



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

RECEIVED OGD  
 2010 SEP 28 A 11: 05

GULF COAST DISTRICT  
 FOUR GREENSPOINT PLAZA  
 1600 NORTHCHASE DRIVE, STE. 1600  
 HOUSTON, TEXAS 77060  
 PH. 281-872-5022 FAX 281-872-5054

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

September 23, 2010

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL AFFECTED INTEREST OWNERS**

Re: Case 14559: Application of BTA Oil Producers LLC  
 for approval of a salt water disposal well  
 Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that BTA Oil Producers LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval to utilize its Owl 20504 JV-P Well No. 5 (API No. 30-015-35435) located 2310 feet from the South line and 2130 feet from the East line of Section 18, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico to inject an average of 2100 barrels of water per day, at a maximum surface injection pressure of 586 psi, into the Cherry Canyon member of the Delaware formation, at an approximate depth of 2934 feet to 3282 feet.

This application has been set for hearing before a Division Examiner at 8:15 AM on October 14, 2010. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Respectfully,

PAMELIA D. INSKEEP  
 For BTA Oil Producers LLC



**Exhibit "A"**

**BTA OIL PRODUCERS LLC**

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

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

**SURFACE OWNER**

Federal – BLM

Federal Grazing Lessee:  
Forehand Ranches, Inc  
P. O. Box 5373  
Carlsbad, NM 88221

**STATE OF NEW MEXICO**

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87504  
Attn: Mr. Mark Fesmire

New Mexico Oil Conservation Division  
1301 W. Grand Avenue  
Artesia, NM 88210  
Attn: Director

**OFFSET OPERATOR LIST**

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

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

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"> <li>Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
1. Article Addressed to:  <b>New Mexico Oil Cons Division</b> <b>1301 W. Grand Avenue</b> <b>Artesia, NM 88210</b>  <b>Attn: Director</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3833</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"> <li>Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No 3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
1. Article Addressed to:  <b>New Mexico Oil Conservation Div</b> <b>Attn: Mr. Mark Fesmire</b> <b>Oil Conservation Division</b> <b>1220 S St Francis Drive</b> <b>Santa Fe, NM 87505</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3840</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

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1. Article Addressed to:  <b>Chesapeake Operating, Inc.</b> <b>P. O. Box 18946</b> <b>Oklahoma City, OK 73154-0496</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3857</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

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1. Article Addressed to:  <b>Yates Petroleum Corporation</b> <b>105 South Fourth Street</b> <b>Artesia, NM 88210</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3864</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

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1. Article Addressed to:  <b>Forehand Ranches, Inc.</b> <b>P. O. Box 5373</b> <b>Carlsbad, NM 88221</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3871</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

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1. Article Addressed to:  <b>Marbob Energy Corporation</b> <b>P. O. box 227</b> <b>Artesia, NM 88210</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3826</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	

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1. Article Addressed to:  <b>Bureau of Land Management</b> <b>620 E Greene Street</b> <b>Carlsbad, NM 88220-6292</b>	
2. Article Number (Transfer from service label) <b>7009 1680 0000 1708 3868</b>	
PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540	



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**BTA OIL PRODUCERS, LLC**

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

**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

May 20, 2010

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

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

Attention: Mr. William Jones, Engineer

Dear Mr. Jones,

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

Enclosed herewith is our Application Packet.

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

Affidavit of Publication for the public notice will also be provided, as soon as received.

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

Respectfully,

PAMELIA D. INSKEEP  
For BTA Oil Producers LLC

/pdi

Enclosures

DATE IN	SUSPENSE	EN	LOGGED IN	TYPE	APP NO.
---------	----------	----	-----------	------	---------

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 \_\_\_\_\_
- [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,  
*Copy of USPS 'green cards' will be provided, as soon as received back*
- [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

*Pam Inskeep*  
 Signature

\_\_\_\_\_  
 Regulatory Administrator  
 Title

\_\_\_\_\_  
 05/24/2010  
 Date

\_\_\_\_\_  
 pinskeep@btaoil.com  
 e-mail Address

**APPLICATION FOR AUTHORIZATION TO INJECT**

I. PURPOSE: \_\_\_\_\_ Secondary Recovery \_\_\_\_\_ Pressure Maintenance  X  Disposal \_\_\_\_\_ Storage  
Application qualifies for administrative approval?  X  Yes \_\_\_\_\_ No

