

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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 reverse side**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC065194
2. Name of Operator BTA Oil Producers		6. If Indian, Allottee or Tribe Name ---
3a. Address 104 S. Pecos, Midland, TX 79701	3b. Phone No. (include area code) (432) 682-3753	7. If Unit or CA/Agreement, Name and/or No. NM109713
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) UL -O-, Sec. 18, T23S-R34E 660' FSL & 1980' FEL		8. Well Name and No. Bell Lake, 7909 JV-P, No. 2
		9. API Well No. 30-025-34827
		10. Field and Pool, or Exploratory Area Wildcat, Upper Penn
		11. County or Parish, State Lea Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request approval of water disposal
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. 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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 respectfully requests permission to dispose of produced water from this well as follows:

This well produces very little water. For the period 1/01/06 to 7/01/06, the well produced 35 bbls. When disposal is needed, BTA would like to have the liquid hauled to Southwest Royalties Cities Federal #2 SWD located in the NWSW, Sec. 20, T22S-R36E, Lea County, NM.

Water Production and Disposal Information data sheet is attached. Administrative Order SWD-746 permitting the disposal is also attached.

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

Name (Printed/Typed) Pam Inskeep	Title Regulatory Administrator
Signature <i>Pam Inskeep</i>	Date 07/07/2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (Signature) <i>Wesley M. Ingram</i>	Name Wesley M. Ingram	Title Pete Engle
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 CFO	Date 8/3/06

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.

(Continued on next page)

GWW

Water Production & disposal Information

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. Penn
2. Amount of water produced from all formations in barrels per day. 0.1/day
3. Attach a current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. ( one sample will suffice if the water is commingled )
4. How water is stored on the lease. 1 - 300 bbl water tank
5. How water is moved to the disposal facility. hailed by Maclaskey Oilfield Services, Inc.
6. Identify the Disposal Facility by :
  - A. Facility operators name. Southwest Royalties
  - B. Name of facility or well name & number. Cities Fed #2 SWD
  - C. Type of facility or well (WDW)(WIW) etc. SWD
  - D. Location by 1/4 1/4 NWSW section 20 township 22S range 36E
7. Attach a copy of the State issued permit for the Disposal Facility.

See attached

Submit to this office, 414 West Taylor, Hobbs, NM 88240, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call me at 505-393-3612 if you need to further discuss this matter.

Company: BTA  
Source :  
Number : 10222

Location: Bell Lake #2  
Attention:  
Date Sampled: July 17, 2006  
Salesman: Robert Kepple

ANALYSIS	mg/L	EQ. WT.	MEQ/L
1. pH	5.22		
2. Specific Gravity 60/60 f.	1.067		
3. Hydrogen Sulfide	ND		
4. Carbon Dioxide	ND		
5. Dissolved Oxygen	ND		
6. Hydroxyl (OH-)	0 /	17.0 =	0.00
7. Carbonate (CO3=)	0 /	30.0 =	0.00
8. Bicarbonate (HCO3-)	61 /	61.1 =	1.00
9. Chloride (Cl-)	56,987 /	35.5 =	1,605.27
10. Sulfate (SO4=)	1,707 /	48.8 =	34.98
11. Calcium (CA++)	8,224 /	20.1 =	409.17
12. Magnesium (Mg++)	820 /	12.2 =	67.17
13. Sodium (Na+)	26,793 /	23.0 =	1,164.91
14. Barium (Ba++)	1.50		
15. Total Iron (Fe)	984.60		
16. Manganese	34.40		
17. Strontium	769.60		

19. Total Dissolved Solids 96,382

21. Resistivity @ 75 F. (calculated) 0.08 /cm.

22. CAC03 Saturation Index

@80 F. -1.9170  
@100 F. -1.6070  
@120 F. -1.3470  
@140 F. -0.9870  
@160 F. -0.6370

23. CASO4 Supersaturation Ratio

@70F 1.3011  
@90F 1.2966  
@110F 1.3125  
@130F 1.3335  
@150F 1.3542

Ratio Greater than 1 indicates Scale

PROBABLE MINERAL COMPOSITION				
COMPOUND	EQ. WT.	X	MEQ/L	= mg/L
Ca(HCO3)2	81.04		1.00	81
CaSO4	68.07		34.98	2,381
CaCl2	55.50		373.19	20,712
Mg(HCO3)2	73.17		0.00	0
MgSO4	60.19		0.00	0
MgCL2	47.62		67.17	3,199
NaHCO3	84.00		0.00	0
NaSO4	71.03		0.00	0
NaCl	58.46		1,164.91	68,101

Chemist