

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 Inskip, 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 Inskip TITLE: Regulatory Administrator

SIGNATURE: *Pam Inskip* 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, please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Of

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14559 Exhibit No. 2
Submitted by:
BTA OIL PRODUCERS, LLC
Hearing Date: October 14, 2010

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.

INJECTION WELL DATA SHEET

OPERATOR: BTA Oil Producers

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

WELL LOCATION: 2310' FSL & 2130' FEL J 18 26S 27E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"
Cemented with: 450 sx. or ft³
Top of Cement: Surface Method Determined: _____

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"
Cemented with: 750 sx. or ft³
Top of Cement: Surface Method Determined: _____

Production Casing

Hole Size: 8-3/4" Casing Size: 7"
Cemented with: 500 sx. or ft³
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 SHEETTubing Size: 4-1/2" Lining Material: NoneType of Packer: 7" Baker Loc-Set (nickel-plated, internal plastic-coated)Packer Setting Depth: 2906'Other Type of Tubing/Casing Seal (if applicable): N/AAdditional Data

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

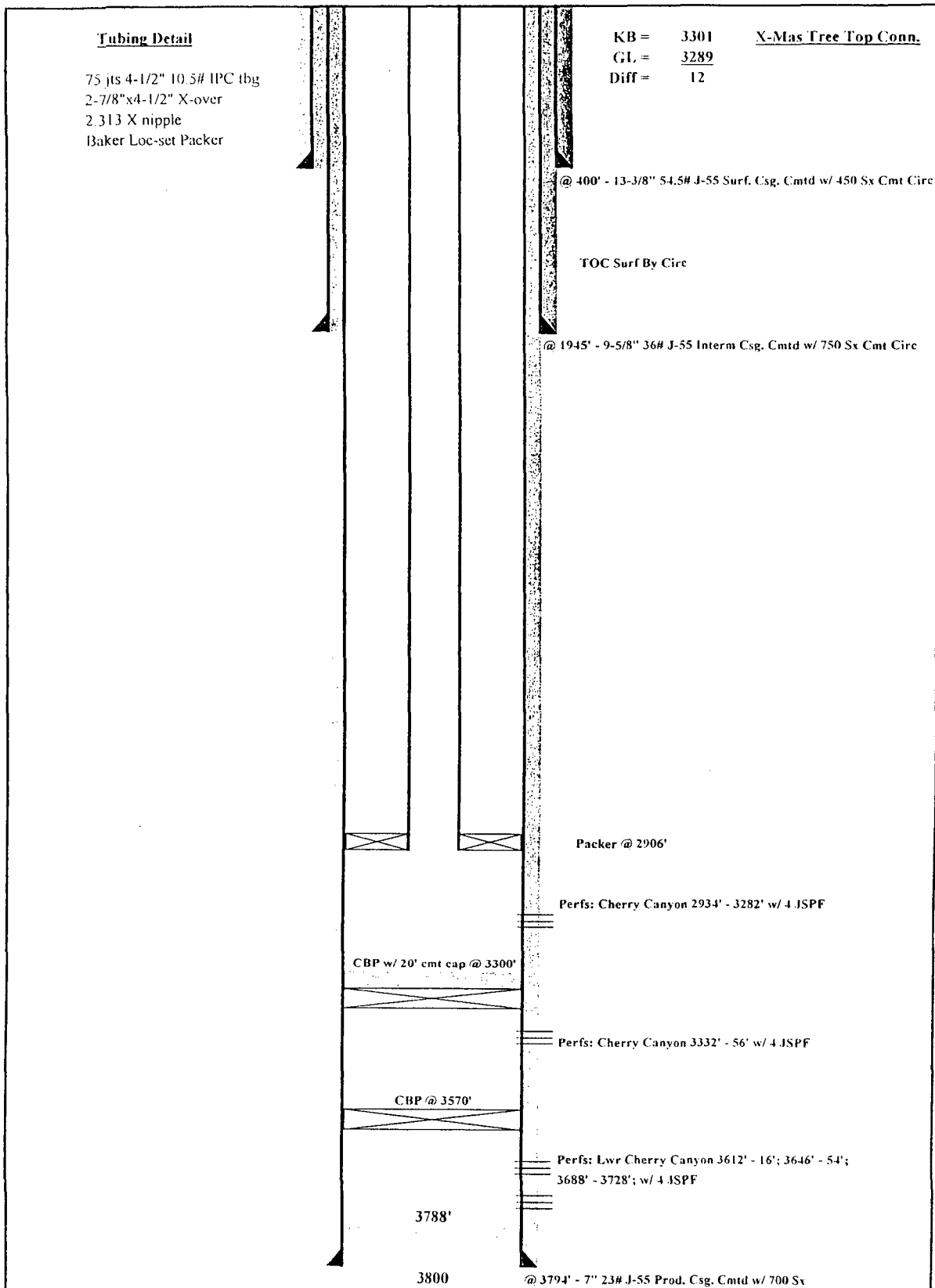
If no, for what purpose was the well originally drilled? This well was permitted to drill as an oil well. During drilling completion operations, it was determined that this well would not be a commercial producer.

