

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

State of New Mexico
Energy, Minerals and Natural Resources

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

May 27, 2004

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-025-29929</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator BTA Oil Producers</p>		<p>6. State Oil & Gas Lease No. V-1709</p>
<p>3. Address of Operator 104 S. Pecos, Midland, TX 79701</p>		<p>7. Lease Name or Unit Agreement Name Buckeye -C-, 8601 JV-P</p>
<p>4. Well Location Unit Letter <u>D</u> : <u>990</u> feet from the <u>north</u> line and <u>330</u> feet from the <u>west</u> line Section <u>36</u> Township <u>17S</u> Range <u>35E</u> NMPM <u>Lea</u> County</p>		<p>8. Well Number <u>2</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3900' GR 3914' RKB</p>		<p>9. OGRID Number <u>003002</u></p>
<p>10. Pool name or Wildcat Vacuum Grayburg, San Andres</p>		
<p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p>		
<p>Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____</p>		
<p>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____</p>		

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: Surface 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.

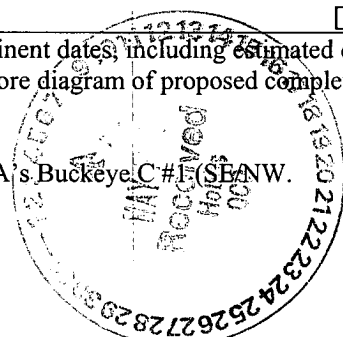
BTA proposes to surface commingle (combine and store) oil and water production from BTA's Buckeye C #1 (SE 1/4 NW 1/4 Sec. 36, T17S-R35E, Lea County, ND) with our Buckeye C #2.

The Buckeye C #1 produces 3 BOPD, 16 BWPD, and 0 MCFD.
The Buckeye C #2 produces 3 BOPD, 150 BWPD, and 0 MCFD.

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

Working Interest and Royalty are the same in both wells.

A schematic of the tank battery site and flowline routes is attached.



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

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 05/01/2006

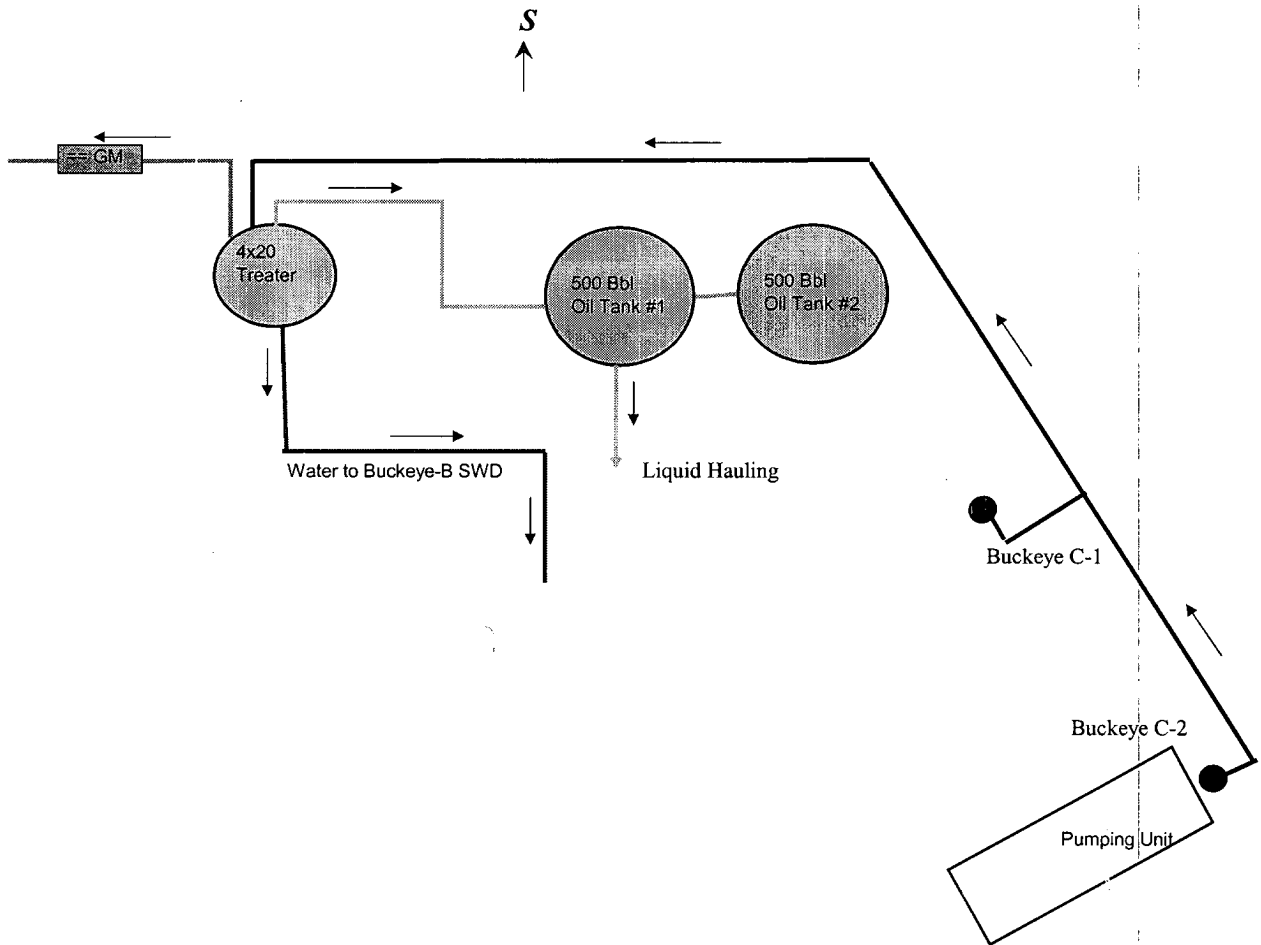
Type or print name Pam Inskeep E-mail address: pinskeep@btaoil.com Telephone No. (432) 682-3753


For State Use Only

APPROVED BY: Hayden Wink TITLE OCD FIELD REPRESENTATIVE II/STAFF MANAGER DATE SEP 21 2006

Conditions of Approval (if any):

PC-1170



Revised		Oil				Drawn		TJW
klr	4/28/05	LEASE: JV-P	8601	Buckeye C	#1 & 2			5/24/02
		FIELD:						
		LOCATION:	1750' & 990' N 1650' & 330' W Sec.36 T17S R35E			Approved		
		COUNTY:	Lea	STATE:	New Mexico			
		PRODUCING FORMATION:				Date		
					BTA Oil Producers			