

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

OPER. OGRID NO. 3002PROPERTY NO. 2296POOL CODE 792072000EFF. DATE 10-9-03API NO. 30-025-34827Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 20005. Lease Serial No.
NMLC/065194

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.
NMNM 1040298. Lease Name and Well No.
Bell Lake, 7909 JV-P, No. 29. API Well No.
30-025-34827 (orig)10. Field and Pool, or Exploratory
Bell Lake, Morrow Mid11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 18, T23S-R34E12. County or Parish
Lea13. State
NM1a. Type of Work: ☒ DRILL ☐ REENTER1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator
BTA Oil Producers3a. Address
104 S. Pecos, Midland, TX 797013b. Phone No. (include area code)
(432) 682-37534. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface 660' FSL & 1980' FEL SW/SE (U. 1tr 0)
At proposed prod. zone14. Distance in miles and direction from nearest town or post office*
26 miles west of Jal, NM15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any) 66016. No. of Acres in lease
157.8117. Spacing Unit dedicated to this well
315.62 (pooled)18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft. none19. Proposed Depth
13,600'20. BLM/BIA Bond No. on file
155619921. Elevations (Show whether DF, KDB, RT, GL, etc.)
3501' GR; 3521' RKB22. Approximate date work will start*
ASAP23. Estimated duration
85 days24. 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:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)

Pam Inskeep

Title

Regulatory Administrator

Approved by (Signature)

/s/ Noe Gonzalez

Name (Printed/Typed)

/s/ Noe Gonzalez

Date
OCT 07 2003

Title

ACTING

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the 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 reverse)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDDECLARED WATER BASIN
CEMENT BEHIND THE 13th
CASING MUST BE CIRCULATED

WITNESS

DISTRICT I
P.O. Box 1060, Hobbs, NM 88241-1060

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34827	Pool Code 71920-72000	Pool Name Bell Lake, Morrow Mid
Property Code 2296	Property Name 7909 JV-P BELL LAKE	Well Number 2
OGED No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3501