2. Name of the Injection Formation: Cherry Canyon

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

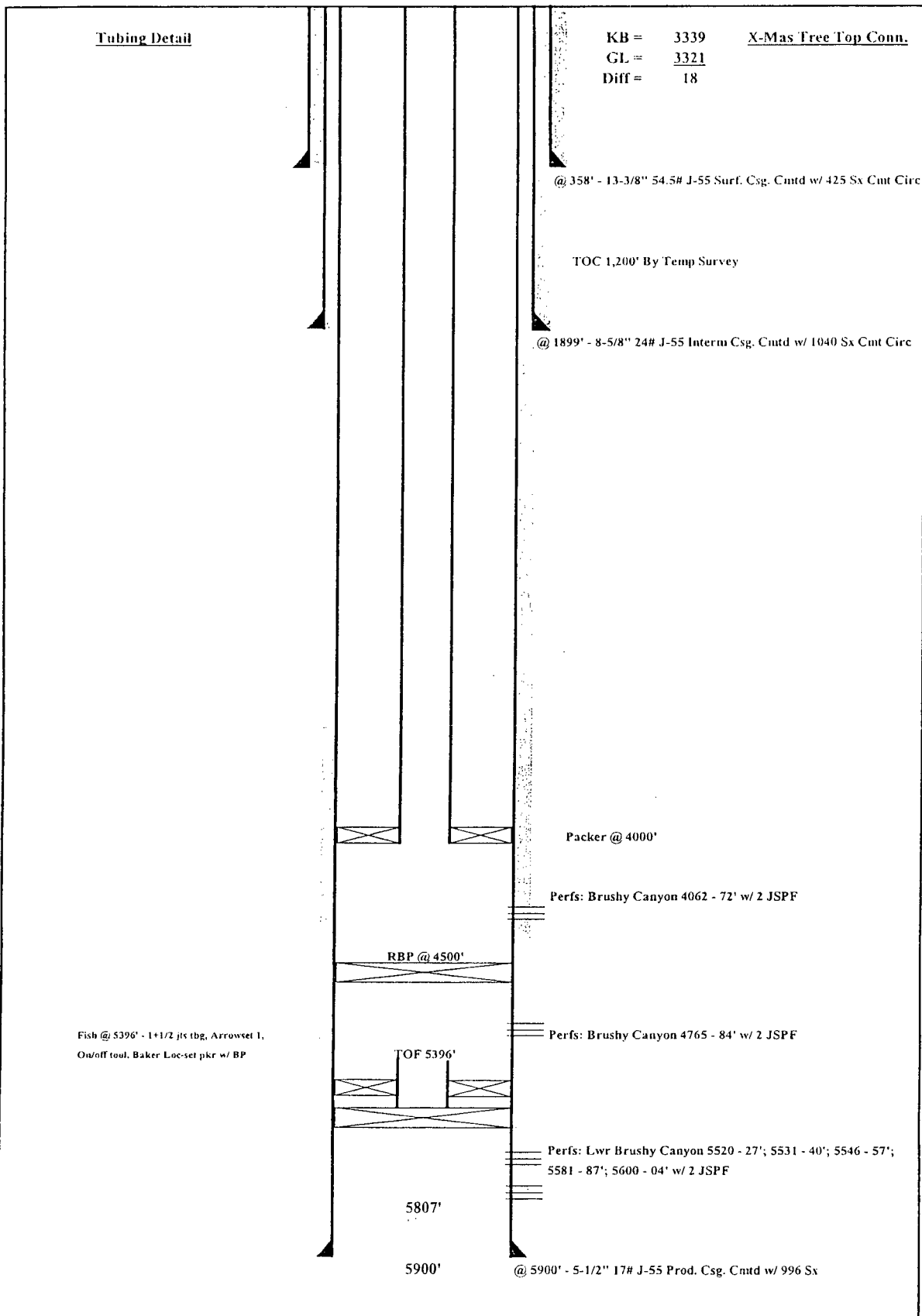
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No. Other Cherry Canyon intervals are: 3612-3728' - composite BP @ 3570'; 3332-3356' - composite BP @ 3320' - cap w/20' cmt;

