

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
RECEIVED OCD
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVEN ZMOJRJUN 10 A 11: 21

BTA OIL PRODUCERS, LLC

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

June 9, 2010

CT6W101445-0205

Re:

Application for Authorization for Injection

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

30-015-35 435

NEW MEXICO OIL CONSERVATION COMMISSION OIL CONSERVATION DIVISION 1220 S. St. Francis Drive Santa Fe, NM 87505

Attention: Mr. Terry Warnell

Dear Mr. Warnell,

Attached please find the original Affidavit of Publication for the public notice required for our application for Authorization to Inject at the above referenced location.

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

Respectfully,

PAMELIA D. INSKEEP For BTA Oil Producers LLC

/pdi

1

Enclosure

C:\ Owl #5 Authorization to Inject 05 2010 NOP.doc

## **Affidavit of Publication**

State of New Mexico, County of Eddy, ss.

**Kathy McCarroll**, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus. а 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 mav 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:

May 26

2010

That the cost of publication is \$49.37 and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this

LH day of

2010

My commission Expires on

1 050

**Notary Public** 



May 26, 2010

BTA OIL PRODUCERS LLC, 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 well, the 20504 JV-P Owl #5 is located 2310\*FSL & 2130\*FEL, Section 18, T265, R27E, Eddy County, NM. Disposal water will be sourced from area wells producing from the Delaware. The disposal water will be injected into the Cherry Canyon formation at a depth of 2,934\*3,282°, amaximum surface pressure of 586 psi, and an average rate of 2100 BWPD.

All interested parties opposing the action must file objections or requests for hear ing with the Oil Conservation Division 1220 S. St. Francis Drive, Santa Fe. New Mexico 87504, within 15 days. Additional information can be obtained by contacting Britton McQuien Reservoir Engineer at 104 S. Pecos, Mid and TX 7901, of 1224, 482, 2737

3TA SWD 20504 JU-POWL\*8-Edly 2934'- 3282' 586 151

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**

T	HIS CHECKLIST IS MA			FOR EXCEPTIONS TO DIVISION RULI	ES AND REGULATIONS
Applic	ation Acronyms	B;		VISION LEVEL IN SANTA FE	<b>-</b>
	[DHC-Down	nhole Commingling] ol Commingling] [( [WFX-Waterflood Exp [SWD-Salt Wate	CTB-Lease Commi DLS - Off-Lease Stora pansion] [PMX-Pres	ge] [OLM-Off-Lease Measur ssure Maintenance Expansion oction Pressure Increase]	mmingling] ement] ]
[1]	_		k Those Which Apply		•
[1]	[A]		Unit - Simultaneous D		- 109
	Check [B]	One Only for [B] or [Commingling - Stor	age - Measurement	PC  OLS  OLM	SWD-109
	[C]		- Pressure Increase - I	Enhanced Oil Recovery IPI	
	[D]	Other: Specify			
[2]	NOTIFICATI [A]		O: - Check Those Whi alty or Overriding Roy	ch Apply, or □ Does Not Applyalty Interest Owners	y
	[B]		rs, Leaseholders or Su	rface Owner	
	[C]	Application is	One Which Requires l	Published Legal Notice	
	[D]	Notification an	d/or Concurrent Appr anagement - Commissioner of Pu	oval by BLM or SLO blic Lands, State Land Office	
	[E]			ation or Publication is Attached e provided, as soon as received	
	[F]	Waivers are At	-	e provincu, us soon us received	Duck
[3]		CURATE AND CON		ATION REQUIRED TO PRO	OCESS THE TYPE
[4] appro applic	val is <mark>accurate</mark> ai	nd complete to the be	st of my knowledge.	submitted with this application I also understand that <b>no action</b> mitted to the Division.	
	Note:	Statement must be com	pleted by an individual wi	th managerial and/or supervisory ca	pacity.
	Inskeep	tom.	SNOKUP	Regulatory Administrator Title	05/24/2010 Date
Print (	or Type Name	Signature	•		•
				pinskeep@btaoil.co e-mail Address	<u>om</u>
				C-man radioss	



PARTNERS CARLTON BEAL, JR. BARRY BEAL SPENCER REAL 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** 

0144950275

CTGW

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

JV-9#5-30-015-35435

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

5wp-1091

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** 



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

AUG 17 2007 OCD-ARTESIA

ADMINISTRATIVE ORDER SWD-1091

# APPLICATION OF BTA OIL PRODUCERS FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO

# ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), BTA OIL PRODUCERS made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Owl 20504 JV-P Well No. 5 (API No. 30-015-35435) located at 2310 feet from the South line and 2310 feet from the East line of Section 18, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico.

# THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

### IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize for produced water disposal its Owl 20504 JV-P Well No. 5 (API No. 30-015-35435) located at 2310 feet from the South line and 2310 feet from the East line of Section 18, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Cherry Canyon member of the Delaware formation through perforations from 2934 feet

to 3282 and through plastic-lined tubing set with a packer located within 100 feet of the top of the perforated injection interval.

## IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 587 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

<u>PROVIDED FURTHER THAT</u>, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator received by the Division prior to the termination date, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on August 10, 2007.

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: (

Oil Conservation Division – Artesia Bureau of Land Management - Carlsbad

# New Mexico Energy, Minerals and Natural Resources Department

## Bill Richardson

Governor

Jon Goldstein Cabinet Secretary

Jim Noel Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



February 25, 2010

BTA Oil Producers LLC 104 S. Pecos Midland, TX 79701

Certified Mail No.: 7008 3230 0000 2319 8730

# FORMAL NOTICE OF LOSS OF INJECTION AUTHORITY OPERATOR REQUIRED TO CEASE AND DESIST INJECTION

Re:

Owl 20504 JV-P #005, 30-015-35435

SWD-1091

Dear Operator:

This letter gives you formal notice that your authority to inject into the well identified above has terminated. You must immediately cease and desist injecting into the Owl 20504 JV-P #005 well.

19.15.26.12(C)(1) NMAC provides:

"Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto."

19.15.26.12(C)(2) NMAC provides:

"For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension."



The well identified above was permitted as a produced water disposal well by Administrative Order SWD-1091, issued August 10, 2007. The Order included the following provisions:

- "After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity."
- "The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test to that the same may be inspected and witnessed."
  - "The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division."
- "The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations."
- "The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator received by the Division prior to the termination date, may grant an extension thereof for good cause shown."

The OCD has not found any administrative extensions of the injection authority for this well, and more than one year has passed since the issuance of the Order without any C-115s filed showing commencement of injection. In fact, it isn't clear from the OCD's well file if or when the well was completed. (The well file contains a sundry notice subsequent report of completion signed by BTA on 7-7-09, and back-dated to 6-22-07. The file does not contain a Well Completion or Recompletion Report and Log, BLM Form No. 3160-4, as required for federal completions under 19.15.7.36 NMAC.) There is no report of pressure tests conducted on the casing after installation of the injection tubing, as required by Administrative Order SWD-1091. The well file does not contain any notice to the supervisor of the Artesia district office regarding the installation of disposal equipment or of any mechanical integrity testing, as required by Administrative Order SWD-1091.

On February 18, 2010, however, an OCD inspector found that the well was injecting. It is not clear when BTA commenced injection because, as discussed above, it did not notify the Artesia office when it commenced injection and it has not filed C-115 reports showing injection for the well. On August 27, 2008 and September 2, 2009, the OCD mailed letters to BTA regarding the scheduling of mechanical integrity tests for its injection wells, provided a list of BTA's active injection wells, and requested that BTA contact the OCD if it had any injection wells that did not appear on the list. BTA did not contact the OCD to notify it that it was operating the Owl 20504 JV-P #005.

Pursuant to 19.15.26.12(C)(1) NMAC, the injection authority granted by Administrative Order SWD-1091has automatically terminated. No extension can be granted now. If BTA wishes to inject into the Owl 20504 JV-P #005 it will need to apply for a new permit under 19.15.26.8 NMAC. Please note that the OCD may not approve an injection permit while BTA is out of compliance with 19.15.5.9 NMAC. See 19.15.26.8.A NMAC. BTA is out of compliance with 19.15.5.9 NMAC until it satisfies the corrective action requirements of Order No. R-13218.