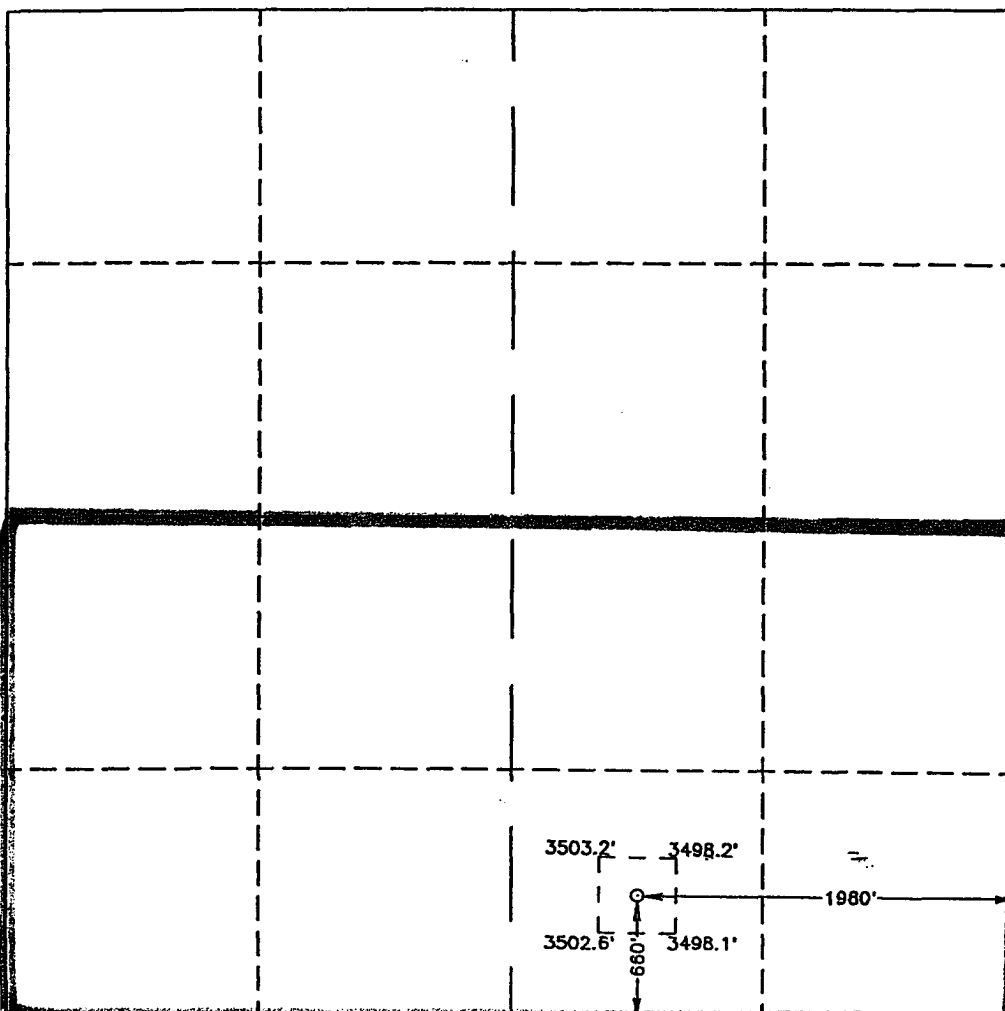
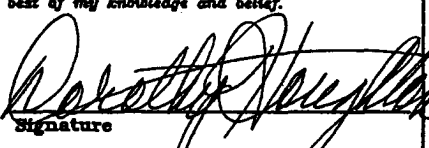
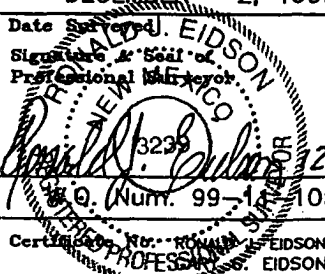
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	23 S	34 E		660	SOUTH	1980	EAST	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 315.62		Joint or Infill		Consolidation Code		Order No.			

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature DOROTHY HOUGHTON Printed Name REGULATORY ADMINISTRATOR Title December 7, 1999 Date
	SURVEYOR CERTIFICATION 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. DECEMBER 2, 1999 Date Surveyed JLP Signature & Seal of Professional Surveyor  3239 Q. Num. 99-12-1052 Certified by: RONALD E. EIDSON, 3239 PROFESSIONAL SURVEYOR, 12641 McDONALD, 12185

APPLICATION FOR DRILLING

BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, NO. 2
660' FSL & 1980' FEL
Sec. 18, T23S, 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:

Delaware	5,055'
Bone Spring Lime	8,530'
Strawn Lime	11,830'
Atoka Bank Lime	12,230'
Morrow Clastics	12,730'
Upper Morrow	12,930'
Lower Morrow	13,340'

3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:

Atoka Bank Lime	12,230'	Upper Morrow	12,930'
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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 and 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	1,000'	54.5#	J55	STC
9-5/8"	0	4,000'	40#	K55	LTC
9-5/8"	4,000'	5,000'	40#	HCK55	LTC
7"	0	11,800'	29#	P110/S95	LTC
5" Liner	11,300'	TD	18#	P110	STL

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 500 sx light cement, tailed-in with 300 sx Class "C" cement. Circulated to the surface.

9-5/8" casing will be cemented with 1,500 sx light cement tailed-in with 300 sx Class "C".

7" casing will be cemented with 1,000 sx light, tailed in w/ 400 sx Class "H" to cement back above 9-5/8" shoe.

5" liner will be cemented with 250 sx Class H with sufficient volume to circulate.

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 1,000': Fresh water spud with 35 to 45 sec/1000 cc viscosity. Will keep mud weight as low as possible using solids separation equipment and water. Will maintain fresh gel in system. Mud wt = 9.5/ 9.6

700' to 5,000': 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

5,000' to 11,800': 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.