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 | 7/3/2007 | |
| | FIELD: | Hay Hollow | Approved | |
| | LOCATION: | 2310' FSL 2130' FEL Sec. 18 T26S R27E | | |
| | COUNTY: | Eddy STATE: New Mexico | Date | |
| | PRODUCING FORMATION: | Brushy Canyon | | |
| | RTA Oil Producers LLC | | | |

TA OIL PRODUCERS LLC
 Application for Injection
 w/ 20504 JV-P, #5
 310' FSL & 2130' FEL
 Section 18, T26S, R27E



| | | | | |
|---------|---------------------------------------|--|-----------|-----|
| Revised | Producing Well | | Drawn | TJW |
| | 20504 JV-P Owl # 1 | | 9/11/2006 | |
| | Wildcat | | | |
| | 1980' FSL 2080' FWL Sec. 18 T26S R27E | | Approved | |
| | Eddy STATE: New Mexico | | | |
| | PRODUCING FORMATION: Brushy Canyon | | Date | |
| | BTA Oil Producers LLC | | 6. | |

A OIL PRODUCERS LLC
 Application for Injection
 1, 20504 JV-P, #5
 0' FSL & 2130' FEL
 tion 18, T26S, R27E

Tubing Detail

KB = 3333
GL = 3316
Diff = 17

X-Mas Tree Top Conn.

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

12 1/4" OH

TOC 1775' By Temp Survey

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

Dv Tool @ 2272' w/ 600 sx

@ 5743' - 9 5/8" 40 & 43.5# Prod. Csg. Cmt'd 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'

30 sx

30 sx

30 sx

30 sx

30 sx

30 sx

8 3/4" OH

13510

Revised

P&A

Drawn

SM

LEASE:

20504 JV-P Owl Draw Unit

#1

FIELD:

Wilcat

LOCATION:

1980' FSL 1980' FWL Sec. 18 T26S R27E

COUNTY:

Eddy

STATE:

New Mexico

PRODUCING FORMATION:

Approved

Date



BTA Oil Producers LLC

7.

BTA OIL PRODUCERS LLC

Application for Injection

41, 20504 JV-P, #5

10' FSL & 2130' FEL

Section 18, T26S, R27E

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

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

5.58

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

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

*Calcium Sulfate (Gyp) Index

2,842,000

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

RW=0.0485

Report # 2221

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

9.



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 | 24,000 | 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 NF-065@701

Report # 2497

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

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

IX.