II. OPERATOR:  BTA Oil Producers LLC

ADDRESS:  104 S. Pecos, Midland, TX 79701

CONTACT PARTY:  Pam Inskeep, Regulatory Administrator  PHONE:  (432) 682-3753

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? \_\_\_\_\_ Yes  X  No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

\*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

\*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

\*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME:  Pam Inskeep  TITLE:  Regulatory Administrator

SIGNATURE: \_\_\_\_\_ DATE:  05/20/2010

E-MAIL ADDRESS:  pinskeep@btaoil.com

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

INJECTION WELL DATA SHEET

OPERATOR: BTA Oil Producers

WELL NAME & NUMBER: 20504 JV-P Owl #5

WELL LOCATION: 2310' FSL & 2130' FEL  
FOOTAGE LOCATION

UNIT LETTER: J

SECTION: 18

TOWNSHIP: 26S

RANGE: 27E

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA  
Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"  
Cemented with: 450 sx. or          ft<sup>3</sup>

Top of Cement: Surface Method Determined:           
Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"  
Cemented with: 750 sx. or          ft<sup>3</sup>

Top of Cement: Surface Method Determined:           
Production Casing

Hole Size: 8-3/4" Casing Size: 7"  
Cemented with: 500 sx. or          ft<sup>3</sup>

Top of Cement: Surface Method Determined:         

Total Depth: 3800' TD 3701' PBTD

Injection Interval

2934 feet to 3282

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4-1/2" Lining Material: None

Type of Packer: 7" Baker Loc-Set (nickel-plated, internal plastic-coated)

Packer Setting Depth: 2906'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes  No

If no, for what purpose was the well originally drilled? This well was permitted to drill as an oil well. During drilling completion operations, it was determined that this well would not be a commercial producer.

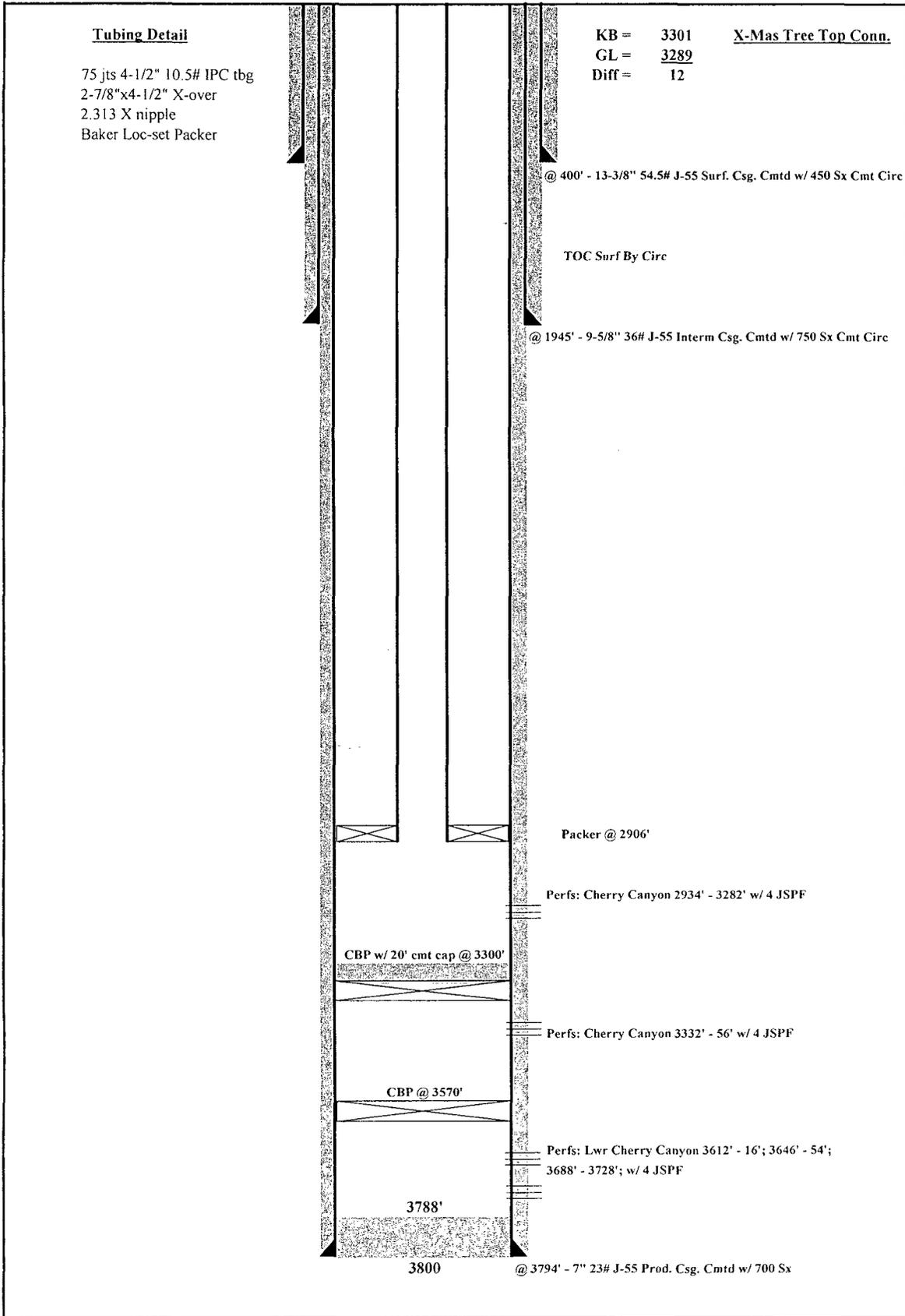
2. Name of the Injection Formation: Cherry Canyon

