

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

HOBBS OGD

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

JUL 05 2011

RECEIVED

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

WELL API NO. 30-025-29916
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2199
7. Lease Name or Unit Agreement Name Gem, 8705 JV-P
8. Well Number 1
9. OGRID Number 260297
10. Pool name or Wildcat Teas (Delaware) 96797

4. Well Location  
Unit Letter B : 660 feet from the north line and 1980 feet from the east line  
Section 02 Township 20S Range 33E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3687' GR 3606' RKB

Pit or Below-grade Tank Application ☐ or Closure ☐

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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

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 proposes to downhole commingle this well. The well currently produces from the Teas, Delaware 96797. We propose to remove the RBP at 6975' and commingle the Teas, Bone Spring 58960 as shown on the attached procedure.

The daily production for these wells will be allocated based on regularly performed well tests. The tests will be performed by shutting in one zone and measuring the other.

BTA holds 100% interest in all of this well

C107 will be submitted, when we determine production rates from the Bone Spring.

**Oil Conservation Division**

Conditions of approval : Approval for drilling/workover ONLY-- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

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

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 06/10/2011

Type or print name Pam Inskeep E-mail address: pinskeep@btaoil.com Telephone No. (432) 682-3753

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUL 06 2011

Conditions of Approval (if any):

BTA Oil Producers  
8705 JV-P Gem No. 1  
Program for Acid Treatment on Bone Springs  
Teas (Bone Spring) Field  
Lea County, NM

<u>Well Data:</u>	TD 13700' PB 10230' RBP 6975'	<u>Elevations:</u>	KB 3606' GL 3587' Diff 19'
Casing:	20" 94, 106.5 & 133# K-55 CSA 1350' w/ 2200 Sx (Cmt Cir)  13-3/8" 61, 68, & 72# K-55 & N-80 CSA 3085' w/ 2150 Sx (Cmt Cir)  8-5/8" 24 & 32# K & J-55 CSA 5436' w/ 1400 Sx TOC 4300' by TS  5-1/2" 20 & 23# N-80 CSA 13700' w/ 3500 Sx TOC 5800' by TS		
Plugs:	CIBP – 10250' & 12630' Cmt Retainer – 13400'		
Perfs:	Delaware 6592 – 6599' (32 Holes) Bone Spring 9305 – 9540' (18 Holes) Bone Spring 9812' – 9835' (6 Holes) Bone Spring 10105' – 10150' (46 Holes) Atoka 12383 – 12495' (22 Holes) Morrow 13206 – 13233' (37 Holes) Morrow 13465'-13515' Squeezed (31 Holes)		
Tubing:	205 jts 2-7/8" tbg, 2-7/8" x 5-1/2" TAC, 6 jts 2-7/8", 2-1/2" SN @ 6693', slotted MJ w/ EOT @ 6713'.		
Rods:	Top to Btm - 89-1" FG, 132-7/8" steel, 26-K shear tool, 1-7/8" steel		
Pump:	2-1/2" x 1-1/2" x 24'		

Procedure:

- 1) Move in & rig up pulling unit. Unseat pump and pull out of hole with fiberglass rods. Hot oil rods and tubing. Pull out of hole with steel rods and pump.

- 2) ND wellhead and NU BOP. Run in hole with tubing & tag RBP. Tally out of hole with tubing. If RBP has fill, go to step 3. Otherwise go to step 4.
- 3) Run in hole with bailer and clean out fill to retrievable bridge plug. Pull out of hole with bailer.
- 4) Run in hole with packer & retrieving head testing tubing to 5000 psi. Set packer at +/- 6900'.
- 5) Test RBP to 1000 psi. Release packer and move up hole. Set packer at +/- 6500'. Test packer to 500 psi.
- 6) Rig up acid crew. Pump 1000 gallons of 15% HCL NEFE at 4 BPM. Flush with 2% KCl water with scale inhibitor.
- 7) Swab back load.
- 8) Release packer and latch onto RBP. Release RBP.
- 9) Move down hole with RPB and packer and set RBP at +/- 9600'.
- 10) Test RBP to 1000 psi. Move packer up hole and set at +/- 9200'.
- 11) Rig up acid crew and Pump 1000 gallons of 15% NEFE at 4 BPM. Flush with 2% KCl water with scale inhibitor.
- 12) Release packer, move down hole and latch RBP. Release RBP.
- 13) Move RBP and packer down hole and set RBP at +/- 9900'. Test RBP to 1000 psi. Move packer up hole and set at +/- 9700'.
- 14) Pump 500 gallons of 15% NEFE at 4 BPM. Flush with 2% KCl water with scale inhibitor.
- 15) Release packer, move down hole and latch RBP. Release RBP.
- 16) Move RBP and packer down hole and set RBP at +/- 10250'. Test RBP to 1000 psi. Move packer up hole and set at +/- 10000'.
- 17) Pump 2500 gallons of 15% HCl NEFE at 4 BPM. Flush w/ 2% KCl water with scale inhibitor.
- 18) Release packer, move down hole and latch RBP. Release RBP and pull out of the hole. Lay down packer.
- 19) Run in the hole with tubing to 10200'. Swab well.
- 20) Run in with rods and pump.
- 21) Hang well on. Rig down and move off.

Estimated Cost: \$115,000

Payout: 5.5 months with a production increase of 15 BOPD & 10 MCFD.

Date: 6/10/2011

BG / TJW / \_\_\_\_\_