

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.

OCD-HOBBS

Lease Serial No.

NMNM82799

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Grama Ridge Fed., 8817 JV-P, #2

9. API Well No.

30-025-30884

10. Field and Pool, or Exploratory Area

Grama Ridge, Morrow (Gas)

11. County or Parish, State

Lea Co., NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

BTA Oil Producers

3a. Address

104 S. Pecos, Midland, TX 79701

3b. Phone No. (include area code)

(432) 682-3753

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

Sec. 9, T22S, R34E

NWNW 1046' FNL & 1273' FWL

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Off Lease

Measurement

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 respectfully requests permission for off-lease measurement for our 8817 JV-P Grama Ridge Fed. #2, our 8817 JV-P Grama Ridge Fed. #1 (30-025-30686), and our 8817 JV-P Grama Ridge Fed. #3 (30-025-35007), all located in located in Sec. 9, 22S-34E, Lea County. The #1 well currently produces from the Grama Ridge, Morrow (Gas). The #3 well currently produces from the Grama Ridge, Bone Spring, West.

Production from each well will be measured separately before commingled storage.

See attachments for further detailing and description of operations.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



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

Name (Printed/Typed)

Pam Inskeep

Title Regulatory Administrator

Signature

Date 8/19/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Name
(Printed/Typed)

Office

Title

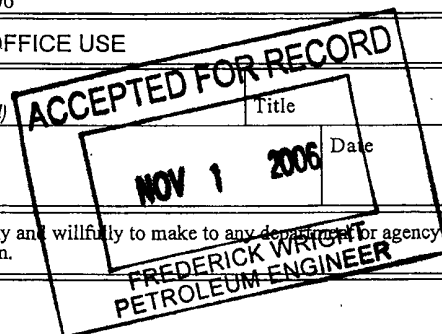
Date

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.

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)

GNN



Attachment to Form 3160-5
BTA Oil Producers
8817 JV-P Grama Ridge Federal wells
Sec. 9, T22S-R34E
Lea County, New Mexico
August 19, 2006

As required by 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 5, BTA Oil Producers is requesting approval for off-lease measurement and sales of gas production.

Details of the proposed method for allocating to contributing sources are as follows:

The gas, liquid hydrocarbon, and water are measured individually at each well.

The gas is measured with a check meter at each individual location. The gas meter is proved quarterly and a new sample taken/analysis performed at the same time. The gas enters the gathering line where it moves to a Central Delivery Point located on State Lease Grama, 8817 JV-P, #1 located in Sec. 16, T22S-R34E, Lea County, NM. Gas is collected from several wells at this location. The gas is compressed and dehydrated before delivery to the sales point. The gas is measured using an orifice meter tube and electronic flow computer at the point of entry into the sales pipeline.

The liquid hydrocarbon production is directed to stock tanks at each individual well location and is measured daily by pumper with a gauge line. Any hydrocarbon sale is trucked out of the tanks.

The water production is directed to stock tanks at each individual well location and is measured daily by pumper with a gauge line. Any water disposition is trucked out of the tanks to approved disposal facilities.

The following are the leases and wells addressed by this request:

Grama Ridge Fed , 8817 JV-P, #1	30-025-30686	-B-, Sec. 09, T22S-R34E	NMNM82799
Grama Ridge Fed, 8817 JV-P, #2	30-025-30884	-D-, Sec. 09, T22S-R34E	NMNM82799
Grama Ridge Fed, 8817 JV-P, #3	30-025-35007	-M-, Sec. 09, T22S-R34E	NMNM82799

T22S-R34E



API Series : 30884
Well Name : GRAMA RIDGE FEDERAL
Well Number : 2
ProdFM : MSA EO2
Twn-Rge-Sec : T22S R34E S9
Footage Calls : 1046 FNL 1273 FWL



API Series : 30686
Well Name : GRAMA RIDGE FEDERAL
Well Number : 1
ProdFM : MSC EO2
Twn-Rge-Sec : T22S R34E S9
Footage Calls : 660 FNL 1980 FEL

9



API Series : 35007
Well Name : 8817 JV-P GRAMA RIDGE
Well Number : 3
ProdFM : WC MSA BSPG ATK
Twn-Rge-Sec : T22S R34E S9
Footage Calls : 660 FSL 1100 FWL

Federal Lease Number: NMNM82799



API Series : 30561
Well Name : GRAMA 8817 JV-P COM
Well Number : 1
ProdFM : MSA EO2
Twn-Rge-Sec : T22S R34E S16
Footage Calls : 660 FNL 1980 FWL