3. Name of Field or Pool (if applicable): Wildcat

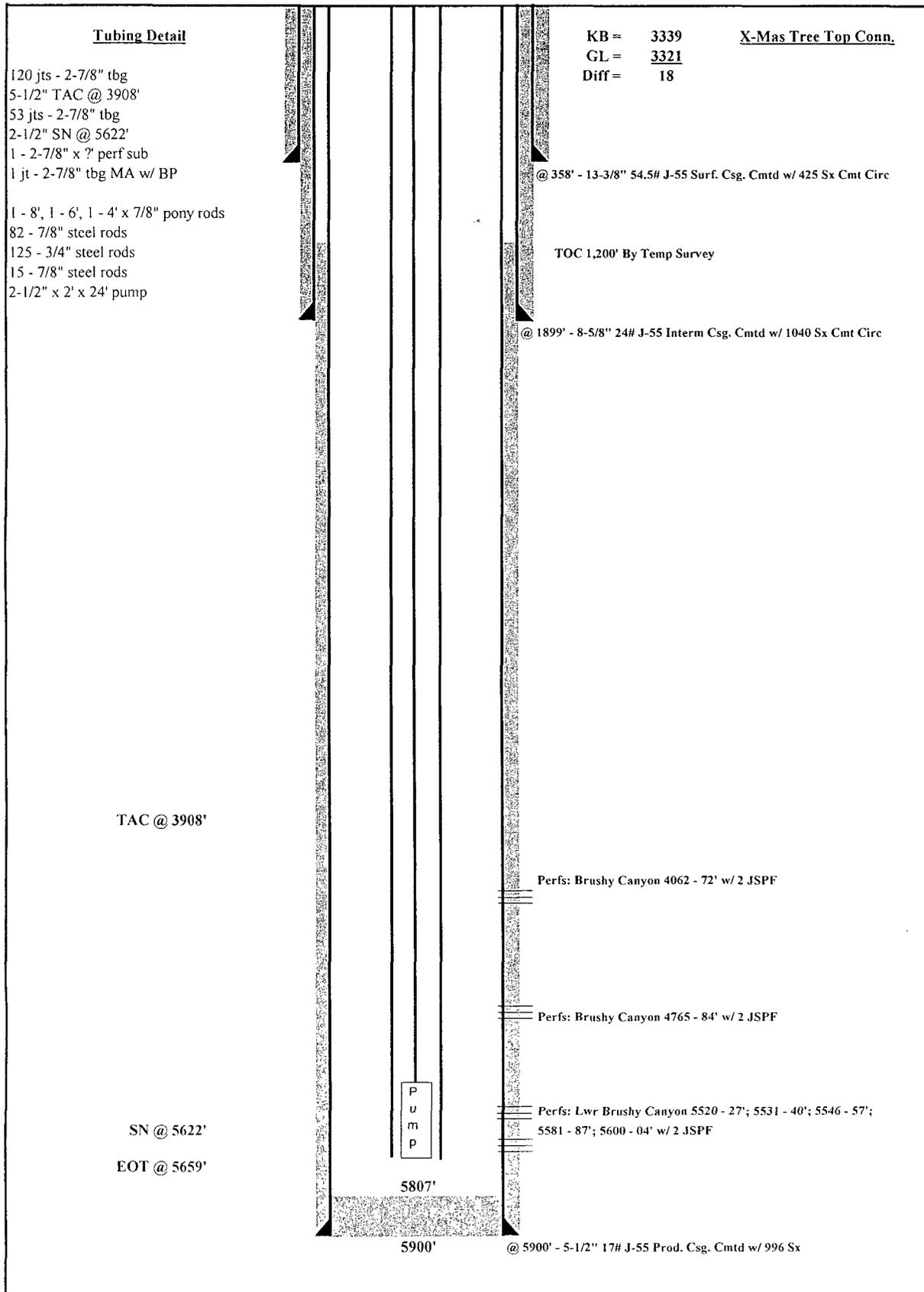
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No. Other Cherry Canyon intervals are: 3612-3728' - composite BP @ 3570'; 3332-3356' - composite BP @ 3320' - cap w/20' cmt;

