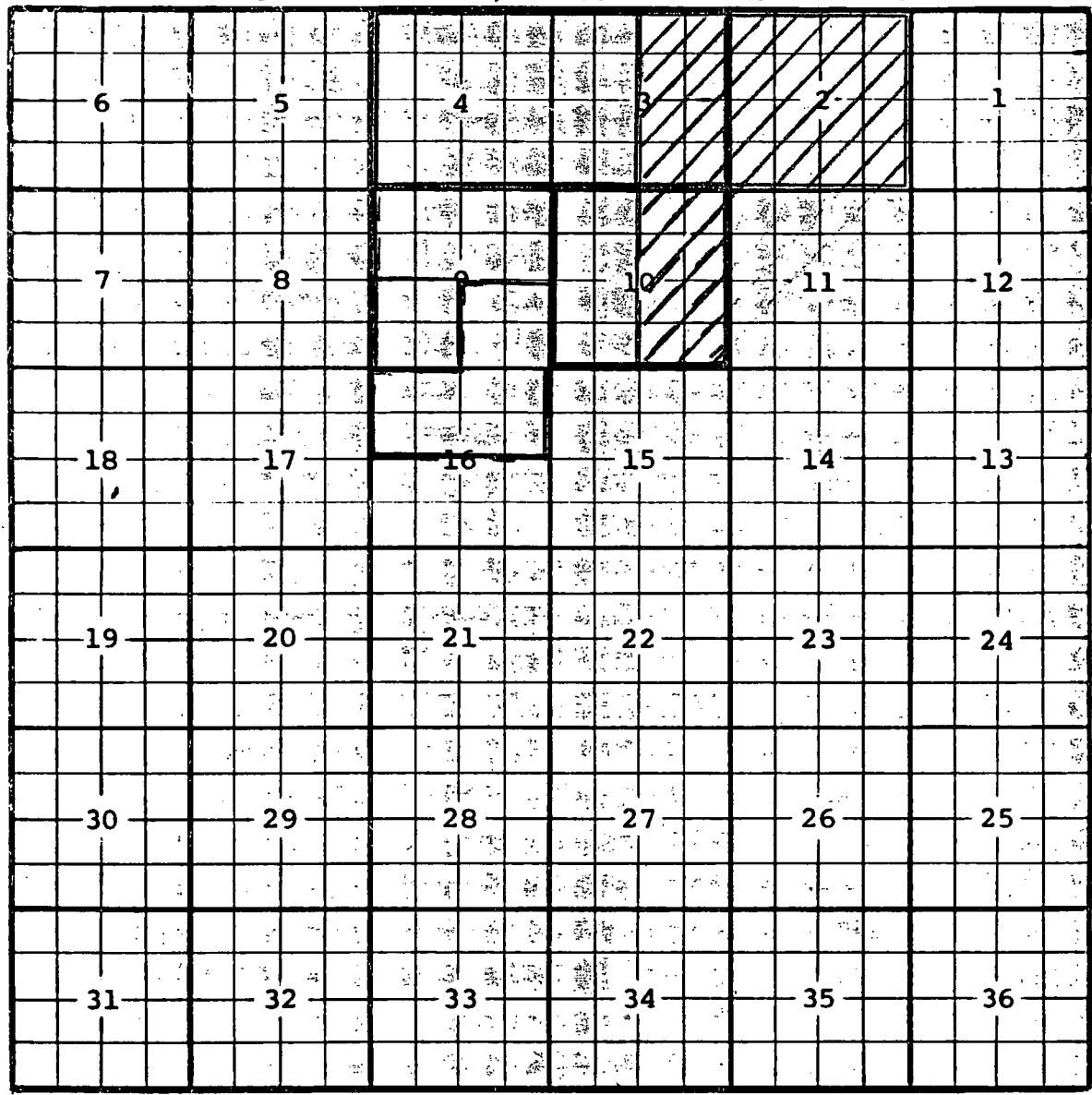
COUNTY *Lea*

POOL *Gramma Ridge - Morrow Gas*

TOWNSHIP *22 South*

RANGE *34 East*

NMPM



Description: All Sec. 3 & 4 (R-3006, 12-3-65)

Ext: All Sec. 10 (R-3152, 12-1-66) Ext: All Sec 2 (R-5729, 6-1-78)

Deletion: All Sec 2, E/2 Sec 3, E/2 Sec 10 (R-5995, 5-2-79)

Ext: SE/4 sec. 9, N/2 sec 16 (R-9741, 9-1-89) Ext: N/2 sec 9 (R-9120, 3-1-90)

Ext: SW/4 sec. 9 (R-9345, 11-7-90)

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