11,800 to TD: Drill out below 7" casing with premix mud. Mud weight will be adjusted as required by hole conditions. Mud wt = 11.5/ 12.0 ppg.

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) Inside BOP or float sub available.
- e) Wear ring in casing head
- f) No floats at bit
- g) Monitoring of mud system will be electronic/ mechanical below 9,500'.

8. Testing Logging and Coring Program:

Drill Stem Tests will only made 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.

Note: A gamma ray log will be run over the surface casing from its base to the ground surface.

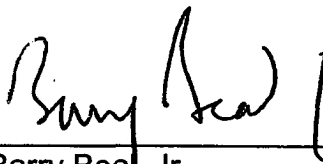
No coring is planned.

9. No abnormal pressure is anticipated in the Atoka and Morrow. BHP=8000 psi (maximum)

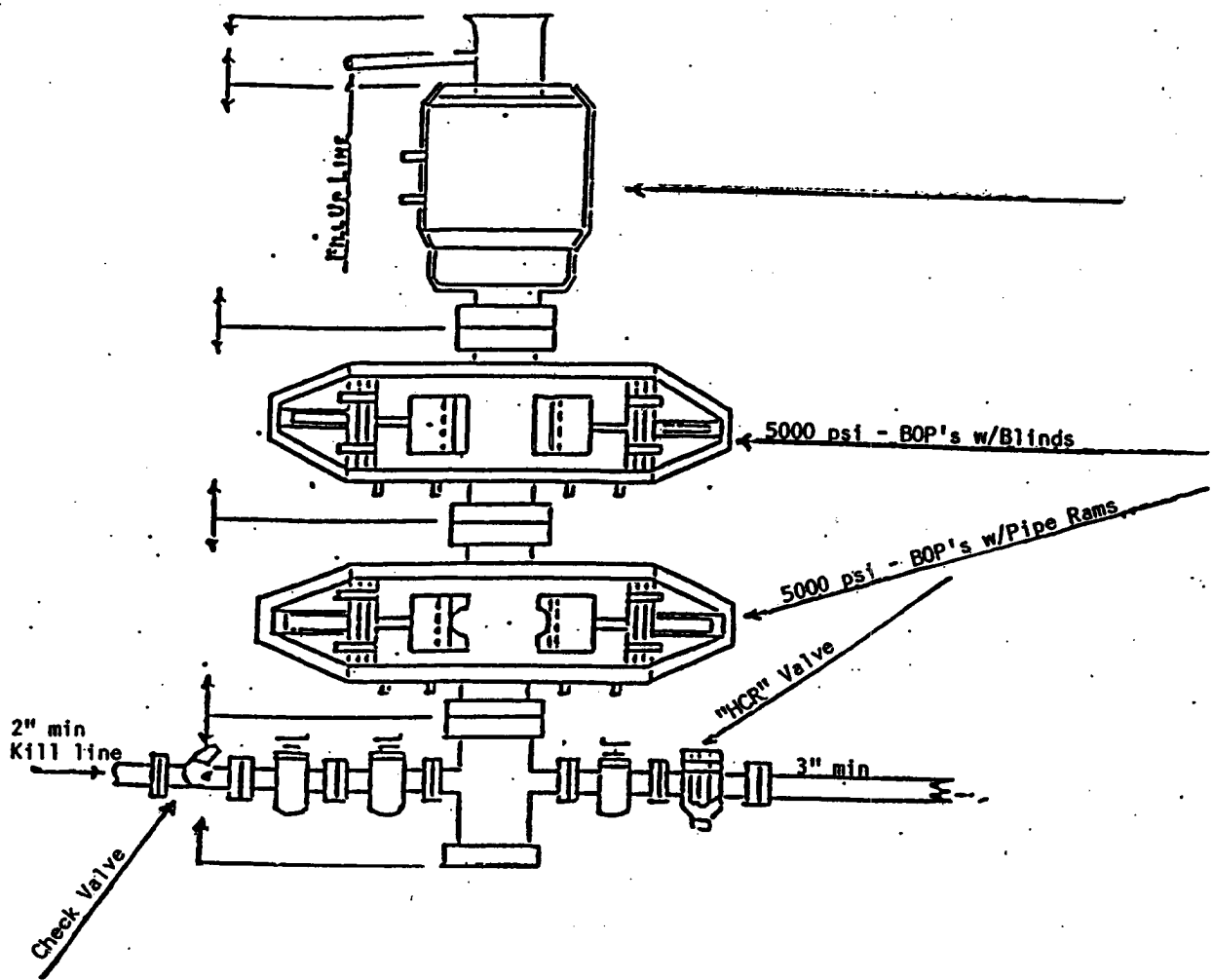
10. Anticipated Starting Date:

It is planned to commence drilling operations on or before October 1, 2003 to last a period of 85 days.

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



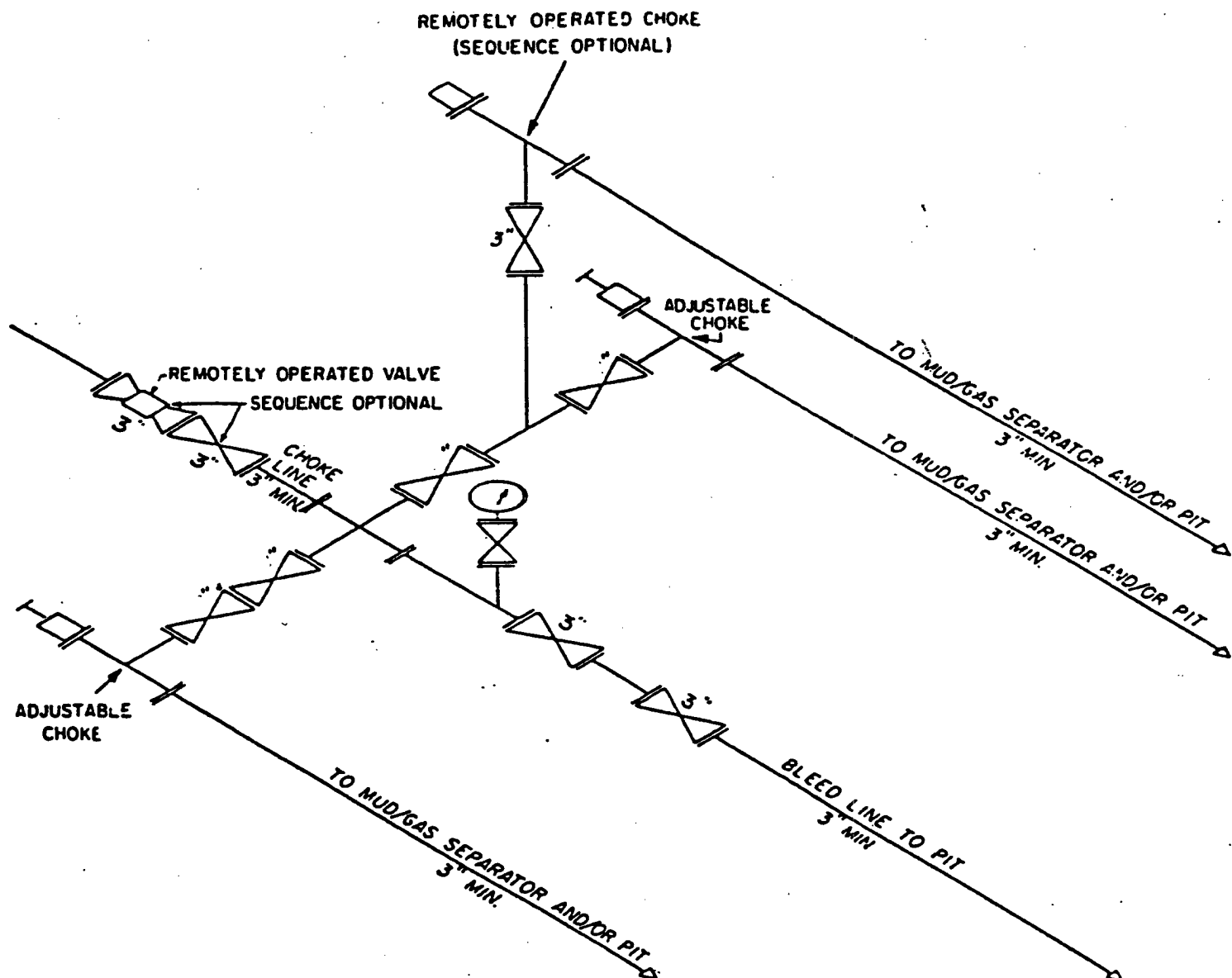
Barry Beal, Jr.
Partner



BOP HOOK UP AFTER SETTING SURFACE

BTA OIL PRODUCERS
 Bell Lake, 7909 JV-P, No. 2
 660' FSL & 1980' FEL
 Sec. 18, T23S, R34E
 Lea County, NM

5 M CHOKE MANIFOLD EQUIPMENT



CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM

SURFACE USE PLAN SUMMARY

FOR

BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
Sec. 18, T-23-S, R-34-E
Lea County, N.M.

<u>LOCATED:</u>	26 Miles West of Jal, NM
<u>FEDERAL LEASE NUMBER:</u>	NMNM 1065194
<u>SURFACE OWNERSHIP:</u>	R. V. Keller, LLC 2811 Co. Rd. 460 Oakley, KS 67748 785/672-3257
<u>POOL:</u>	Bell Lake, Morrow Mid
<u>DEDICATED ACRES:</u>	315.62– S/2 of Sec. 18 (Pooled)
<u>EXHIBITS:</u>	A. Topographic Vicinity Map B. Topographic Road Map C. Pit and Pad Layout D. Rig Layout Sketch E. County Map

MULTI-POINT SURFACE USE & OPERATIONS PLAN

BTA OIL PRODUCERS

**#2, BELL LAKE, 7909 JV-P
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the referenced well. The plan describes the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance, and the procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made concerning the environmental effects associated with the operations.

1. Existing Roads

- A. Exhibit -A- is a topographic map showing the location of the proposed well as staked with existing roads and conditions within the one mile area. The proposed location is approximately 26 miles west from, Jal, New Mexico as shown on Exhibit -B-.