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: oil productive - 3332 - 3728' - Cherry Canyon; potentially oil productive - Delaware Ramsey Sand top 2070 - 2105'

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



Revised	SWD	Drawn	BMM
LEASE: 20504 JV-P Owl #5		9/14/2010	
FIELD: Hay Hollow		Approved	
LOCATION: 2310' FSL 2130' FEL Sec. 18 T26S R27E		Date	
COUNTY: Eddy STATE: New Mexico			
PRODUCING FORMATION: Brushy Canyon			
 BTA Oil Producers			



Revised	<b>Producing Well</b>		Drawn	<b>TJW</b>
	LEASE:	20504 JV-P Owl # 1	9/14/2010	
	FIELD:	Wildcat	Approved	
	LOCATION:	1980' FSL 2080' FWL Sec. 18 T26S R27E		
	COUNTY:	Eddy STATE: New Mexico	Date	
	PRODUCING FORMATION:	Brushy Canyon		
		<b>BTA Oil Producers</b>		

Tubing Detail

KB = 3333  
 GL = 3316  
 Diff = 17

X-Mas Tree Top Conn.

65 Sx plug from surf to 73'

140 Sx plug from 590 to 706'

@ 659' - 13 3/8" 48# Surf. Csg. Cmtd w/ 490 sx

12 1/4" OH

885 Sx cmt plug 1653 - 1835'

TOC 1775' By Temp Survey

9 5/8" csg shot & pulled @ 1783'

Dv Tool @ 2272' w/ 600 sx

30 sx

@ 5743' - 9 5/8" 40 & 43.5# Prod. Csg. Cmtd w/ 500 sx

30 sx cmt plugs @:

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

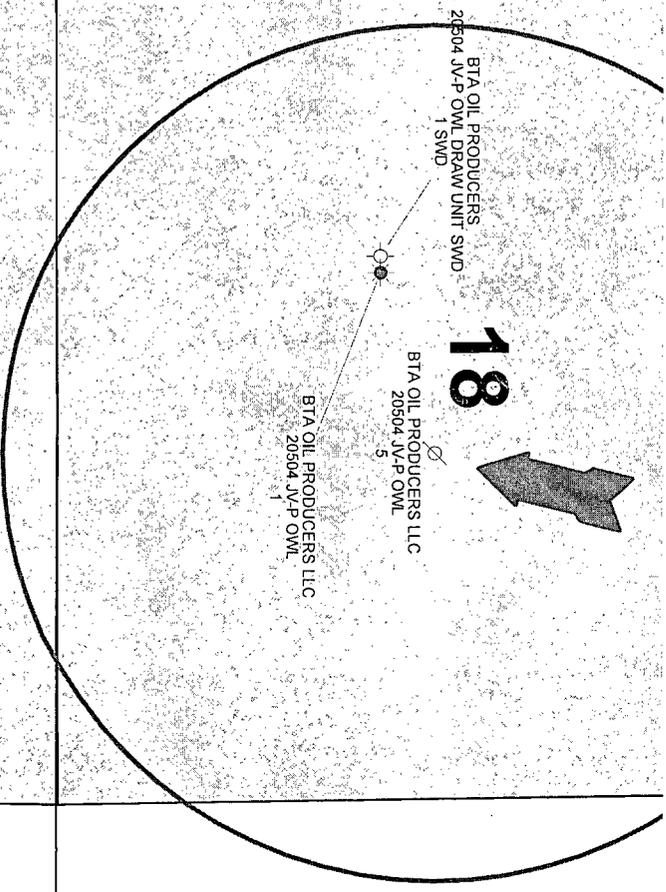
8 3/4" OH

13510

Revised	P&A		Drawn	SM
	LEASE:	20504 JV-P Owl Draw Unit #1	9/14/2010	
	FIELD:	Wildcat	Approved	
	LOCATION:	1980' FSL 1980' FWL Sec. 18 T26S R27E	Date	
	COUNTY:	Eddy STATE: New Mexico		
	PRODUCING FORMATION:			
		 <b>BTA Oil Producers</b>		



# 20504 JV-P OWL #5



## 1/2 MILE RADIUS AROUND LOCATION

### BTA OIL PRODUCERS

20504 JV-P OWL PROSPECT AREA

1/2 Mile Radius around location

T26S-27E-S18 2310' FSL & 2130' FEL



#### POSTED WELL DATA

Operator  
Well Name  
Well Number

- WELL SYMBOLS**
- Oil & Gas Well
  - Injection Well
  - Plugged and Abandoned

By: M. Robledo

September 13, 2010



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

Item VI

Wells within the AOR

API Number	Operator Name	Lease Name	Well #	State	County	Footage	N/S	Footage	EW	Twp	Rge	Sac	TD	Well Status	Formation at TD	Producing Formation	Spud	Completion	P&A	Lat	Long	LL Source
30-015-10730-0000	HAMON JAKEL	OWL DRAW UNIT	1	NM	EDDY	1980	FSL	1980	FWL	S	26	18	13510	D&A	DEVONIAN		11/14/1965	2/6/1966	2/1966	32.0404746	-104.2309973	IH
30-015-10730-0001	BTA OIL PRODUCERS	OWL DRAW UNIT 20504 JV-P	1 SW	NM	EDDY	1981	FSL	1981	FWL	S	26	18	13510	P&A			12/13/2006		5/10/2007	32.0404746	-104.2309973	IH
30-015-34749-0000	BTA OIL PRODUCERS	OWL 20504 JV-P	1	NM	EDDY	1980	FSL	2080	FWL	S	26	18	5900	SI	BONE SPRING	BRUSHY CANYON	5/11/2006	7/16/2006		32.0404782	-104.2306714	IH

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

VII.

Data on the Proposed Operation:

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

800 BWPD Avg      2100 BWPD Max
2. System will be closed.
3. Proposed average and maximum injection pressure:  

500 psi Avg      586 psi Max
4. Source and analysis of injection fluid:  

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

See attached analysis
5. Chemical analysis of disposal zone formation water:  

See attached analysis



# Water Analysis

Date: 10-Jun-06

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

## Analyzed For

Company	Well Name	County	State
BTA	Owl #1	Lea	New Mexico

Sample Source	Wellhead	Sample #	
		1	
Formation	Depth		
Specific Gravity	1.160	SG @ 60 °F	1.163
pH	5.56	Sulfides	Absent
Temperature (°F)	74	Reducing Agents	Not Tested

## Cations

Sodium (Calc)	in Mg/L	62,988	in PPM	54,170
Calcium	in Mg/L	19,600	in PPM	16,856
Magnesium	in Mg/L	5,040	in PPM	4,334
Soluble Iron (FE2)	in Mg/L	200.0	in PPM	172

## Anions

Chlorides	in Mg/L	146,000	in PPM	125,559
Sulfates	in Mg/L	145	in PPM	125
Bicarbonates	in Mg/L	415	in PPM	357
Total Hardness (as CaCO3)	in Mg/L	70,000	in PPM	60,200
Total Dissolved Solids (Calc)	in Mg/L	234,388	in PPM	201,572
Equivalent NaCl Concentration	in Mg/L	204,569	in PPM	175,928