All injection into the Owl 20504 JV-P #005 well must cease immediately. By copy of this letter, I am notifying the Artesia District Office that BTA's injection authority for this well has terminated. Artesia District Office inspectors will be checking the well to determine if it is continuing to inject. BTA should immediately bring its regulatory filings for the Owl 20504 JV-P #005 up to date.

If BTA continues to inject into this well without authority or fails to bring its regulatory filings up to date, the OCD intends to take further enforcement action. That action may include requiring any injection permit applications from BTA to be set for hearing. The OCD may oppose issuance of injection permits, based on BTA's non-compliance, or may request that any permit issued contain additional terms designed to increase supervision of BTA's actions to ensure compliance. The OCD may also seek an administrative order requiring BTA to plug the well under NMSA 1978, Section 70-2-14(B), and authority for the state to plug the well if BTA does not do so. Or the OCD may seek an order from District Court pursuant to NMSA 1978, Section 70-2-28 enjoining BTA from injecting into the identified well and assessing penalties under NMSA 1978, Section 70-2-31(A) for the knowing and willful violation of 19.15.26.12 (C)(1).

If you disagree with the OCD's conclusion that the injection authority has terminated, please provide documentary proof that you are operating under an administrative extension of injection authority or otherwise have authority to inject.

Sincerely.

Daniel Sanchez

Underground Injection Control Director for the State of New Mexico

Attachment: Administrative Order SWD-1091

Ec, w/o attachment: William Jones, OCD Engineer

Randy Dade, Supervisor, Artesia District Richard Inge, Inspector, Artesia District

Glenn von Gonten, OCD Environmental Bureau

William Carr, Attorney for BTA

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505 FORM C-108
Revised June 10, 2003

# **APPLICATION FOR AUTHORIZATION TO INJECT**

1.	PURPOSE: Secondary Recovery Application qualifies for administrative approval?  Pressure Maintenance X Disposal Storage 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  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:
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected;</li> <li>Whether the system is open or closed;</li> <li>Proposed average and maximum injection pressure;</li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,</li> <li>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.).</li> </ol>
*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
	SIGNATURE: MANUEL DATE: 05/20/2010
*	E-MAIL ADDRESS: <a href="mailto:pinskeep@btaoil.com">pinskeep@btaoil.com</a> 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: <a href="mailto:pinskeep@btaoil.com">pinskeep@btaoil.com</a>

### III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
  - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
  - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
  - (3) A description of the tubing to be used including its size, lining material, and setting depth.
  - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
  - (1) The name of the injection formation and, if applicable, the field or pool name.
  - (2) The injection interval and whether it is perforated or open-hole.
  - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
  - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
  - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

BTA Oil Producers

OPERATOR:

WELL NAME & NUMBER:

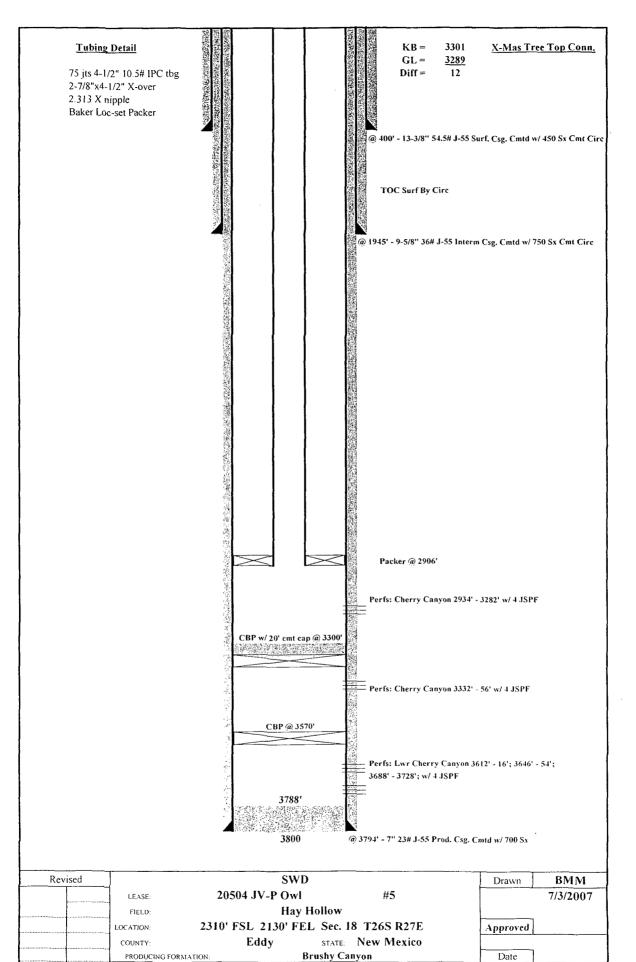
WELL LOCATION:

20504 JV-P Owl #5				
ION: 2310' FSL & 2130' FEL FOOTAGE LOCATION	J UNIT LETTER S	18 SECTION	26S TOWNSHIP	27E RANGE
WELLBORE SCHEMATIC		WELL CONSTR	WELL CONSTRUCTION DATA Surface Casing	
	Hole Size: 17-1/2"		Casing Size: 13-3/8"	33
	Cemented with: 450	SX.	or	ft³
	Top of Cement: Surface		Method Determined:	,
		Intermediate Casing	: Casing	
	Hole Size: 12-1/4"		Casing Size: 9-5/8"	
	Cemented with: 750	SX.	or	$\mathbb{H}^3$
	Top of Cement: Surface		Method Determined:	
		Production Casing	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	1' PBTD		
		Injection Interval	<u>nterval</u>	
	2934	feet	to3282	

(Perforated or Open Hole; indicate which)

# INJECTION WELL DATA SHEET

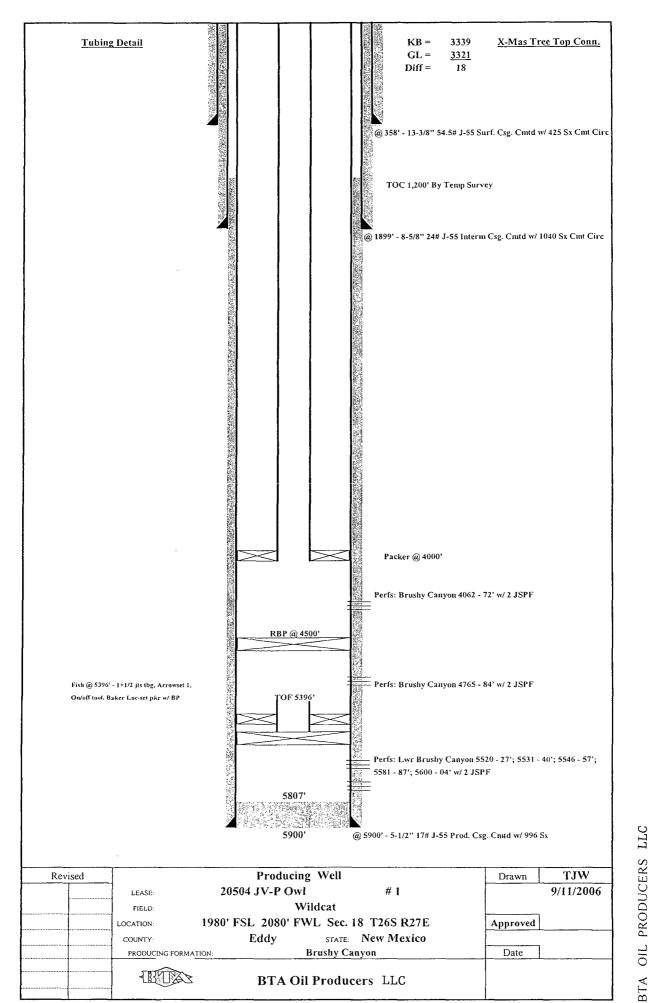
'n	Jubing Size:	4-1/2"	Lining Material:	None
$\sim$	ype of Packer:	7" Baker Loc-Set (nickel-plated, internal plastic-coated)	ed, internal plastic-coated)	
ă	acker Setting Depth:	epth: 2906'		
$\Xi$	her Type of Tu	Other Type of Tubing/Casing Seal (if applicable):	ble): N/A	
		$\frac{Ac}{Ac}$	Additional Data	
•	Is this a new	Is this a new well drilled for injection?	Yes	No No
	If no, for what purpos well. During drilling commercial producer.	If no, for what purpose was the well originally drilled? This well was permitted to drill as well. During drilling completion operations, it was determined that this well would not be a commercial producer.	inally drilled? This well ons, it was determined that	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.
٠;	Name of the	Name of the Injection Formation:	Cherry Canyon	
. <b>.</b> :	Name of Fie	Name of Field or Pool (if applicable): Wildcat	Vildcat	
_ <b>:</b>	Has the well intervals and intervals are cmt;	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. C intervals are: 3612-3728' – composite BP @ 3570'; 3332-3356' – composite B cmt;	other zone(s)? List all suc cks of cement or plug(s) us P @ 3570'; 3332-3356' - o	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;
	Give the nar injection zor — Delaware	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; potential – Delaware Ramsey Sand top 2070 – 2105'	as zones underlying or ove e – 3332 – 3728' – Cherry 05'	rlying the proposed  Canyon: potentially oil productive



