

NMOC

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

5. Lease Serial No.  
NMLC068721

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM107710

8. Well Name and No.  
Indian 'A', 9201 JV-P #1

9. API Well No.  
30-015-32465

10. Field and Pool, or Exploratory Area  
Loafer Draw, SE (Morrow)

11. County or Parish, State  
Eddy County, NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well **RECEIVED**  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator **MAR 15 2004**  
BTA Oil Producers

3a. Address **OC-ARTESIA**  
104 S. Pecos, Midland, TX 79701

3b. Phone No. (include area code)  
(432) 682-3753

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
660' FNL & 1980' FEL  
Lot 2, NW/NE, Sec. 5, T22S-R23E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Commingle, Off</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Use Measurement, Alt</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Method of Measurement</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

As required by 43 CFR 3162.7-2 and Onshore Oil and Gas Order No. 4, BTA Oil Producers is requesting approval of the amendment for off-lease measurement, alternat measurement method, and surface commingling of liquid hydrocarbon production. Also, as required by 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 5, we are requestin approval of surface commingling and off-lease measurement and sales of gas production.

Details of the proposed method for allocating to contributing sources are as follows:

The gas, liquid hydrocarbon, and water are measured individually from this well.

The gas is measured with an allocation meter which is an orifice meter tube and electronic flow computer. The gas meter will be proved monthly. The gas enters the ChevronTexac gathering system where gas is collected from several wells at three centralized compressor stations, dehydrated, and compressed for delivery into the Marathon Plant gas gatherin system. The dehydrated gas is measured using an orifice meter tube and electronic flow computer before delivery via pipeline to the Marathon Indian Basin Gas Plant. After processing, the gas and NGL's will be metered at the tail-gate of the plant and enter the transportation pipeline for delivery to various sales points.

The liquid hydrocarbon production is directed to stock tanks on location and is measured daily by pumper with a gauge line. Any hydrocarbon sales will be trucked out of the tanks.

The water production is measured using a turbine meter before delivery to ChevronTexaco SWD system, where it is combined with ChevronTexaco produced water, at Bogle Fla Unit #2 water station, and then measured and delivered to Kerr-McGee SWD system.

The Marathon Oil Company Gas Plant is located in SW/NE Section 23, T21S, R23E, Eddy County, NM.

A form is attached showing the leases and well addressed by this request and describing the proposed operation in detail.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Pam Inskeep

Title Regulatory Administrator

Signature

*Pam Inskeep*

Date 9/22/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

Title

Date MAR 10 2004

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



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

## BTA OIL PRODUCERS

104 SOUTH PECOS  
MIDLAND, TEXAS 79701

915-682-3753  
FAX 915-683-0311

**GULF COAST DISTRICT**  
TWO GREENSPOINT PLAZA  
16825 NORTHCHASE DRIVE, STE. 680  
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

September 22, 2003

Re: Application for Permission for Off-Lease Measurement, Storage, and  
Surface Commingling Approvals  
9201 JV-P Indian A #1  
Section 5, T22S-R23E  
Eddy County, New Mexico

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
P. O. Box 1778  
Carlsbad, NM 88221-1778

Gentlemen,

Attached please find one application packet requesting the referenced (original plus two copies were filed with the BLM on 8/15/2003).

In addressing the BLM guidelines for such requests, BTA respectfully submits:

- Item 1 Sundry Form 3160-5 and describing the operation and providing a diagram for BTA's portion of the operation. The original submittal was filed concurrently with Chevron's separate submittal of same for their portion of the operation. Amendment in CRA BLM Format attached. Backup documentation from Chevron attached.
- Item 2 BTA map showing the location of the Indian 'A' Lease and Well.
- Item 3 Schematic diagram identifying all equipment BTA for BTA's portion (see Item 1).
- Item 4 Estimated monthly production BTA's well, type of product, gravity, BTU content. BTA is not privy to this information for other producers (see attachment to 3160-5).
- Item 5 Details of proposed method for measuring and allocating production (see 3160-5). Estimated lease use volume for on-lease use (see attachment to 3160-5).
- Item 6 Notification regarding interest owners associated with the referenced well/lease.
- Item 7 Statement regarding Federal royalties (see attachment to 3160-5).
- Item 8 Detailed economic justification (see attachment to 3160-5).

Thank you for your consideration in this application. Should further information be required, please advise.