## Scaling Tendencies

*Calcium Carbonate Index	8,130,080
<i>Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable</i>	
*Calcium Sulfate (Gyp) Index	2,842,000
<i>Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable</i>	

*\*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.*

## Remarks

RW=0485

Report # 2221

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



# Water Analysis

Date: 04-Jun-07

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

Upper Cherry Canyon 3054-3282' (overall)  
 Sampled 6/4/07

## Analyzed For

Company	Well Name	County	State
BTA	Owl 5	Lea	New Mexico

Sample Source	Swab Sample	Sample #	1
Formation	Cherry Canyon	Depth	

Specific Gravity	1.100	SG @ 60 °F	1.102
pH	6.70	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

## Cations

Sodium (Calc)	in Mg/L	41,482	in PPM	37,642
Calcium	in Mg/L	8,000	in PPM	7,260
Magnesium	in Mg/L	960	in PPM	871
Soluble Iron (FE2)	in Mg/L	400.0	in PPM	363

## Anions

Chlorides	in Mg/L	80,000	in PPM	72,595
Sulfates	in Mg/L	1,325	in PPM	1,202
Bicarbonates	in Mg/L	244	in PPM	221

Total Hardness (as CaCO3)	in Mg/L	24,600	in PPM	21,779
Total Dissolved Solids (Calc)	in Mg/L	132,411	in PPM	120,155
Equivalent NaCl Concentration	in Mg/L	119,537	in PPM	108,473

## Scaling Tendencies

\*Calcium Carbonate Index 1,952,000

*Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable*

\*Calcium Sulfate (Gyp) Index 10,600,000

*Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable*

*This calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.*

Remarks *rv=.065@70f*

Report # 2497

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

**Attachment J**

XIII. Item A.

Proof of Notice

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

**SURFACE OWNER**

Federal – BLM

Federal Grazing Lessee:

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

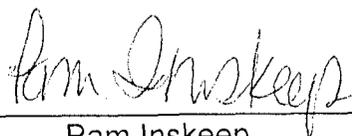
**OFFSET OPERATOR LIST**

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

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

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

I hereby certify that notification of BTA's application was mailed via certified mail on this 20<sup>th</sup> day May, 2010 to the above listed Surface Owner, Grazing Lessee, and Offset Operators.

Signed:   
Pam Inskeep

**Affidavit of Publication**

State of New Mexico,  
County of Eddy, ss.

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

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

June 27 2007

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

*April Hernandez*

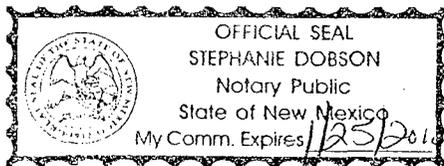
Subscribed and sworn to before me this

27 day of June, 2007

*Stephanie Dobson*

My commission Expires on 1/25/2010

Notary Public



June 27, 2007  
BTA OIL PRODUCERS, 104 S. Pecos, Midland, Texas 79701, is submitting form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking approval for a salt water disposal well. The proposed well, the 20504 JV-P Owl #5 is located 2310' FSL & 2130' FEL, Section 18, T26S, R27E, Eddy County, NM. Disposal water will be sourced from area wells producing from the Delaware. The disposal water will be injected into the formations at a depth of 2,934' - 3,282', a maximum surface pressure of 586 psi, and an average rate of 2100 BWPD.  
All interested parties opposing the action must file objections or requests for hearing with the Oil Conservation Division, 2040 S. Pacheco Street, Santa Fe, New Mexico 87505, within 15 days. Additional information can be obtained by contacting Britton McQuien, Reservoir Engineer, at 104 S. Pecos, Midland, TX 79701, or (432) 682-3753.



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

May 20, 2010

**GULF COAST DISTRICT**  
FOUR GREENSPOINT PLAZA  
16945 NORTHCHASE DRIVE, STE. 1600  
HOUSTON, TEXAS 77060  
PH. 281-872-5022 FAX 281-872-5054

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

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

### OFFSET OPERATORS

Gentlemen,

BTA has filed an application for Authorization to Inject at the above referenced location.

Attached please find a copy of our letter to the State of New Mexico requesting approval along with a copy of our Application Packet.

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

Respectfully,

PAMELIA D. INSKEEP  
For BTA Oil Producers LLC

/pdi

Enclosures