

OCD-HOBBS

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

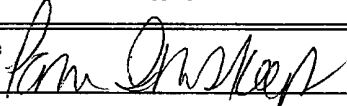
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. EK -B-, 8701 JV-P, #2	
2. Name of Operator BTA Oil Producers		9. API Well No. 30-025-37908	
3a. Address 104 S. Pecos Midland, TX 79701	3b. Phone No. (include area code) (432) 682-3753	10. Field and Pool, or Exploratory E-K; Delaware	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL & 660' FWL At proposed prod. zone Unit D		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 30, T18S-R34E	
14. Distance in miles and direction from nearest town or post office* 7 miles southwest from Buckeye, NM		12. County or Parish Lea	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660	16. No. of acres in lease 80	17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 100'	19. Proposed Depth 8000'	20. BLM/BIA Bond No. on file NM071S103172178BCV	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3927'	22. Approximate date work will start*	23. Estimated duration 45 days	

24. Attachments

Capitan Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Pam Inskeep	Date 03/31/2006
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Title  
Regulatory Administrator

Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date MAY 23 2006
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Title ACTING FIELD MANAGER	Office CARLSBAD FIELD OFFICE
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Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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)

Witness Surface Casing

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-37908</b>		Pool Code <b>21655</b>	Pool Name <b>E-K;DELAWARE</b>
Property Code <b>2310</b>	Property Name <b>8701 JV-P EK B</b>		Well Number <b>2</b>
OGRID No. <b>003002</b>	Operator Name <b>BTA OIL PRODUCERS</b>		Elevation <b>3927'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	18-S	34-E		660	NORTH	660	WEST	LEA

## Bottom Hole Location If Different From Surface

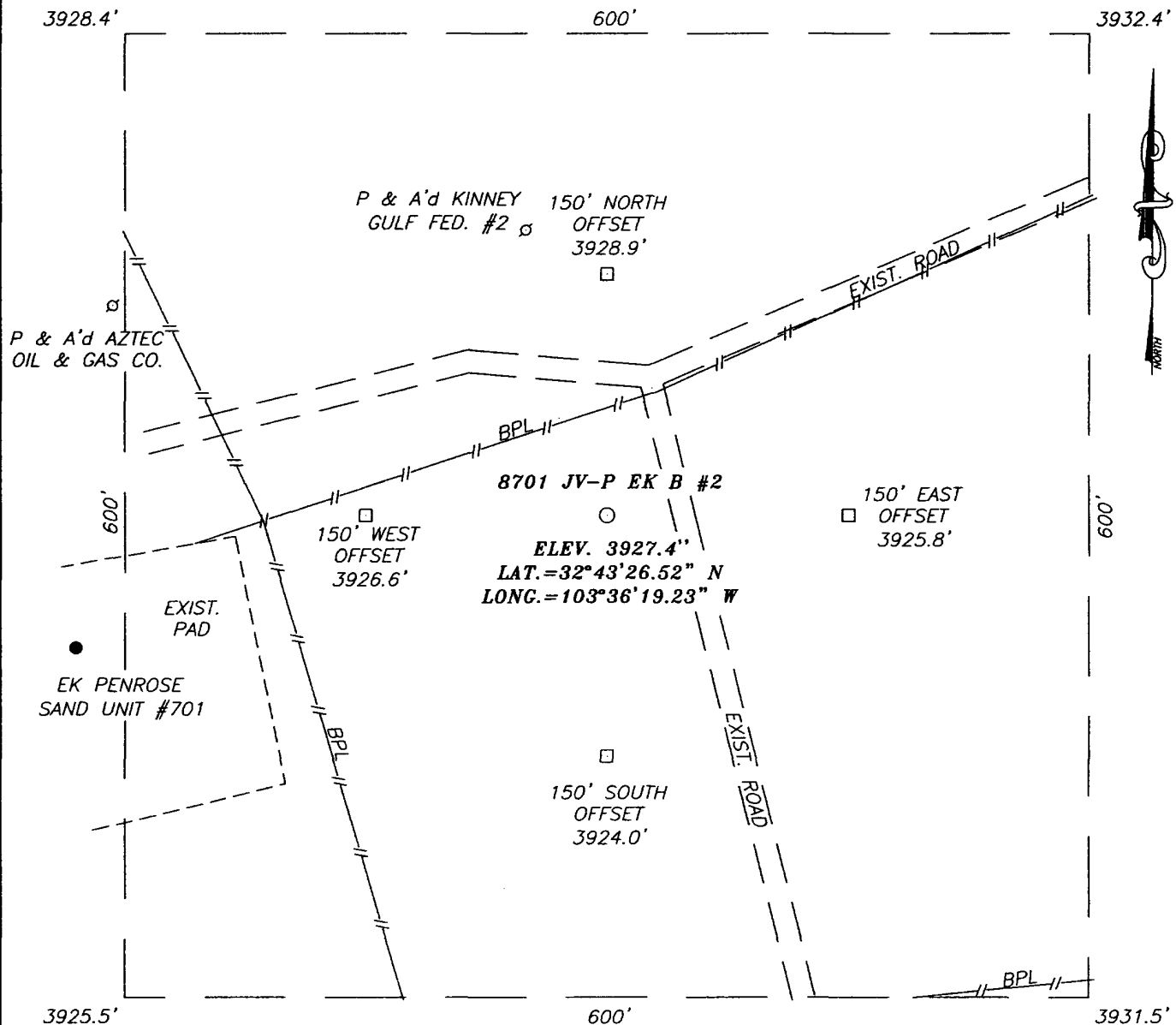
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>40</b>			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