- B. From Jal, travel westerly on NM State highway 128 turn north on Lea County Road 21, also known as Delaware Basin Road and travel 6.2 miles. Turn east on new lease road for .1 mile to the wellsite, as shown on Exhibit -B-

2. Access Road

- A. Our proposed access road will be 1046 feet from Lea County Rd 21 as shown on Exhibit -B- and east to the well pad as shown on Exhibit -C-.
- B. Caliche will be used for the access road; watered, compacted and graded.
- C. The access road will be crowned for drainage and maintained during drilling operations and, if productive, as long as producing.

3. Location of Existing Wells

- A. All existing wells within a one mile radius of our proposed well are shown on Exhibit -E-.

MULTI-POINT SURFACE USE & OPERATIONS PLAN

#2, Bell Lake, 7909 JV-P

Page 2

4. Location of Existing and/ or Proposed Facilities if Well is Productive.
 - A. If well is productive, we will use the existing well pad for the tank battery and all necessary production facilities.
 - B. New facilities will be applied for via Sundry notice with a schematic diagram prior to installation.
 - C. Should the well be successfully completed for production, the BLM will be notified within five days when the well is placed in producing status.
 - D. All facilities will be painted a flat, nonreflective, earthtone color to match the standard environmental colors within six months of installation.
5. Location and Type of Water Supply
 - A. Water for drilling and completion operations will either be purchased and trucked to the well site, or transported by plastic temporary "fas-line" laid on the surface alongside existing roads.
6. Source of Construction Materials
 - A. Caliche used for construction of the drilling pad and access road will be obtained from closest existing caliche pit as designated by the BLM.

