

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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

WELL API NO. 30-015-24206
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. ---
7. Lease Name or Unit Agreement Name Ogden
8. Well Number 1H
9. OGRID Number 260297
10. Pool name or Wildcat Culebra Bluff; Bone Spring, S 15011

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator BTA Oil Producers LLC	
3. Address of Operator 104 S. Pecos, Midland, TX 79701	
4. Well Location Unit Letter <u>G</u> : <u>1980</u> feet from the <u>north</u> line and <u>1830</u> feet from the <u>east</u> line Section <u>29</u> Township <u>23S</u> Range <u>28E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3083' GR	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Add Horizontal Leg <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

BTA Oil Producers proposes to add a horizontal leg to the existing wellbore as detailed on the attached procedure.

The BHL is federal minerals. Application for Permit to Drill to add this leg has been approved by the BLM.

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

SIGNATURE Pam Inskip TITLE Regulatory Administrator DATE 08/03/2009

Type or print name Pam Inskip E-mail address: pinskeep@btaoil.com Telephone No. 432-682-3753
For State Use Only

APPROVED BY: Acqui R TITLE Geologist DATE 8/12/09
Conditions of Approval (if any):

Attachment to C-103
dated 8/3/2009

BTA Oil Producers
Ogden #1H
30-015-24206
Add Horizontal Leg
Culebra Bluff; Bone Spring, South
Eddy County, NM

BTA proposes to plug back and add a horizontal leg as follows:

1. Move prod equipment, as required, and prep location.
2. MI & RU.
3. Pull & LD prod equipment.
4. RU WL and run gauge-ring/junk basket to $\pm 8,600'$. Set CIBP @ $\pm 8,490'$ and cap with 20' cement.
5. Set CIBP @ $\pm 6,650'$
6. Test csg to 1000 psi.
7. PU 6-1/2" watermelon mill and casing scraper. GIH picking up 3-1/2" drill string to CIBP. Circ hole clean. POH (SLM).
8. GIH w/7-5/8" casing and orientation sub.
9. Orient whipstock using wireline gyro. Set whipstock on CIBP with face of whipstock on an azimuth of 178.05°.
10. Mill window in 7-5/8" csg. Dress window as required and drill 4'-6' of formation.
11. Trip for directional drilling BHA with gyro seat. Run wireline with surface read-out gyro.
12. Mud logging will be required while drilling curve and lateral.
13. Drill lateral per DDC profile with geological adjustments.
14. At TD; Circ, sweep hole and short trip s required to clean up lateral. POH.
15. Run and cement 5-1/2" x 4-1/2" combination casing string at TD.
16. RD & MO.
17. Completion program to follow.

BOP's

Rotating head

Double Ram Hydraulic – 3000 psi with blind rams and 3-1/2" pipe rams

Drilling Plan

BTA OIL PRODUCERS, LLC
Ogden #1H
1980' FNL & 1830' FEL
UL -G-, Sec. 29, T23S, R28E Surface
2310' FNL & 1650' FEL
UL -G-, Sec. 32, T23S, R28E Bottom
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill, BTA Oil Producers submits the following 10 items for pertinent information in accordance with BLM requirements: **Note: We are proposing to add a horizontal leg to an existing wellbore.**

1. Geologic surface formation is Quaternary.
2. Top of geologic markers & depths of anticipated fresh water, oil or gas:

Delaware Mountain Group	2,494'	Oil
Cherry Canyon	3,540'	Oil
Brushy Canyon	4,535'	Oil
Bone Spring	6,050'	Oil
1 st Bone Spring	7,006'	Oil

No other formations are expected to yield oil, gas, or fresh water in measurable volumes. The surface fresh water sands are protected by existing 16" csg at 405' cemented back to surface. Potash/fresh water sands are protected by existing 10-3/4" csg at 2490' cemented back to surface. The Delaware and Bone Spring intervals will be isolated by existing 7-5/8" csg and by setting 5-1/2" & 4-1/2" csg to total depth and circulating cement above the base of the 10-3/4" casing.

All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished to the BLM, Division of Minerals. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.

3. Proposed Casing and Cementing Program:

Hole Size	OD Casing	Setting From	Depth to	Weight	Grade	Joint	Collapse Factor	Burst Factor	Tension Factor
*20"	16"	0	405'	65#					
*14-3/4"	10-3/4"	0	2,490'	40.5#					
* 9-1/2"	7-5/8"	0	9,595'	29.7&33.7#					
7-5/8" csg	5-1/2"	0	6,600'	20#	P110	STL	3.70	4.21	2.84
6-1/2"	4-1/2"	6,600'	12,523'	11.6#	P110	BTC	2.52	3.56	4.47

*Existing casing cemented in well

Depending upon availability at the time that the casing is run, equivalent weights and grades may be substituted. All casing will be new.

4. Cement Program:

16" casing was cemented with 500 sx and circulated to surface.

10-3/4" casing was cemented with 2050 sx and circulated to surface.

7-5/8" casing was cemented with 1150 sx with top of cement @ 5710' (CBL).

5-1/2" & 4-1/2" casing will be cemented with 370 sx Interfill C with 1/8#/sx Poly-E-Flake, 11.9 ppg, 2.47 yield. Tail with w/340 sx Super H w/3% salt, 0.5% Halad-344, 5 #/sx Gulsonite, 0.4% CFR-3, 13.2 ppg, 1.63 yield. Estimated top of cement will be 2000'.

Note: All casing strings will be pressure tested to 0.22 psi/ft. of setting depth or 1500 psi (whichever is greater) after cementing and prior to drillout.

5. Pressure Control Equipment:

The blowout preventer equipment (BOP) shown in Exhibit A will consist of a (3M system) double ram type (3000 psi WP) preventor and a bag-type (Hydril) preventor (3000 psi WP). Will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 3-1/2" drill pipe rams on bottom. The BOP's will be installed on the 7-5/8" casing and utilized continuously until TD is reached. All BOP's and associated equipment will be tested as per BLM drilling Operations Order No. 2.

Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines, and choke manifold having a 3000 psi WP rating.

6. Mud Program:

Fresh_water. Will use lime for pH control in range 10 to 11. Will sweep hole with gel slugs as required for hole cleaning. Will use paper for seepage losses.

7. Auxiliary Equipment:

- a) Upper Kelly cock valve with handle available.
- b) Lower Kelly cock valve with handle available.
- c) Safety valves and subs to fit all drill string connections in use.
- d) Monitoring of mud system will be mechanical.

8. Testing Logging and Coring Program:

- a) Drill Stem Testing will not be performed.
- b) No electrical logs will be run on the new horizontal leg.
- c) No coring program is planned.
- d) Additional testing may be initiated subsequent to setting the 4-1/2" & 5-1/2" production csg.

Specific intervals will be targeted based on evaluation and geological sample shows.

9. Potential Hazards:

No abnormal pressures or temperatures are anticipated. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 2550 psi. Estimated BHT: 130° F. No H₂S is anticipated to be encountered.

10. Anticipated Starting Date and Duration of Operations:

Road and location are in place. No surface disturbance is anticipated. Anticipated start date will be as soon as possible after BLM approval and as soon as a rig is available. Move in operations and drilling is expected to take 45 days.