

District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720**District III**1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

August 1, 2011

Permit 200610

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------|
| 1. Operator Name and Address BTA OIL PRODUCERS, LLC 104 S. Pecos Midland, TX 79701 | | 2. OGRID Number 260297 |
| 4. Property Code 314223 | | 3. API Number 30-025-42462 |
| 5. Property Name MESA B SWD 8115 JV-P | | 6. Well No. 002 |

7. Surface Location

| | | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|-----|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | Lea |
| P | 7 | 26S | 33E | | 1000 | S | 860 | E | | |

8. Proposed Bottom Hole Location

| | | | | | | | | | | |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|-----|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | Lea |
| P | 7 | 26S | 33E | P | 1000 | S | 860 | E | | |

9. Pool Information

| | |
|--------------|-------|
| SWD;DELAWARE | 96100 |
|--------------|-------|

Additional Well Information

| | | | | |
|---------------------------|----------------------------|--|---------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type Private | 15. Ground Level Elevation 3252 |
| 16. Multiple N | 17. Proposed Depth 7000 | 18. Formation Delaware | 19. Contractor | 20. Spud Date 3/15/2015 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

 We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 54.5 | 950 | 800 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4730 | 1200 | 0 |
| Prod | 8.75 | 7 | 26 | 7000 | 800 | 0 |

Casing/Cement Program: Additional Comments

| |
|---|
| FW mud in 17-1/2" hole. Brine in 12-1/4" hole. Cut brine (8.7-9.3#) in 8-3/4" hole. |
|---|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | |

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

OIL CONSERVATION DIVISION

Signature:

Printed Name: Electronically filed by Pam Inskeep

Title: Regulatory Administrator

Email Address: pinskeep@btaoil.com

Date: 3/3/2015

Phone: 432-682-3753



Approved By:

Title: Petroleum Engineer

Approved Date: 03/03/15

Conditions of Approval Attached

Expiration Date: 03/03/15

See Attached
Conditions of Approval

MAR 04 2015

CONDITIONS OF APPROVAL

| API # | Operator | Well name & Number |
|--------------|-------------------|--------------------------|
| 30-025-42462 | BTA Oil Producers | MESA B SWD 8115 JV-P # 2 |

Applicable conditions of approval marked with XXXXXX

Administrative Orders Required

| | |
|--|--|
| | |
|--|--|

Other wells

| | |
|--|--|
| | |
|--|--|

Drilling

| | |
|---------|--|
| XXXXXXX | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| | |

Casing

| | |
|---------|--|
| XXXXXXX | SURFACE & INTERMEDIATE(1) CASING - Cement must circulate to surface -- |
| XXXXXXX | PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| | South Area |
| XXXXXXX | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| | |

Pits

| | |
|---------|--|
| XXXXXXX | If using a pit for drilling and completions, must have an approved pit form prior to spudding the well |
| | |

Completion & Production

| | |
|---------|---|
| XXXXXXX | Must notify Hobbs OCD office prior to conducting MIT (575) 393-6161 ext. 114 |
| XXXXXXX | Must conduct & pass MIT prior to any injection |
| XXXXXXX | Approval for drilling ONLY – CANNOT INJECT or DISPOSE until injection/disposal order has been approved by the OCD Santa Fe Office. |
| | |