Respectfully,

PAM INSKEEP  
For BTA Oil Producers

Attachments

CRA BLM FORMAT

**AMENDMENT TO APPLICATION FOR SURFACE COMMINGLING,  
OFF-LEASE MEASUREMENT, STORAGE AND ALTERNATIVE  
MEASUREMENT APPROVAL**

TO: Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88240

BTA Oil Producers is requesting approval of the amendment to Surface Commingling, Off-Lease Storage and Measurement and Alternative Measurement agreement for the hydrocarbon production from the following formation and well on 9201 JV-P Indian 'A' #1 Lease.

This well is located in Eddy County, New Mexico and is completed in the Loafer Draw, SE (Morrow) formation.

<u>Well No.</u>	<u>Section</u>	<u>API Number</u>	<u>Serial Number</u>
1	5	30-015-32465	NMLC068721

with hydrocarbon production from other Federal Leases connected to the Marathon gas gathering and oil and water gathering systems.

Production from the well is as follows:

<u>Well Name and Number</u>	<u>BOPD</u>	<u>Oil Grav</u>	<u>MCFD</u>	<u>Gas Grav</u>	<u>Lse Use (on lse)</u>
9201 JV-P Indian 'A' #1	0	N/A	884	.592	180/month

This amendment will reflect the current methods of transportation, measurement, and sales of hydrocarbons in the noted lease after the ChevronTexaco Compressor Consolidation and Gas Gathering Pipeline Projects. The proposed operation is described in detail on the attached diagrams. A map is enclosed showing the location of the Indian 'A' lease and well. A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The proposed commingling of production is in the best interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal Lease.

BTA understands that the requested approval will not constitute granting any right-of-way or construction rights not granted by the lease instrument. We have already submitted an application for ROW approval to the BLM's Realty Section and been granted same. It is also understood that additional wells will require additional commingling approvals.