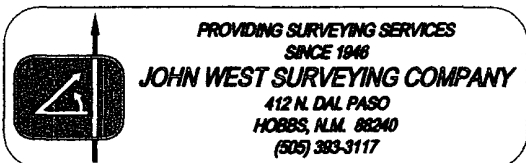
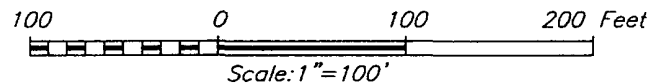
	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=627883.4 N X=723884.7 E</p> <p>LAT.=32°43'26.52" N LONG.=103°36'19.23" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Pam Inskeep</i> 3/3/06 Signature Date</p> <p><i>Pam Inskeep</i> Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 21, 2006</p> <p>Date Surveyed LA</p> <p>Signature &amp; Seal of Professional Surveyor <i>Gary A. Edson</i> 2/28/06 06.11.0329</p> <p>Certificate No. GARY EDSON 12641</p>
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**SECTION 30, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,**  
LEA COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM MILE POST #17 ON ST. HWY. #529 GO APPROX. 0.1 MILES WEST. TURN LEFT AND GO SOUTHWEST APPROX. 300 FEET. VEER LEFT AND GO SOUTH APPROX. 1.0 MILE. TURN RIGHT AND GO SOUTHWEST APPROX. 0.8 MILES. TURN LEFT AND GO EAST APPROX. 0.5 MILES. THIS LOCATION IS APPROX. 200 FEET EAST OF EXISTING WELL PAD.