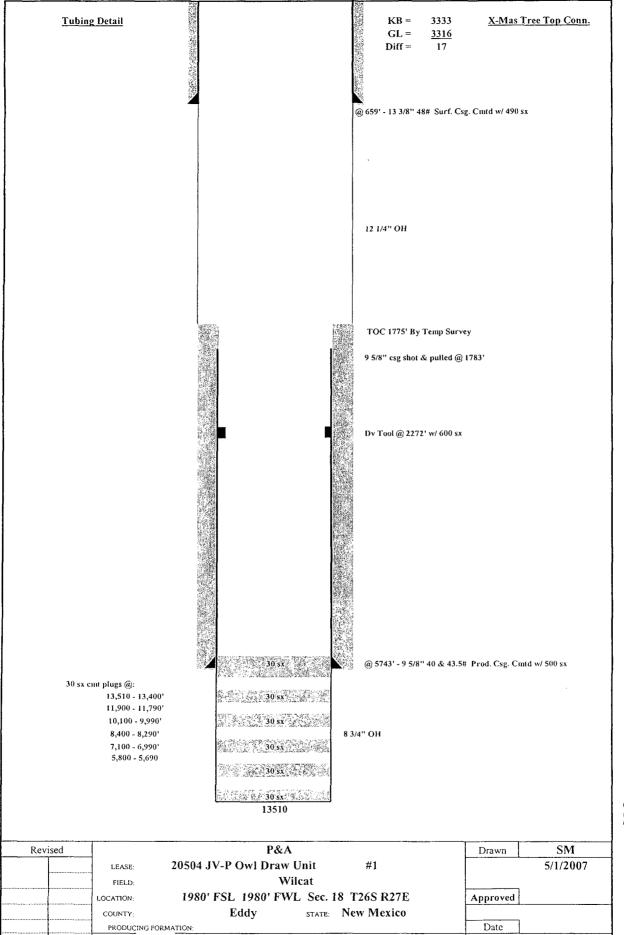
BTA Oil Producers LLC

BTA OIL PRODUCERS LLC

Application for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL



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



BTA Oil Producers LLC

BTA OIL PRODUCERS LLC

Application for Injection Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18 T26S B27E

# 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

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Date: 10-Jun-06

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

# **Analyzed For**

BTA		Owl#1		ea	New Mexico
Sample Source	Wellhe	ad	Sample #		1
Formation			Depth		
Specific Gravity	1.160		SG @	60 °F	1.163
₽H	5.56		Su	lfides	Absent
Temperature (*F)	74		Reducing A	gents	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
Soluable 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 CaCC	13)	in Mg/L	70,000	in PPM	60,200
Total Dissolved Solids (Ca	alc)	in Mg/L	234,388	in PPM	201,572
Equivalent NaCl Concenti	ration	in Mg/L	204,569	in PPM	175,928
Scaling Tendencies					
Calcium Carbonate Index	<del></del>				8,130,080
Belaw 500,000	Remote / 500	,000 - 1,000,00	00 Possible / Above	1,000,000 Probe	ble
'Calcium Sulfate (Gyp) Ind					2,842,000
	-		0 Passible / Above 1		
This Calculation is only en ep restment	proximation a	und is anly vai	lid before treatment	क्रियान्य विषय व्यो	raral weeks oft
Remarks		<del></del>		· .	

