

DATE IN 10/8/9	SUSPENSE	ENGINEER Ezeanyim	LOGGED IN 10/8/9	TYPE PC	PTGW APP NO. 0928146248
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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 (3019)
(260297)

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 _____

PC-1211

[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 Inskip
Print or Type Name

Signature

Pam Inskip

Regulatory Administrator
Title

10/08/2009
Date

pinskeep@btaoil.com
e-mail Address

[Sent e-mail]



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

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

October 6, 2009

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: BTA OIL PRODUCERS LLC
Surface Commingle Application
Midway, 8408 JV-P, #1 & #3
Section 13, T17S, R36E
Lea County, NM

2009 OCT - 8 A 10:55
RECEIVED OCD

STATE OF NEW MEXICO
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

Gentlemen:

BTA Oil Producers respectfully requests permission to surface commingle the referenced wells. As regards the above referenced commingle application, BTA respectfully submits the following:

- Form C107b Application for Surface Commingling
- Site Facility Diagram
- Location Plat
- Copy of Form C-103 filed with the OCD District office
- Copy of Form C-105 filed with the OCD District office
- List of Working Interest owners/Notification
- The daily production for these wells will be allocated based on regularly performed well tests. The tests will be performed by shutting in one well and measuring the other.

If you have any questions, please do not hesitate to contact us.

Respectfully,

PAM INSKEEP
For BTA Oil Producers LLC

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BTA Oil Producers LLC

OPERATOR ADDRESS: 104 S. Pecos, Midland, TX 79701

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☒ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Midway, Abo 46280	7		7		
Spencer, San Andres 57510					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) Each month's production will be allocated based on regularly performed tests

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Fed or State lands are involved. E-8581

(3) Lease Names, Lease and Well Numbers, and API Numbers. Midway, 8408 JV-P, #1 30-025-29553
Midway, 8408 JV-P, #3 30-025-29692

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Pam Inskeep

TITLE: Regulatory Administrator

DATE: 10/05/2009

TYPE OR PRINT NAME Pam Inskeep

TELEPHONE NO.: (432) 682-3753

E-MAIL ADDRESS: pinskeep@btaoil.com

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88203

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED

SEP 04 2009

HOBBSON

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-29692	² Pool Code 57510 46330	³ Pool Name Spencer Midway; San Andres
⁴ Property Code 305864	⁵ Property Name Midway, 8408 JV-P	⁶ Well Number 3
⁷ OGRID No. 260297	⁸ Operator Name BTA Oil Producers LLC	⁹ Elevation 3811'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	17S	36E		2310	S	990	E	Lea

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
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¹² Dedicated Acres 40 ✓	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</p> <p><i>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</i></p> <p><u>Pam Inskeep</u> 08/24/2009</p> <p>Signature Date</p> <p>Pam Inskeep, Regulatory Administrator</p> <p>Printed Name</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>05/20/1986</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Max A. Schumann, Jr. 1510</p> <p>Certificate Number</p>

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

COPY
Form C-103
May 27, 2004

WELL AND NO. 30-025-29692
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. ---
7. Lease Name or Unit Agreement Name Midway, 8408 JV-P
8. Well Number <u>3</u>
9. OGRID Number 260297
10. Pool name or Wildcat Spencer, San Andres <u>57510</u> ✓

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" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
BTA Oil Producers LLC

3. Address of Operator
104 S. Pecos, Midland, TX 79701

4. Well Location
Unit Letter I : 2310 feet from the south line and 990 feet from the east line
Section 13 Township 17S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3811' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Plugback ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BTA Oil Producers plugged back and tested this well as follows:

09/17-10/1/2009 MI RU. POH w/rods & pmp. ND WH. NU BOP. Rel TAC, POH w/tbg. RIH w/5-1/2" CIBP, set @ 8900'. Load hole, press test tbg to 7000 psi, test CIBP to 1000 psi, test csg to 1000 psi. Tstd OK. Spot 40' cmt plug on top of CIBP. Pull tbg to 6581'. Spot 25 sx cmt plug 6326-6581'. Pull tbg to 5321'. Circ clean. Spot 200 gal 10% acetic acid @ 5321'. POH w/tbg. Perf 5320-5324' w/ 2 JSPF. Set pkr @ 5106'. BD perfs. Swab. Rel pkr. POH w/tbg & pkr. Set CIBP @ 5280'. Load hole, test plug to 1000 psi. Tstd OK. Pmp 40' cmt on top of CIBP. Raise tbg to 4965'. Spot 200 gal acetic acid. Perf 4955-65' w/2 JSPF. RIH w/pkr. Set pkr @ 4754'. BD perfs. Swab. Pmp 1500 gal 15% NeFe. Swab. Rel Pkr. POH w/tbg & pkr. RIH w/prod string. EOT 5084', SN @ 5046', TAC @ 4851'. RIH w/2-1/2"x1-3/4"x26' RHBC pmp.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 10/01/2009

Type or print name Pam Inskeep E-mail address: pinskeep@btaoil.com Telephone No. 432-682-3753

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Submit To Appropriate District Office

State Lease - 6 copies

Fee Lease - 5 copies

District I

1625 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 and Natural Resources

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

Form C-105
Revised March 25, 1999

WELL API NO.

30-025-29692

5. Indicate Type of Lease

STATE ☒ FEE ☐

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

b. Type of Completion:

NEW ☐ WORK ☐ DEEPEN ☒ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☐ OTHER

2. Name of Operator

BTA Oil Producers, LLC 260297

3. Address of Operator

104 S. Pecos, Midland, TX 79701

7. Lease Name or Unit Agreement Name

Midway, 8408 JV-P

8. Well No.

3

9. Pool name or Wildcat

Spencer, San Andres 57510

4. Well Location

Unit Letter I 2310 Feet From The south Line and 990 Feet From The east Line

Section 13 Township 17S Range 36E NMPM Lea County

10. Date Spudded

9/17/09 PB

11. Date T.D. Reached

12. Date Compl. (Ready to Prod.)

09/27/2009 PB

13. Elevations (DF& RKB, RT, GR, etc.)

3811' GL

14. Elev. Casinghead

15. Total Depth

9582'

16. Plug Back T.D.

5240'

17. If Multiple Compl. How Many Zones? ---- N/A

18. Intervals Drilled By

Rotary Tools

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

4955 - 4965' San Andres

20. Was Directional Survey Made
No

21. Type Electric and Other Logs Run

None

22. Was Well Cored
No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5	397'	17-1/2"	450 sx Circ	
8-5/8"	24 & 32	4400'	11"	2100 sx Circ	
5-1/2"	17	9582'	7-7/8"	1500 sx Circ	
	CIBP	8900', 5280'		40' on top of each	

24.

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25.

TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8"	5084'	

26. Perforation record (interval, size, and number)

4955 - 4965' 2 JSPF

5320 - 5324' 2 JSPF

8981 - 8990 19 holes

9018 - 9028 21 holes

CIBP @ 5280'

CIBP @ 8900'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED

4955 - 4965' A w/1500 gal 15% NeFe PB

8981 - 9028' A w/12400 gal orig

28

PRODUCTION

Date First Production

09/27/2009

Production Method (Flowing, gas lift, pumping - Size and type pump)

Pmpg 2-1/2"x1-3/4"x26" RHBC

Well Status (Prod. or Shut-in)

Producing

Producing

Date of Test

Hours Tested

24

Choke Size

Prod'n For

Test Period

Oil - Bbl

Gas - MCF

Water - Bbl.

Gas - Oil Ratio

Flow Tubing Press.

Casing Pressure

Calculated 24-Hour Rate

Oil - Bbl.

Gas - MCF

Water - Bbl.

Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

Test Witnessed By

C Tipton

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature

Printed

Name Pam Inskeep

Title

Regulatory Administrator

Date

10/07/09

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy	1975	T. Canyon	
T. Salt		T. Strawn	
B. Salt		T. Atoka	
T. Yates	3197	T. Miss	
T. 7 Rivers		T. Devonian	
T. Queen	4140	T. Silurian	
T. Grayburg		T. Montoya	
T. San Andres	4900	T. Simpson	
T. Glorieta	6602	T. McKee	
T. Paddock		T. Ellenburger	
T. Blinberry		T. Gr. Wash	
T. Tubb	7735	T. 2 nd Bone Spring Sand	
T. Drinkard	7870	T. Bone Springs	9058
T. Abo	8634	T. Brushy Cnyn	
T. Wolfcamp		T. Brushy Cnyn "Pardue"	
T. Penn		T. Loving Sand	
T. Cisco (Bough C)		T. Brushy Cnyn "Basal"	

Northwestern New Mexico

T. Ojo Alamo	T. Penn. "B"
T. Kirtland-Fruitland	T. Penn. "C"
T. Pictured Cliffs	T. Penn. "D"
T. Cliff House	T. Leadville
T. Menefee	T. Madison
T. Point Lookout	T. Elbert
T. Mancos	T. McCracken
T. Gallup	T. Ignacio Otzte
Base Greenhorn	T. Granite
T. Dakota	T.
T. Morrison	T.
T. Todilto	T.
T. Entrada	T.
T. Wingate	T.
T. Chinle	T.
T. Permian	T.
T. Penn. "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from...4955'to.....4965.....

No. 3, from..... to.....

No. 2, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from to feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

COPY



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

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

October 6, 2009

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: BTA OIL PRODUCERS LLC
Surface Commingle Application
Midway, 8408 JV-P, #1 & #3.
Section 13, T17S, R36E
Lea County, NM

INTEREST OWNERS

Gentlemen:

BTA Oil Producers has requested permission from the State of New Mexico to surface commingle the referenced wells.

For your information and records, enclosed please find a copy of the Application for Surface Commingling and a site facility diagram. The daily production for these wells will be allocated based on regularly performed well tests. The tests will be performed by shutting in one well and measuring the other.

If you have any questions, please do not hesitate to contact us.

Respectfully,

A handwritten signature in cursive script, appearing to read "Pam Inskeep".

PAM INSKEEP
For BTA Oil Producers LLC

COPY

BTA OIL PRODUCERS LLC
Surface Commingle Application
Midway 8408 JV-P #1 & #3
Section 13, T17S, R36E
Lea County, NM

Interest Owners

BTA Oil Producers, LLC

Dan E. Bruhl
1201 Summit Ave.
Ft. Worth, TX 76102

David Petroleum Corporation
116 West First St.
Roswell, NM 88203

Giles Energy, Inc.
5902 Corinthian Park Drive
Spring, TX 77379

McCully-Chapman Exploration LLC
P. O. Box 421
Sealy, TX 77474

Carolyn L. Schlicher
P. O. Box 606
Roswell, NM 88202

Willischild Oil and Gas Corporation
621 E Street
Snyder, OK 73566

7006 0810 0000 3488 3206

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54

Sent To: Carolyn L. Schlicher
 Street, Apt. No., or PO Box No. P. O. Box 606
 City, State, ZIP+4 Roswell, NM 88202

PS Form 3800, June 2002 See Reverse for Instructions

7006 0810 0000 3488 3220

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54

Sent To: Willischild Oil and Gas Corp.
 Street, Apt. No., or PO Box No. 621 E Street
 City, State, ZIP+4 Snyder, OK 73566

PS Form 3800, June 2002 See Reverse for Instructions

7006 0810 0000 3488 4234

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54

Sent To: Dan E. Bruhl
 Street, Apt. No., or PO Box No. 1201 Summit Ave.
 City, State, ZIP+4 Fort Worth, TX 76102

PS Form 3800, June 2002 See Reverse for Instructions

7006 0810 0000 3488 3244

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54

Sent To: David Petroleum Corporation
 Street, Apt. No., or PO Box No. 116 West First St
 City, State, ZIP+4 Roswell, NM 88203

PS Form 3800, June 2002 See Reverse for Instructions

7006 0810 0000 3488 3213

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$.44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.54