 - B. If there is not sufficient material available, it will be purchased from the area designated by the BLM.
7. Methods of Handling Waste Disposal
 - A. Drill cuttings will be disposed of in the reserve pits located on the north side of the rig.
 - B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough for backfilling.
 - C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.
 - D. Oil produced during testing will be stored in test tanks until sold.

MULTI-POINT SURFACE USE AND OPERATION PLAN

#2, Bell Lake, 7909 JV-P

Page 3

E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

F. Trash, waste paper and garbage will be disposed of by hauling to an available disposal. All waste material will be contained in a totally enclosed trash basket with a fine wire mesh, to prevent wind scattering during collection. The road and pad will be kept litter free.

8. Ancillary Facilities

A. It is possible that a mobile home will be used at the well site during drilling operations.

9. Wellsite Layout

A. Exhibit -D- shows the rig layout and reserve pit.

B. No cut and fill will be required at the well site, however, it will require clearing and leveling.

C. The reserve pits will be fenced.

10. Plans for Restoration of Surface

A. Following drilling and/or completion operations, all equipment and material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site as clean as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled. Oil in the mud pit will necessitate either removal or installation of overhead flagging. The pit will be allowed to dry prior to the commencement of backfilling operations. Fill material will be pushed back into the cuts and up over the backslope, recontouring the area so that there are no large depressions that will trap water or form ponds. Topsoil will be evenly distributed over the entire location. The seedbed will be prepared by disking to a depth of four to six inches following the contour.

C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible.

MULTI-POINT SURFACE USE AND OPERATION PLAN

#2, Bell Lake, 7909 JV-P

Page 4

- D. All disturbed areas will be seeded on the contour at a depth of one-half Inch using the following mixture:
 - 1 pound per acre Sand Dropseed
 - 1 pound per acre Sand Lovegrass
 - 2 pounds per acre Plains Bristlegrass
- E. Seeding will be completed after September 15 and prior to November 15th before freeze up or as early as possible the following spring to take advantage of available ground moisture.
- F. Newly constructed access road will be recontoured, disked, and seeded as specified above. All rehabilitation work, including seeding, will be completed as specified by the BLM, or sooner if conditions permit.

11. Surface Topography

- A. The surface ownership is Keller, R. V., LLC, 2811 So. Co. Rd 460, Oakley, KS 67748, Phone 785/672-3257.
- B. The wellsite and access route are located to the South of San Simon Swale as shown on Exhibit -A-, Topographic map of the area. The area is fairly flat with sandy loam soil underlain with caliche.
- C. There are no houses or buildings within one mile of the drillsite.
- D. Signs identifying and locating our well will be maintained at the drillsite and principle entrance, commencing with the spudding of the well.
- E. An Archaeological Survey was prepared by Desert West Archaeology and provided directly to the Carlsbad office.

12. Operator's Representative:

- A. The field representative that is responsible for assuring compliance with the approved surface use plan is:
 - Drilling Manager: Mr. L. G. Johnson
 - Phone: 432/682-3753 (Office)
 - 432/682-5149 (Home)
 - 432/553-2756 (Mobile)