RW=.0485

Report #

2221

BTA OIL PRODUCERS LLC 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 88740 Phone (505) 392-5556 Fee (505) 392-7307

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

Analyzed For
--------------

Company 6 BTA	Salan Regarda W	ell Name Owl 5	in Military of the	County Lea	State New Mexico
Sample Source	Swab San	nple	Sample #		1
Formation	Cherry Car	пуож	Depth		
Specific Gravi	fy 1.100	· · · · · · · · · · · · · · · · · · ·	SG	@ 60°F	1,102
#	H 6.70	•		Sulfides	Absent
Temperature (*)	F) 70		Reducing	g 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
Soluable 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 t	CaCO3)	in Mg/L	24,500	in PPM	21,779
Total Dissolved Solid	•	in Mg/L	132,411	in PPM	120,155
Equivalent NaCl Con	voentration	in Mg/L	119,537	in PPM	108,473
Scaling Tendenc	iies			•	
*Calcium Carbonate	Index				1,952,000
	500,000 Remote / 500	,000 - 1,000,6	90 Fossible / Abo	ve 1,000,000 Probal	bla
Calcium Sulfate (Gy					10,600,000
	500,000 Remote / 500				
This Calculation is only treatment.	an approximation an	nt is only valid	i before treatme	or of a Well or seve	rai weeks after
Remarks ne	065@701		·		
					•
Report # 245	97				

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

<u>IX.</u>

No additional stimulation proposed

# <u>X.</u>

- 1. Logs provided with the completion report.
- 2. Swab tests were performed as follows:

3612-3728'	Swab at a rate of 6 BOPD + 49 BWPD
3332-3356'	Swab at a rate of 17 BOPD + 34 BWPD
3054-3282'	Swab 100% water

3. Injectivity test was performed as follows:

2934-3282' Injected at a rate of 2160 BWPD @ 570

psi.

# <u>XI.</u>

There are no fresh water wells within one mile of the proposed injection.

# XII

All available geologic and engineering data has been examined and no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water is apparent.

# **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 ertified mail on this 20<sup>th</sup> day May, 2010 to the above listed Surface Owner, Grazing Lessee, and Offset Operators.

Signed:

Pam Inskeep



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

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: BTA OIL PRODUCERS

Application for Authorization to Inject

Owl, 20504 JV-P, #5 2310' FSL & 2130' FEL Section 18, T26S, R27E

Eddy County, NM

CARLSBAD CURRENT-ARGUS 620 S. Main St. Carlsbad, NM 88220

Attn: Classified

Gentlemen.

Please publish the enclosed legal notice in your newspaper for the duration of one day. Please advise by telephone or email <a href="mailto:pinskeep@btaoil.com">pinskeep@btaoil.com</a> as to the cost of the ad and payment will be made immediately.

Also, please provide to the undersigned at your earliest convenience a copy of the notice and an Affidavit of Publication.

Thank you for your assistance.