16

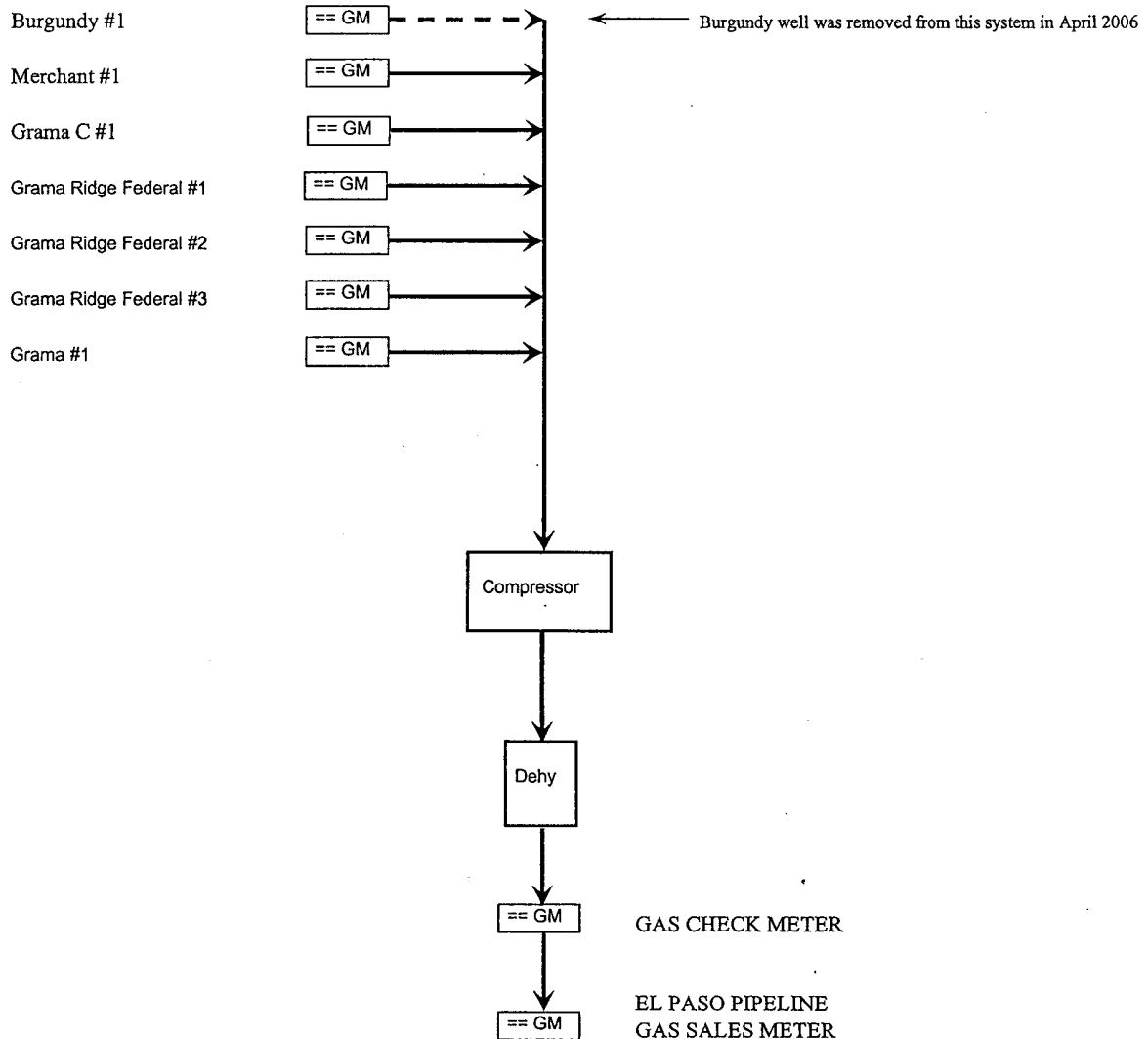


API Series : 34628
Well Name : 8817 JV-P GRAMA 'C'
Well Number : 1
ProdFM : MSC
Twn-Rge-Sec : T22S R34E S16
Footage Calls : 660 FSL 660 FWL


Attachment to Form 3160-5
BTA Oil Producers
Application for Permission for
Off-Lease Sales Measurement
Grama Ridge Fed., 8817 JV-P Lease
NMNM82799
Sec. 9, T22S-R34E
Lea County, New Mexico