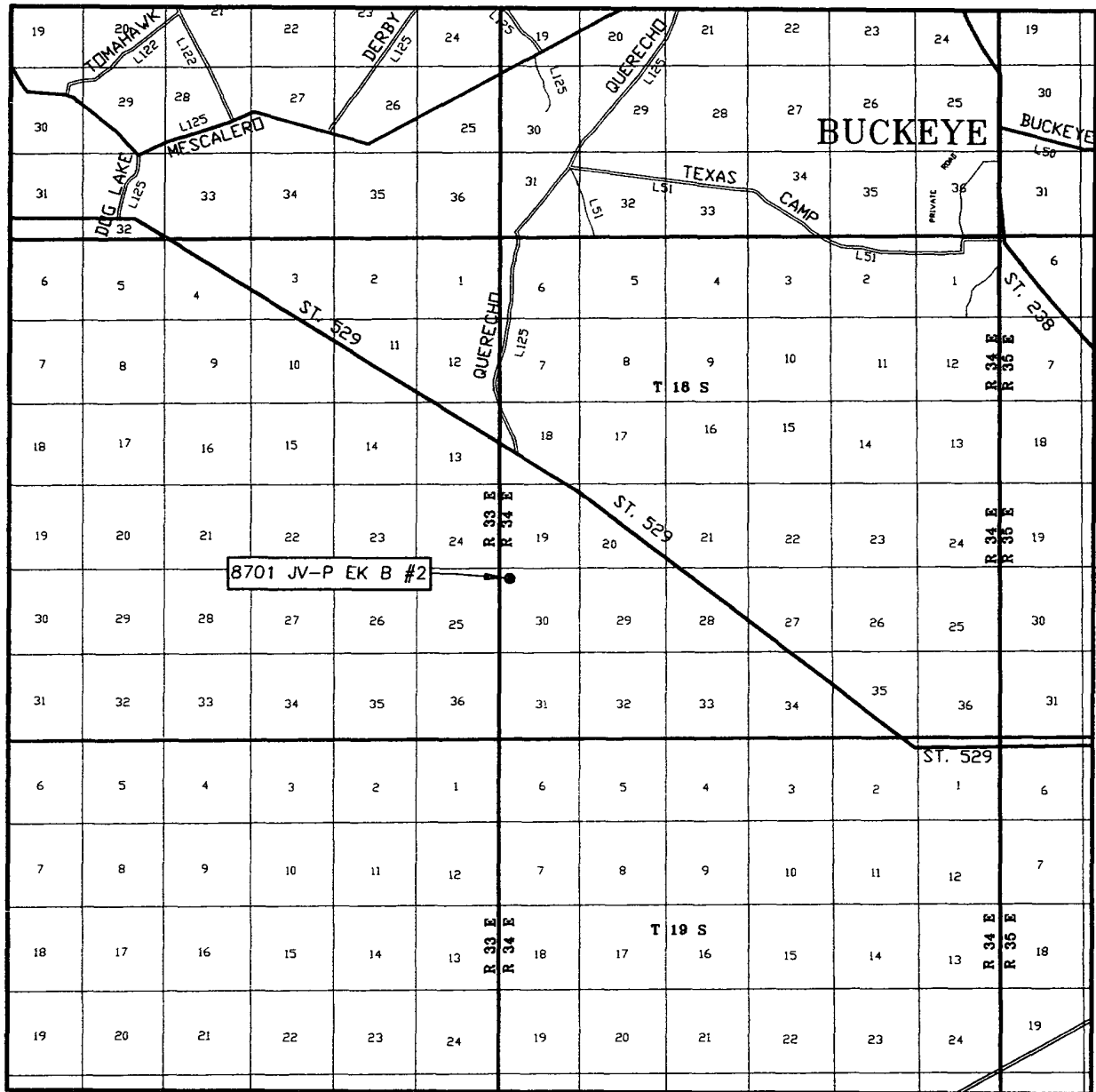
**PROVIDING SURVEYING SERVICES  
SINCE 1946**  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

**BTA OIL PRODUCERS**

8701 JV-P EK B #2 WELL  
LOCATED 660 FEET FROM THE NORTH LINE  
AND 660 FEET FROM THE WEST LINE OF SECTION 30,  
TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

Survey Date: 2/21/06		Sheet 1 of 1 Sheets	
W.O. Number: 06.11.0329		Dr By: LA	Rev 1:N/A
Date: 2/27/06	Disk: CD#5	06110329	Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 30 TWP. 18-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 660' FNL & 660' FWL

ELEVATION 3927'