Sent To: McCully-Chapman Exploration
 Street, Apt. No., or PO Box No. P. O. Box 421
 City, State, ZIP+4 Sealy, TX 77474

PS Form 3800, June 2002 See Reverse for Instructions

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PS Form 3800, June 2002 See Reverse for Instructions

Ezeanyim, Richard, EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Monday, October 26, 2009 3:22 PM
To: Ezeanyim, Richard, EMNRD
Subject: BTA Surface Commingle Application
Attachments: BTA 8408 Midway #1&3 Comm App Amended.pdf

Mr. Ezeanyim,

Attached please find the requested data/information, as regards our application for permission to surface commingle.

Should you have any questions, please do not hesitate to give me a shout. Any requests will receive immediate attention and response.

Thank you very much for your time.

Pam

From: Ezeanyim, Richard, EMNRD [mailto:richard.ezeanyim@state.nm.us]
Sent: Tuesday, October 20, 2009 10:41 AM
To: Warnell, Terry G, EMNRD; Pam Inskeep
Subject: RE: Surface Commingle Application

Pam:

Terry is correct in his e-mail below. I have just reviewed your application and found the following deficiencies:

- Since this is a State Lease, you need to get a preliminary approval from the State Land Office (SLO) for this commingling.
- Submit location plat form C-102 for Midway 8408 JV-P Well No. 1, and indicate which pool it is producing from.
- Submit Daily production rates from these two wells
- Give reasons why you want to use well tests to allocate production instead of using allocation meters.
- Complete Form C-107-B appropriately to include the Gravities/BTUs of non-commingled and commingled production as requested in Section A –POOL COMMINGLING of that form C-107-B

Please submit these items by close of business (COB) Friday October 23, 2009, in order to allow us to continue to review the application. Failure to submit these items as requested may result in the deletion of this application from the database and further delay its processing. If you have any questions, please let me know.

Richard

From: Warnell, Terry G, EMNRD
Sent: Monday, October 19, 2009 4:11 PM
To: Pam Inskeep
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: Surface Commingle Application

Your Application No. pTGW0928146248 is being processed by Richard Ezeanyim
Your order was received at OCD 10/08
OCD goal is to get all Administrative Orders out within 30 days
Your order will be completed on or before November 6th

Please let us know if that creates a problem

Regards,

Terry G. Warnell
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3466

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
Sent: Monday, October 19, 2009 12:32 PM
To: Warnell, Terry G, EMNRD
Subject: Surface Commingle Application

Good afternoon. ✓

I would like to check the status of the Surface Commingle Application for our Midway, 8408 JV-P #1 & #3.
(30-025-29553 & 30-025-29692)

Should you have any questions, please don't hesitate to give me a shout.

Thanks 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

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

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

432-682-3753
FAX 432-683-0311

October 26, 2009

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: BTA OIL PRODUCERS LLC
Surface Commingle Application
Midway, 8408 JV-P, #1 & #3
Section 13, T17S, R36E
Lea County, NM

STATE OF NEW MEXICO
Energy Minerals & Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

Mr. Richard Ezeanyim

Mr. Ezeanyim:

As requested, BTA respectfully submits the following additional information to be considered in conjunction with our request for permission to surface commingle the referenced wells:

- Request for preliminary approval from the NM SLO, Mr. Pete Martinez, has been submitted
- Form C102 for our 8408 JV-P Midway #1 is attached
- Daily production rates from each well are attached
- This is two-well battery with one producing from the Abo and one from the San Andres. The cost to place separation equipment/facilities and meters would not be cost effective. We believe that we obtain accurate measurements and allocations by performing regular well tests on these wells.
- Amended copy of Form C107-B is attached (includes gravities/BTUs).