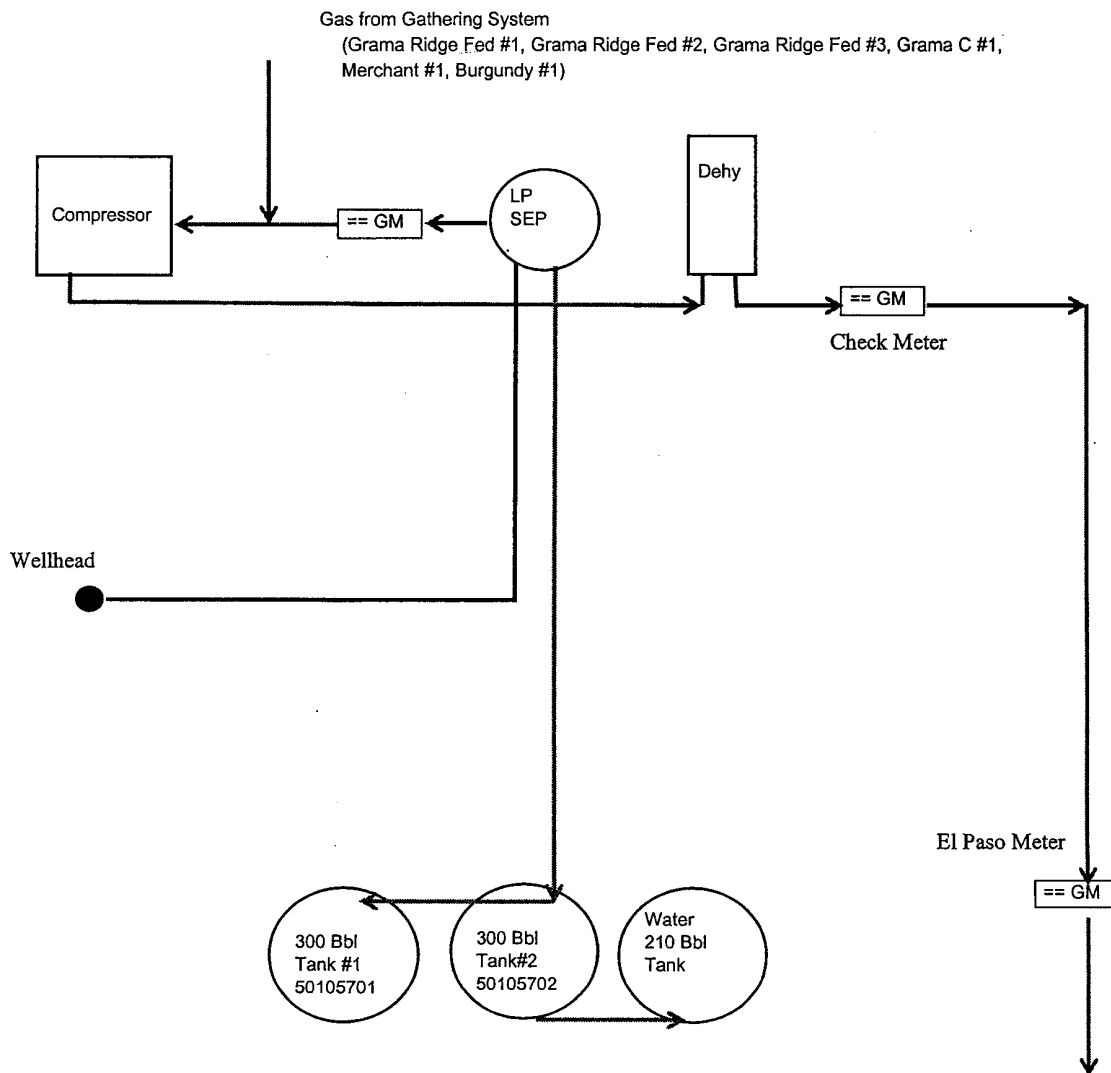
WELLS

WELLSITE ALLOCATION METERS

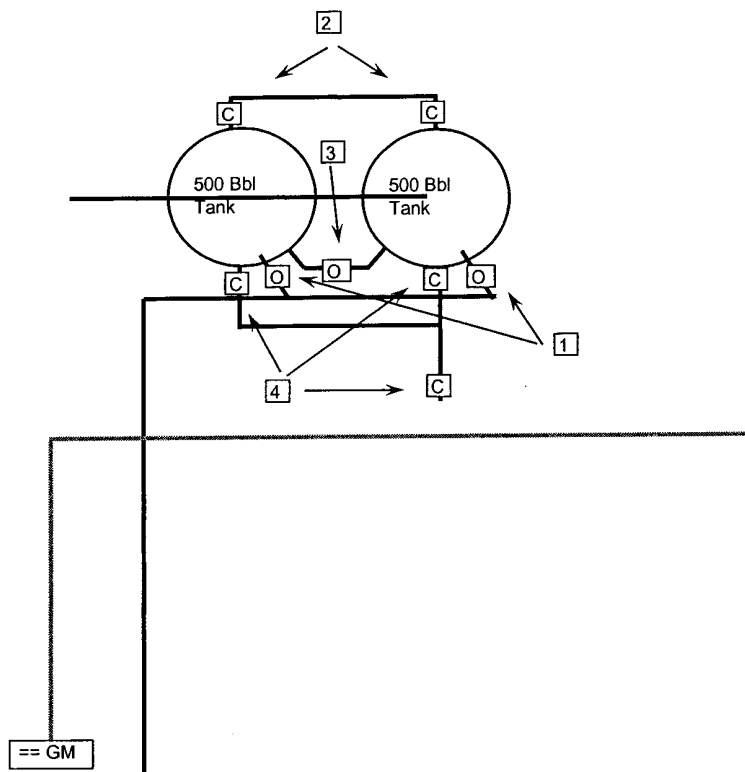


Gas from each well is measured individually with allocation meters. Quarterly gas samples are taken and meters are calibrated. Gas is allocated on a MMBTU basis taking the total allocation meters making a ratio and splitting the sales MMBTU's back to each well based on this ratio.

Revised		Grama Gathering System Grama Ridge		Drawn	TJW
					9/5/06
LEASE: JV-P		FIELD:		Approved	
		LOCATION:		Date	
		COUNTY: Lea	STATE: New Mexico		
		PRODUCING FORMATION: 0			
		 BTA Oil Producers			



Revised	Oil	Drawn	TJW
	LEASE: JV-P 8817 Grama #1		11/11/05
	FIELD: Grama Ridge		
	LOCATION: 660 N 1980 W Sec.16 T22S R34E	Approved	
	COUNTY: Lea STATE: NM		
	PRODUCING FORMATION: 0	Date	



Wellhead - Well has been TA'd

Flowline (Disconnected)

Valve Operation

1. Valves Sealed Open to Fill Tanks & Closed For Sales
2. Valves Normally Sealed Closed (Except During Tank Cleaning or Draining Water)
3. Valves Sealed Open to Equalize Tanks During Production & Closed For Sales
4. Valves Normally Sealed Closed (Except During Oil Sales or Hauling Water)

Revised		Gas - TA'd		Drawn	
		LEASE JV-P 8817 JV- Grama Ridge Federal #2		5/2/06	
		FIELD: Sec.9 T22S R34E		Approved	
		LOCATION: Lea STATE: New Mexico		Date	
		COUNTY: Morrow			
