Form 3160-5
(June 2015)

OCD – REC'D 6/29/2020

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM26396

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
NORTH RIDGE 8040 FEDERAL COM 4H

2. Name of Operator
BTA OIL PRODUCERS LLC
Contact: SAMMY HAJAR
E-Mail: shajar@btaoil.com

9. API Well No.
30-025-46960-00-X1

3a. Address
104 S. PECOS
MIDLAND, TX 79701

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

10. Field and Pool or Exploratory Area
ANTELOPE RIDGE-BONE SPRING NO

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 35 T22S R34E NENE 300FNL 1065FEL
32.354599 N Lat, 103.435776 W Lon

11. County or Parish, State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BTA OIL PRODUCERS LLC RESPECTFULLY REQUESTS THE FOLLOWING CEMENT PROGRAM CHANGES AND BATCH DRILLING CHANGES TO THE ORIGINAL APD AS APPROVED. PLEASE SEE ATTACHED DOCUMENT FOR MORE DETAILS.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #520220 verified by the BLM Well Information System
For BTA OIL PRODUCERS LLC, sent to the Hobbs
Committed to AFMSS for processing by OLABODE AJIBOLA on 06/26/2020 (20AO0003SE)

Name *(Printed/Typed)* SAMMY HAJAR — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 06/25/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By OLABODE AJIBOLA — Title PETROLEUM ENGINEER — Date 06/26/2020

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 Hobbs

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 page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #520220

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	OTHER NOI	OTHER NOI
Lease:	NMNM26396	NMNM26396
Agreement:		
Operator:	BTA OIL PRODUCERS, LLC 104 S. PECOS MIDLAND, TX 79701 Ph: 432-682-3753	BTA OIL PRODUCERS LLC 104 S. PECOS MIDLAND, TX 79701 Ph: 4326823753
Admin Contact:	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753
Tech Contact:	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753	SAMMY HAJAR REGULATORY ANALYST E-Mail: shajar@btaoil.com Ph: 432-682-3753
Location: State: County:	 NM LEA COUNTY	 NM LEA
Field/Pool:	OJO CHISO/BONE SPRING	ANTELOPE RIDGE-BONE SPRING NOR
Well/Facility:	NORTH RIDGE 8040 FEDERAL COM 4H Sec 35 T22S R34E NENE 300FNL 1065FEL 32.354598 N Lat, 103.435773 W Lon	NORTH RIDGE 8040 FEDERAL COM 4H Sec 35 T22S R34E NENE 300FNL 1065FEL 32.354599 N Lat, 103.435776 W Lon

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**BTA Oil Producers LLC**
LEASE NO.:	**NMNM026396**
WELL NAME & NO.:	North Ridge 8040 Federal Com 4H
SURFACE HOLE FOOTAGE:	300'/N & 1065'/E
BOTTOM HOLE FOOTAGE	2600'/N & 380'/E
LOCATION:	Section 35, T.22 S., R.34 E., NMPM
COUNTY:	Lea County, New Mexico

COA

H2S	○ Yes	◉ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☑ Capitan Reef	☐ WIPP
Other	☑ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

All Previous COAs Still Apply

A. CASING

Casing Design:

1. The **13-3/8** inch surface casing shall be set at approximately **1775** feet (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
    c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours

after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The **9-5/8** inch intermediate casing shall be set at approximately **5580** feet. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash. Excess cement calculates to -52%, additional cement might be required.**

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**

❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following: **(Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)**

- Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.

- Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

    - Cement should tie-back at least **50 feet** on top of Capitan Reef top. If cement does not circulate see B.1.a, c-d above.
      Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

B. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
    e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

C. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

OTA06262020

BTA OIL PRODUCERS LLC RESPECTFULLY REQUEST THE FOLLOWING CHANGES TO THE ORIGINAL PERMIT AS APPROVED.

BATCH DRILLING SEQUENCE OF THE 3H, 4H:

-SPUD North Ridge 8040 Federal Com #3H – rig up walked out, drill 17-1/2" hole and set 13-3/8" csg
-Walk to North Ridge 8040 Federal Com #4H, SPUD 17-1/2" hole and set 13-3/8" csg, test BOP, drill 12-1/4" hole and set 9-5/8" csg, drill 8-3/4" hole and set 5-1/2" csg
-Walk to North Ridge 8040 Federal Com #3H, test BOP, drill 12-1/4" hole and set 9-5/8" csg, drill 8-3/4" hole and set 5-1/2" csg
-Rig released

Cement:

Original:

-Intermediate Cement

Lead:	1480 sx 100% Class C 12.8 ppg, 2.46 ft3/sx
Tail:	200 sx 100% Class C 14.8 ppg, 1.34 ft3/sx

Proposed Change:

DV Tool @ 4242' MD (4242' TVD)

-Intermediate Cement

Stg 1 Lead:	305 sx 35:65 Class C 12.8 ppg, 1.75 ft3/sx
Stg 1 Tail:	250 sx 100% Class C 14.8 ppg, 1.36 ft3/sx
Stg 2 Lead:	1630 sx 35:65 Class C 12.8 ppg, 1.75 ft3/sx
Stg 2 Tail:	250 sx 100% Class C 14.8 ppg, 1.33 ft3/sx