No additional stimulation proposed

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

X.

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.

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

XI.

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

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

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.

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

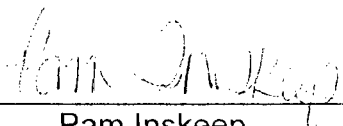
OFFSET OPERATOR LIST

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 20th 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

FAX 432-683-0311

May 20, 2010

GULF COAST DISTRICT
FOUR GREENSPRING 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 pinskeep@btaoil.com 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.

C:\Owl #5 Legal Notice 05 2010.doc

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.

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|--|--|---|----------------------------|
| <ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits. | | A. Signature X <div><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</div> | |
| 1. Article Addressed to: Bureau of Land Management 620 E Greene Street Carlsbad, NM 88220-6292 | | 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 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 | |
| 2. Article Number (Transfer from service label) | | 7007 2560 0002 4767 7587 | |

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

| 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 \$ | Postmark Here |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage | |
| Sent To Bureau of Land Management 620 E Greene Street Carlsbad, NM 88220-6292 | |
| PS Form 3800 | |

| SENDER: COMPLETE THIS SECTION | | COMPLETE THIS SECTION ON DELIVERY | |
|--|--|---|----------------------------|
| <ul style="list-style-type: none">Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.Print your name and address on the reverse so that we can return the card to you.Attach this card to the back of the mailpiece, or on the front if space permits. | | A. Signature X <div><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</div> | |
| 1. Article Addressed to: Forehand Ranches, Inc. P. O. Box 5373 Carlsbad, NM 88221 | | 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 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 | |
| 2. Article Number (Transfer from service label) | | 7007 2560 0002 4767 7594 | |

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

| 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 \$ | Postmark Here |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage | |
| Sent To Forehand Ranches, Inc. P. O. Box 5373 Carlsbad, NM 88221 | |
| PS Form 3800 | |

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

7007 2560 0002 4767 7600

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



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 \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Postmark
Here

Sent To

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

PS Form 3800

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

7006 0810 0000 3488 4630

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



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 \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Postmark
Here

Sent To

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

PS Form 3800

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

■ Print your name and address on the reverse so that we can return the card to you.

■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marbob Energy Corporation

P. O. Box 227

Artesia, NM 88210

2. Article Number

(Transfer from service label)

7006 0810 0000 3488 4647

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, February 2004

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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 395

| | | |
|---|----|------------------|
| Postage | \$ | Postmark Here |
| Certified Fee | | |
| Return Receipt Fee (Endorsement Required) | | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage | | |
| <div>Sent To</div> <div>Marbob Energy Corporation</div> <div>P. O. Box 227</div> <div>Artesia, NM 88210</div> | | |

PS Form 3800, October 2000

7006 0810 0000 3488 4647

7006 0810 0000 3488 4647

22.

May 28, 2010

DTA 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' EEL, 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 McGuire, Reservoir Engineer, at 104 S. Pecos, Midland, TX 79701, or (432) 682-3753.

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.

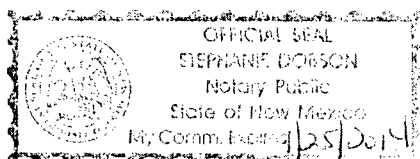
Kathy McCarroll

Subscribed and sworn to before me this

4th day of June, 2010
Stephanie Dobson

My commission Expires on 1/25/2014

Notary Public



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 | Sec | TD | Well Status | Formation at TD | Producing Formation | Spud | Completion | P&A | Lat | Long | LL Source |
|-------------------|-------------------|--------------------------|--------|-------|--------|---------|-----|---------|-----|-----|-----|-----|-------|-------------|-----------------|---------------------|------------|------------|-----------|------------|--------------|-----------|
| 30-015-10730-0000 | HAMON JAKE L | 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 | 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 |

Producing
SI

Producing
2310' FSL
2130' FEL