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

Respectfully,

PAM INSKEEP
For BTA Oil Producers LLC

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

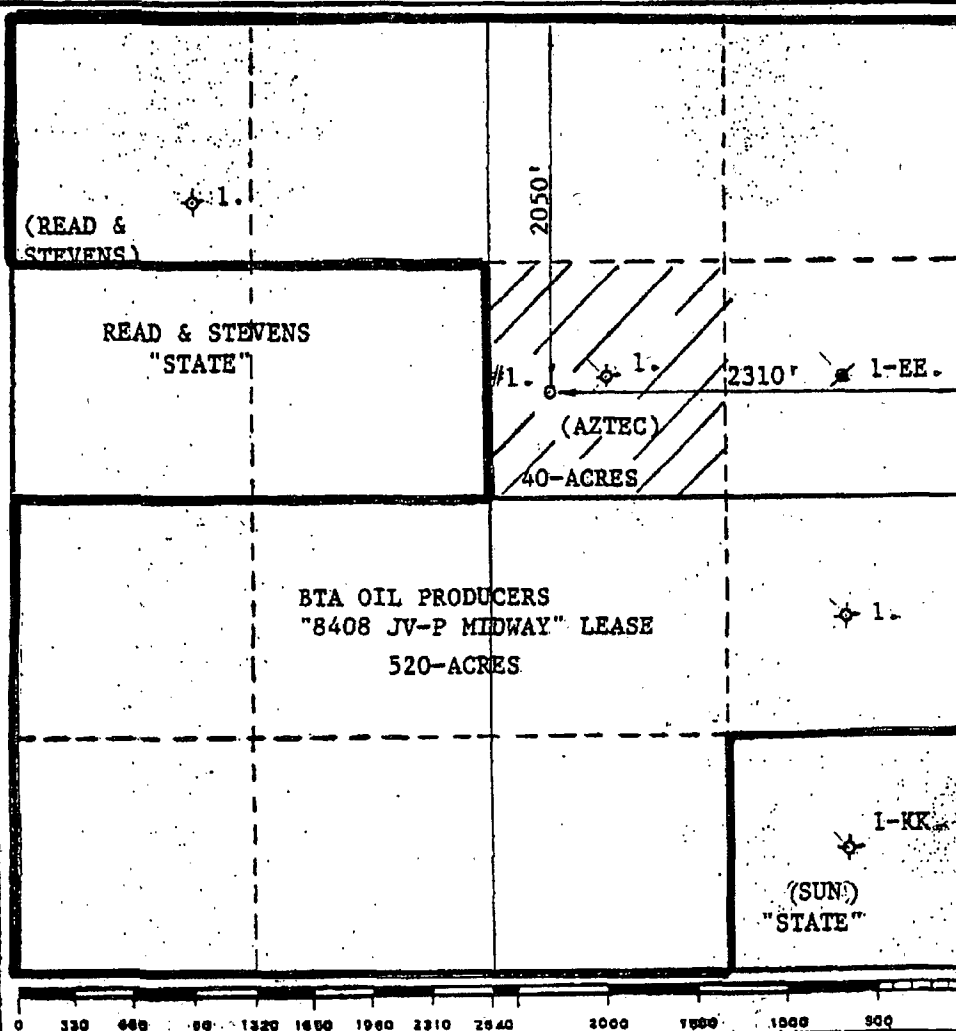
Operator BTA OIL PRODUCERS			Lease 8408 JV-P MIDWAY		Well No. 1
Unit Letter "G"	Section 13	Township 17-S	Range 36-E	County LEA	
Actual Footage Location of Well:					
2050 feet from the NORTH line and		2310 feet from the EAST line			
Ground Level Elev. 3805	Producing Formation Abo	Pool Midway	Dedicated Acreage 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Dorothy Houghton
Name

DOROTHY HOUGHTON

Position

Regulatory Supervisor

Company

BTA OIL PRODUCERS

Date

12/12/85

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 knowledge and belief.

Date Surveyed **N. J.**
DECEMBER 11, 1985

Registered Professional Engineer and of Land Surveyor

Mark A. Schumann Jr.
MARK A. SCHUMANN JR.

Certificate No.