		PRODUCING FORMATION: BTA Oil Producers			

Attachment to Form 3160-5
BTA Oil Producers
8817 JV-P Grama Ridge
Sec. 9, T22S-R34E
Lea County, New Mexico
19-Aug-06

Item 4

Gas Production from each Contributing Well
-- Estimated Monthly --

	<u>API</u>	<u>Location</u>	15.025 <u>MCF</u>	Gas <u>Gravity</u>	Wet BTU <u>Content</u>
8700 JV-P Merchant #1	30-025-35283	D 24 21S 34E	9604	0.606	1054
8817 JV-P Grama Ridge Federal #1	30-025-30686	B 09 22S 34E	2071	0.59	1030
8817 JV-P Grama Ridge Federal #2	30-025-30884	D 09 22S 34E	0	0.594	1034
8817 JV-P Grama Ridge Federal #3	30-025-35007	M 09 22S 34E	0	0.637	1096
8817 JV-P Grama #1	30-025-30561	C 16 22S 34E	4417	0.637	1098
8817 JV-P Grama C #1	30-025-34628	M 16 22S 34E	7492	0.594	1033

SUNDRY NOTICE SPECIAL STIPULATIONS

1. This Sundry is accepted for record only. In order for a NOI to be approved the following information is needed.
2. 2006 well tests and gas analyses for the non- Federal lease wells being commingled.
3. Tests and gas analyses for all wells for 2002; the last year that Grama Ridge # 2 produced.
4. Tests and gas analyses for all commingled wells for the first year that these wells were commingled.
5. Identify the units in the volume reported on the **Measuring Station Calibration Report**. Is this reported in MCFD @ 14.65 psi?

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 11/1/06