Respectfully,

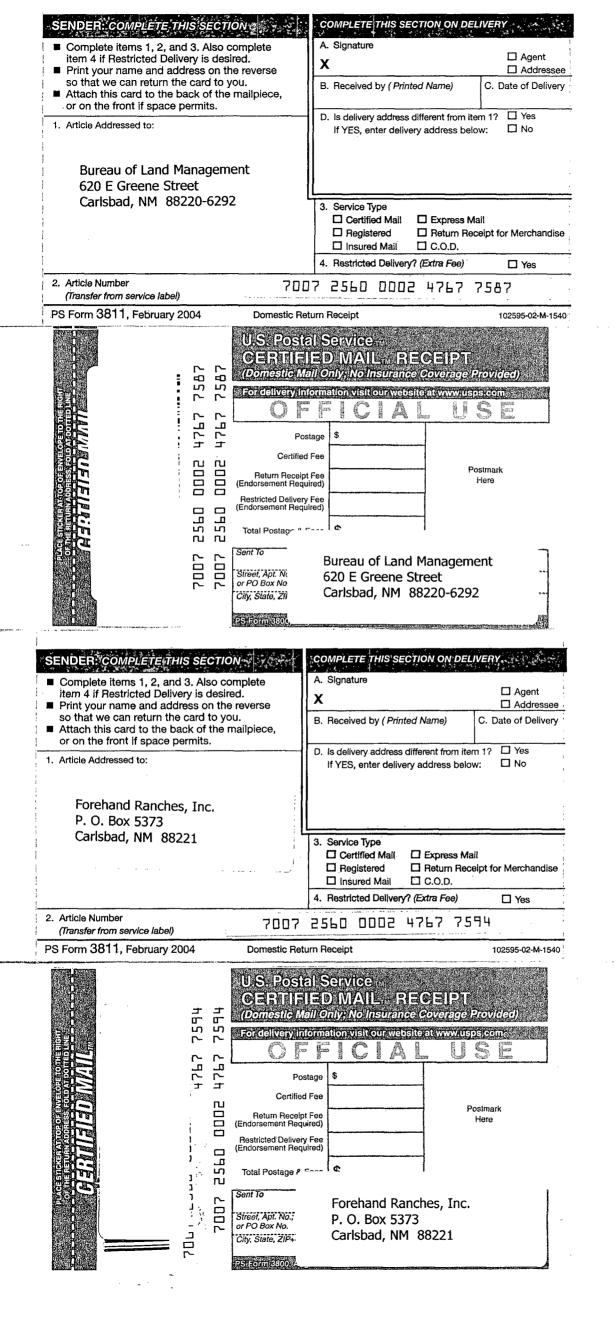
PAM INSKEEP

For BTA Oil Producers LLC

Enc.

BTA OIL PRODUCERS LLC, 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 Cherry Canyon formation 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, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87504, 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.



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	7006	1	Marbob Energy Corporation P. O. Box 227 Artesia, NM 88210
		PS Form 380	

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### **Affidavit of Publication**

State of New Mexico, County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor 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:

May 26.

2010

That the cost of publication is \$49.37 and that payment thereof has been made and will be assessed as court costs.

Subscribed and sworn to before me this

day of

, <u>57010</u>

My commission Expires on\_

1125/2012

**Notary Public** 

OFFICIAL SEAL
STEPHANIE BOBSON
Notary Public
Side of New Mexico
My Committee 1 2 5 25 14

#### May 26, 2010

BTA OIL PRODUCESCALC, 104 S. Peccos. Midland, Texos
79701, Is Submitting
form C-108 (Application for Authorization
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All Interested parties on consistent and consistent

Item VI

Wells within the AOR

Completion         P&A         Lat         Long         LL Source           2/6/1966         2/1966         32.0404746         -104.2309973         IH           5/10/2007         32.0404746         -104.2309973         IH	7/16/2006 32.0404782 -104.2306714 iH
Spud Cor 11/14/1965 2/ 12/13/2006	5/11/2006 7/1
Well Status Formation at TD Producing Formation D&A DEVONIAN P&A	BONE SPRING BRUSHY CANYON
us Formation at TD DEVONIAN	
Well Status Fo 0 D&A DE 0 P&A	( <u>v</u> )
Sec TD 18 1351 18 1351	18 5900
Rge 57 E 27	E 27
Lease Name         Well # State County Footage N/S Footage E/W Twp         Rge           OWL DRAW UNIT         1 NM EDDY 1980 FSL 1980 FWL S 26 E 2           OWL DRAW UNIT 20504 JV-P 1 SW NM EDDY 1981 FSL 1981 FWL S 26 E 2	NM EDDY 1980 FSL 2080 FWL S 26 E 27
Lease Name OWL DRAW UNIT OWL DRAW UNIT 20504 JV-P 1 SW	OWL 20504 JV-P
API Number Operator Name 30-015-10730-0000 HAMON JAKE L 30-015-10730-0001 BTA OIL PRODUCERS	30-015-34749-0000 BTA OIL PRODUCERS