Signature: Pam Inskeep

Name: Pam Inskeep

Title: Regulatory Administrator

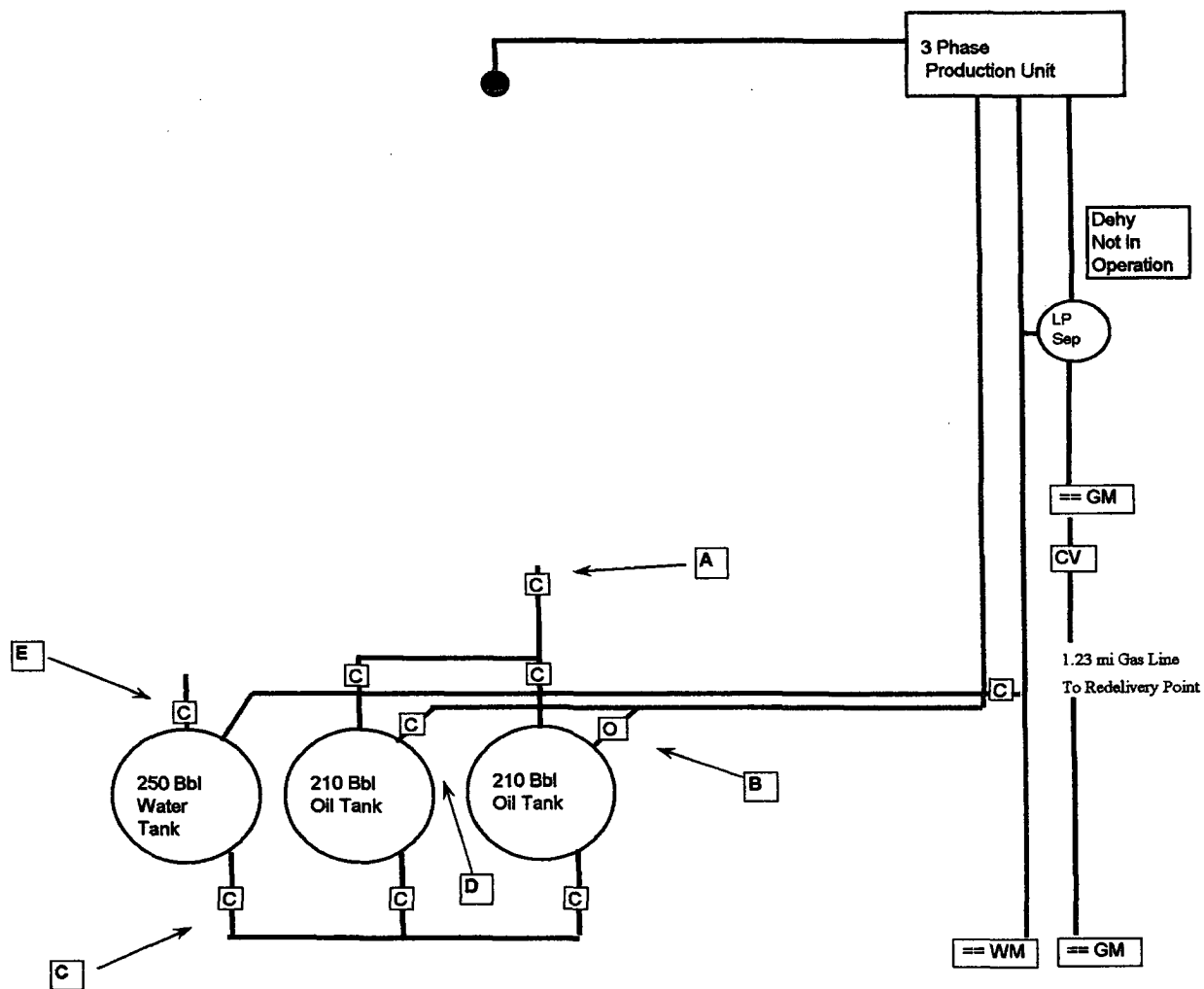
Date: 9/22/03

### Equipment List

- 1 - Well
- 1 - Flowline
- 1 - Production Unit (3 Ph)
- 1 - Dehydrator (Not in use)
- 1 - Low Press Separator (2 Ph)
- 1 - Gas Meter (Chart Type)
- 2 - 210 Bbl Steel Oil Tanks
- 1 - 250 Bbl Fiberglass Water Tank

### Valve Operation List

- A - Oil Load Line - Closed & sealed during production.  
Open during sale of oil.
- B - Production Line - Open during production.  
Closed/Sealed during sale of oil
- C - Valves normally sealed closed (Drain)
- D - Valves sealed open to to fill & closed for sales
- E - Valves normally sealed closed (Except during water hauling)



Revised	Gas		Drawn	TJW
	LEASE: IV-P	9201 Indian "A" #1	8/15/03	
	FIELD: Loafer Draw, SE (Morrow)			
	LOCATION: 660' FNL 1980' FEL Lot 2 Sec.5 T22S R23E			
	COUNTY: Eddy	STATE: New Mexico	Approved	
	PRODUCING FORMATION: Morrow		Date	

August 26, 2003

**ChevronTexaco**

Duncan Whitlock  
Bureau of Land Management  
Carlsbad Resource Area Headquarters  
620 E. Greene Street  
Carlsbad, New Mexico 88220

Duncan

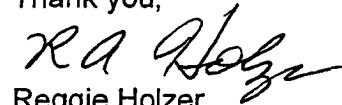
Please find enclosed the updates to the facility drawings for the Bogle Flats Unit showing connection of the BTA Oil Producers Indian "A" #1 to the pipeline system. You can discard and previous drawing for Indian Basin Field Gas, Oil and Water Measurement Process Flow Diagram Rev. 3 dated 11/27/02 and replace it with this updated drawing. Included are the Sundry Notice and Facility Diagram for the BTA Oil Producers Indian "A" #1 well. It is our understanding that Chevron USA Inc. is to file this for Commingling, Off Lease Measurement and Alternate Method of Measurement of production from the BTA well even though the delivery point for the gas and water is located in Section 8, T22S, R23E. Modifications to the compressor sites located at Bogle Flats Unit #16 and #18 are also included in this update.

The mailing address for future correspondence is:

ChevronTexaco Inc.  
P. O. Box 1747  
Carlsbad, NM 88220

If you have questions please contact me at (915) 687-7182 or Danny Lovell at (505) 887-5676 in our Carlsbad Area field office.

Thank you,



Reggie Holzer  
Facilities Engineering Advisor  
New Mexico Area

cc: Danny Lovell - ChevronTexaco

BTA Oil Producers

Application for Permission for Off-Lease Measurement, Storage, and  
Surface Commingling Approvals  
9201 JV-P Indian A #1  
Section 5, T22S-R23E  
Eddy County, New Mexico

Item 6

BTA holds 100% working interest in this well.

ChevronTexaco stated to BTA that all participating wells have been  
balloted regarding accepting BTA to the system. BTA's additional  
production was accepted.