1510

Daily Production Report
MIDWAY LEASE - MIDWAY 1

Selected Time Frame: September

Daily Production Date	Oil	Gas	Water	Notes	
				<DT> = Down Time	<GM> = Gas Meter
10/01/2009	0	0	0.00		
09/30/2009	5.58	9	3.00		
09/29/2009	8.37	9	6.00		
09/28/2009	11.16	8	3.00		
09/27/2009	5.58	9	0.00		
09/26/2009	8.37	9	3.00		
09/25/2009	8.37	8	6.00		
09/24/2009	8.37	9	6.00		
09/23/2009	8.37	8	3.00		
09/22/2009	2.79	9	3.00		
09/21/2009	2.79	9	0.00		
09/20/2009	5.58	8	3.00		
09/19/2009	2.79	9	6.00		
09/18/2009	2.79	9	6.00		
09/17/2009	58.70	8	11.00		
09/16/2009	-55.91	10	3.00		
09/15/2009	8.25	8	2.70		
09/14/2009	8.26	8	0.00		
09/13/2009	2.75	9	2.70		
09/12/2009	5.51	8	5.40		
09/11/2009	8.26	8	2.70		
09/10/2009	8.26	8	2.70		
09/09/2009	5.51	8	0.00		
09/08/2009	8.26	9	2.70		
09/07/2009	8.26	9	2.70		
09/06/2009	10.31	9	5.40		
09/05/2009	8.24	9	2.70		
09/04/2009	8.24	9	2.70		
09/03/2009	5.50	9	0.00		
09/02/2009	5.50	8	2.70		
Total:	184.83	247	97.10		
Average:	6.16	8	3.24		

Selected Time Frame: October

Daily Production Date	Oil	Gas	Water	Notes	
				<DT> = Down Time	<GM> = Gas Meter
11/1/2009					
10/31/2009					
10/30/2009					
10/29/2009					
10/28/2009					
10/27/2009					
10/26/2009					
10/25/2009					
10/24/2009					
10/23/2009					
10/22/2009	0	0	0.00		
10/21/2009	0	0	0.00		
10/20/2009	0	0	0.00		
10/19/2009	0	0	0.00		
10/18/2009	0	0	0.00		
10/17/2009	0	0	0.00		
10/16/2009	0	0	0.00		
10/15/2009	0	0	0.00		
10/14/2009	0	0	0.00		
10/13/2009	0	0	0.00		
10/12/2009	0	0	0.00		
10/11/2009	0	0	0.00		
10/10/2009	0	0	0.00		
10/09/2009	0	0	0.00		
10/08/2009	0	0	0.00		
10/07/2009	0	0	0.00		
10/06/2009	0	0	0.00		
10/05/2009	0	0	0.00		
10/04/2009	0	0	0.00		
10/03/2009	0	0	0.00		
10/02/2009	0	0	0.00		
Total:	0	0	0.00		
Average:	0	0	0.00		

Daily Production Report
MIDWAY LEASE - MIDWAY 3

Selected Time Frame: September

Daily Production Date	Oil	Gas	Water	Notes <DT> = Down Time <GM> = Gas Meter
10/01/2009	33.48	13	0.00	
09/30/2009	0.00	0	0.00	<DT> Workover
09/29/2009	0.00	0	0.00	<DT> Workover
09/28/2009	0.00	0	0.00	<DT> Workover
09/27/2009	0.00	0	0.00	<DT> Workover
09/26/2009	0.00	0	0.00	<DT> Workover
09/25/2009	0.00	0	0.00	<DT> Workover
09/24/2009	0.00	0	0.00	<DT> Workover
09/23/2009	0.00	0	0.00	<DT> Workover
09/22/2009	0.00	0	0.00	<DT> Workover
09/21/2009	0.00	0	0.00	<DT> Workover
09/20/2009	0.00	0	0.00	<DT> Workover
09/19/2009	0.00	0	0.00	<DT> Workover
09/18/2009	0.00	0	0.00	<DT> Workover
09/17/2009	0.00	0	0.00	<DT> Workover
09/16/2009	0.00	0	0.00	<DT> Workover
09/15/2009	0.13	1	0.30	
09/14/2009	0.13	1	0.00	
09/13/2009	0.04	1	0.30	
09/12/2009	0.08	1	0.60	
09/11/2009	0.13	1	0.30	
09/10/2009	0.13	1	0.30	
09/09/2009	0.08	1	0.00	
09/08/2009	0.13	1	0.30	
09/07/2009	0.13	2	0.30	
09/06/2009	0.16	2	0.60	
09/05/2009	0.12	1	0.30	
09/04/2009	0.12	1	0.30	
09/03/2009	0.08	1	0.00	
09/02/2009	0.08	1	0.30	
Total:	35.01	33	3.90	
Average:	1.17	1	0.13	