OPERATOR BTA OIL PRODUCERS

LEASE 8701 JV-P EK B

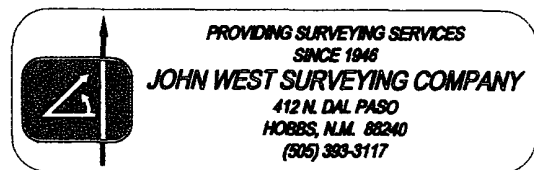
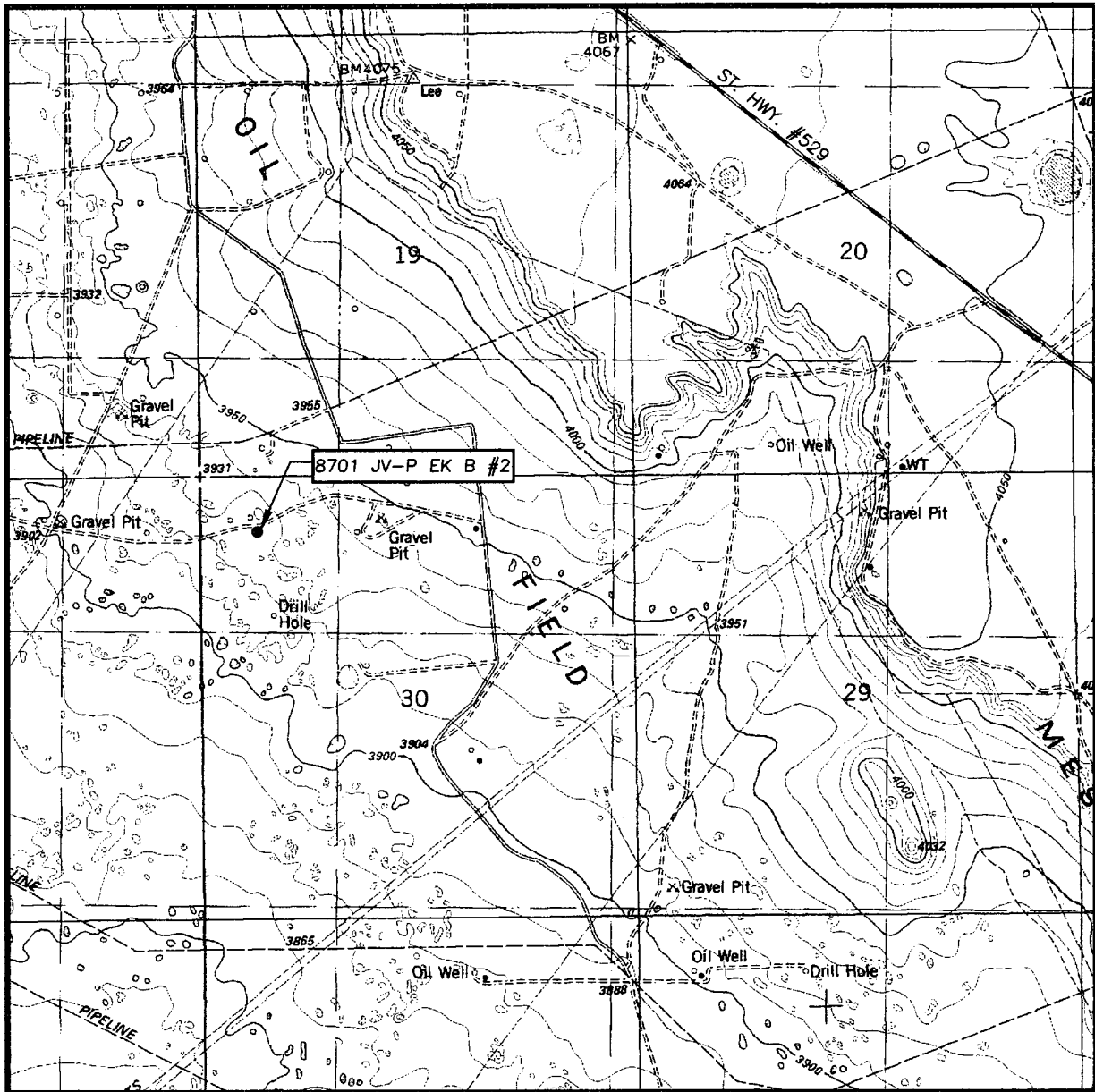


EXHIBIT "B"

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
IRONHOUSE WELL, N.M. - 10'

SEC. 30 TWP. 18-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 660' FNL & 660' FWL

ELEVATION 3927'

OPERATOR BTA OIL PRODUCERS

LEASE 8701 JV-P EK B

U.S.G.S. TOPOGRAPHIC MAP  
IRONHOUSE WELL, N.M.