Selected Time Frame: October

Daily Production Date	Oil	Gas	Water	Notes <DT> = Down Time <GM> = Gas Meter
11/1/2009				#####
				#####
				#####
				#####
				#####
				#####
				#####
				#####
				#####
				#####
10/22/2009	16.73	17	105.00	
10/21/2009	27.89	25	88.00	
10/20/2009	33.47	30	84.00	
10/19/2009	494.04	30	105.00	
10/18/2009	36.25	31	89.00	
10/17/2009	41.85	32	84.00	
10/16/2009	-438.25	35	126.00	
10/15/2009	39.06	39	168.00	
10/14/2009	47.43	42	270.00	
10/13/2009	53.01	44	90.00	
10/12/2009	97.65	46	240.00	
10/11/2009	36.27	43	260.00	
10/10/2009	64.18	19	260.00	
10/09/2009	16.78	9	6.00	
10/08/2009	13.97	11	0.00	
10/07/2009	5.58	12	0.00	
10/06/2009	13.94	17	99.00	
10/05/2009	0.00	0	0.00	
10/04/2009	87.25	36	0.00	
10/03/2009	20.93	27	169.00	
10/02/2009	22.32	10	165.00	
Total:	702.46	555	2,408.00	
Average:	33.45	26	114.67	

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BTA Oil Producers LLC

OPERATOR ADDRESS: 104 S. Pecos, Midland, TX 79701

APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No SLO

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Midway, Abo 46280	34.9 - .8697/1414.8				
Spencer, San Andres 57510	33.4 - 1.1145/1119.5				

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) Each month's production will be allocated based on regularly performed tests

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Fed or State lands are involved. E-8581

(3) Lease Names, Lease and Well Numbers, and API Numbers. Midway, 8408 JV-P, #1 30-025-29553

Midway, 8408 JV-P, #3 30-025-29692

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Pam Inskip

TITLE: Regulatory Administrator

DATE: 10/26/2009

TYPE OR PRINT NAME Pam Inskip

TELEPHONE NO.: (432) 682-3753

E-MAIL ADDRESS: pinskeep@btaoil.com

Ezeanyim, Richard, EMNRD

From: Pam Inskeep [Pinskeep@btaoil.com]
Sent: Wednesday, October 28, 2009 2:14 PM
To: Ezeanyim, Richard, EMNRD
Subject: BTA - SLO approval for Surface Commingling

Mr. Ezeanyim,

Below is a written reply from Mr. Martinez with the State Land Office regarding our request for approval to surface commingle our 8408 JV-P Midway #1 and 8408 JV-P Midway #3 wells.

As discussed in our telephone conversation this afternoon, upon receipt of the letter of approval, I will forward a copy to you.

Thank you again for your time.

Thanks,

Pam

From: Martinez, Pete [mailto:PMartinez@slo.state.nm.us]
Sent: Wednesday, October 28, 2009 3:11 PM
To: Pam Inskeep
Subject: RE: Request for preliminary approval

Looks fine. I will try to get an approval letter out by this week. Thanks.

From: Pam Inskeep [mailto:Pinskeep@btaoil.com]
To: Martinez, Pete
Subject: Request for preliminary approval

Mr. Martinez,

Attached please find our request for SLO approval for surface commingling for two of our wells in Lea County.

We would very much appreciate your review and a preliminary approval, in order to allow review of our application to the State of New Mexico for same.

Should you have any questions, please do not hesitate to give me a shout. Any requests will receive immediate attention and 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

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