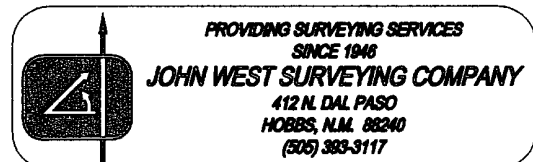


EXHIBIT "C"



## APPLICATION FOR DRILLING

**BTA OIL PRODUCERS  
EK -B-, 8701 JV-P, NO. 2  
660' FNL & 660' FWL  
Sec. 30, T18S, R34E  
Lea 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:

1. The geologic surface formation is Quaternary.
2. The estimated top of geologic markers are as follows:

Yates	3,227'
San Andres	5,072'
Delaware Mountain Group Sand	5,377'
*Bone Spring Carbonate	7,632'

3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered are noted with the \* above.

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.

4. Proposed Casing and Cementing Program:

<u>Casing Size</u>	<u>Setting From</u>	<u>Depth to</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
13-3/8 "	0	400'	48#	H40	STC
8-5/8"	0	2,000'	24#	J55	STC
8-5/8"	2,300'	3,700'	32#	J55	STC
5-1/2"	0	1,000'	17#	J55	LTC
5-1/2"	1,000'	6,300'	15.5#	J55	LTC
5-1/2"	6,300'	8,000'	17#	J55	LTC

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

13-3/8" casing will be cemented with 450 sx Class "C cement. Circulated to the surface.

8-5/8" casing will be cemented with 1,300 sx light cement tailed-in with 300 sx Class "C". Circulated to the surface.

5-1/2" casing will be cemented with 700 sx light, tailed in w/300 sx Class "H" to cement back above 8-5/8" shoe.

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: See Attached Diagrams.

6. Mud Program:

Surface to 400': Fresh water spud with 35 to 45 sec/1000 cc viscosity.

400' to 3,700': Brine water. Circulate to reserve pit. Will use lime for pH control in range 10 to 11. Will sweep hole with gel slugs as required for hole cleaning. Mud wt = 10 ppg.

3,700' to TD: 8.6 to 9.2 ppg controlled brine water. Will use lime for pH control in range 10 to 11. Will sweep hole with salt gel slugs as required for hole cleaning. Will use paper for seepage losses. Will adjust fluid weight as required using brine water.

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:

Drill Stem Tests will only be run when samples, drilling time and other data indicate a test is warranted.

It is planned that electric logs will include Gamma Ray-CNL, FDC logs and dual laterologs.

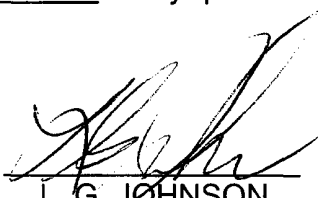
No coring is planned.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated Starting Date:


It is planned to commence drilling operations, upon approval of our BLM permit.

Contact L. G. JOHNSON at 432-682-3753 with any questions concerning the Drilling Plan.

  
L. G. JOHNSON  
Drilling Manager





 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

**Mull, Donna, EMNRD**

**From:** Phillips, Dorothy, EMNRD  
**To:** Mull, Donna, EMNRD  
**Cc:**  
**Subject:** RE: Financial Assurance Requirement  
**Attachments:**

**Sent:** Mon 6/5/2006 9:18 AM

All have blankets and one appear on Jane's list.

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**From:** Mull, Donna, EMNRD  
**Sent:** Monday, June 05, 2006 8:06 AM  
**To:** Phillips, Dorothy, EMNRD  
**Cc:** Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD  
**Subject:** Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Pogo Producing Co (17891)  
Devon Energy Production Co LP (6137)  
Pride Energy Co (151323)  
BTA Oil Producers (3002)  
Chesapeake Operating Inc (147179)  
B C Operating Inc (160825)

I have check the inactive well list for each of these operators.

Please let me know. Thanks and have a nice day. Donna