MULTI-POINT SURFACE USE AND OPERATION PLAN

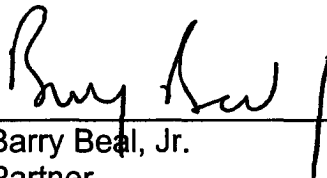
#2, Bell Lake, 7909 JV-P

Page 5

13. Certification:

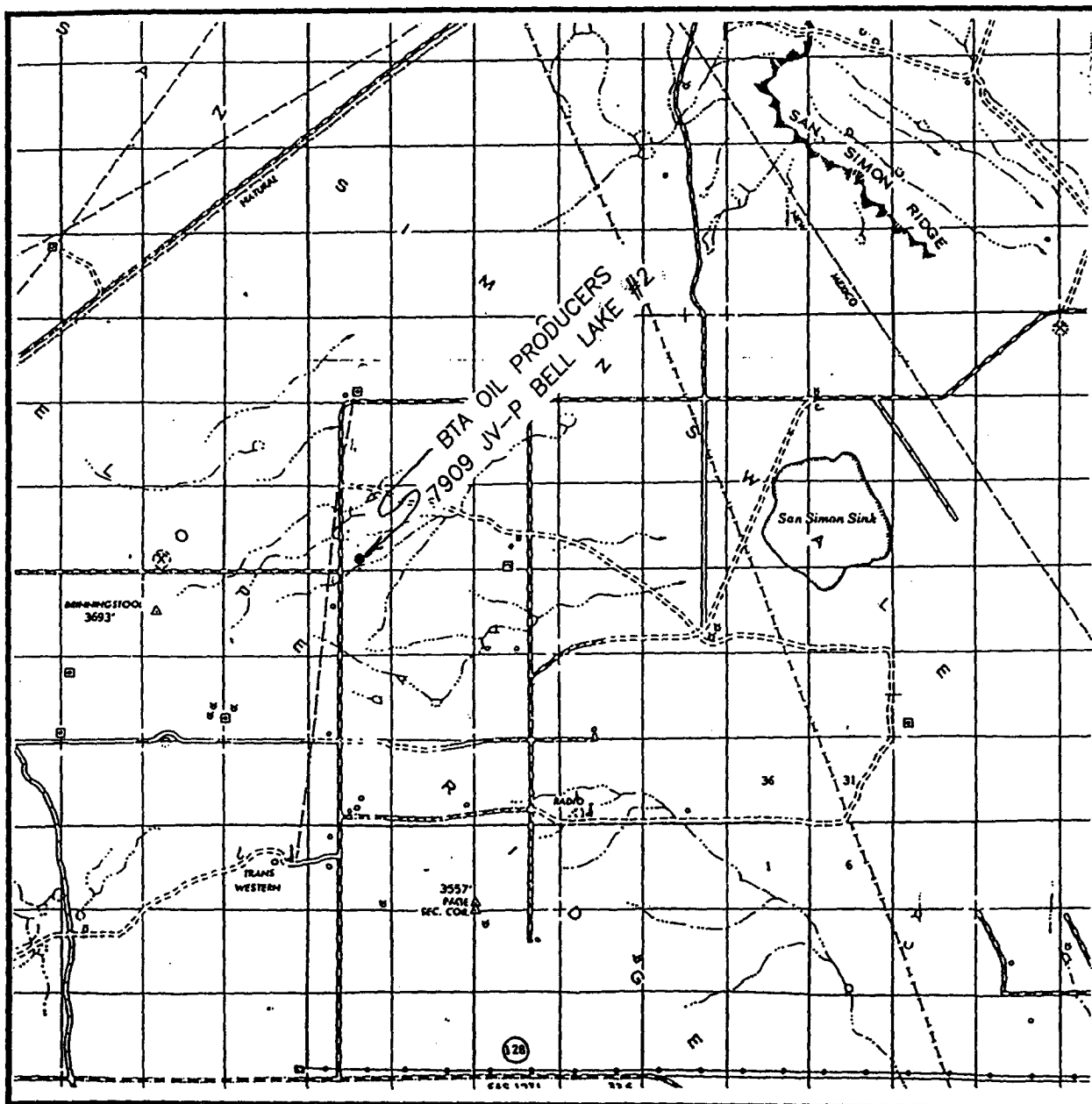
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by BTA Oil Producers and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Dated this 3rd day of September, 2003.



Barry Beal, Jr.
Partner

VICINITY MAP



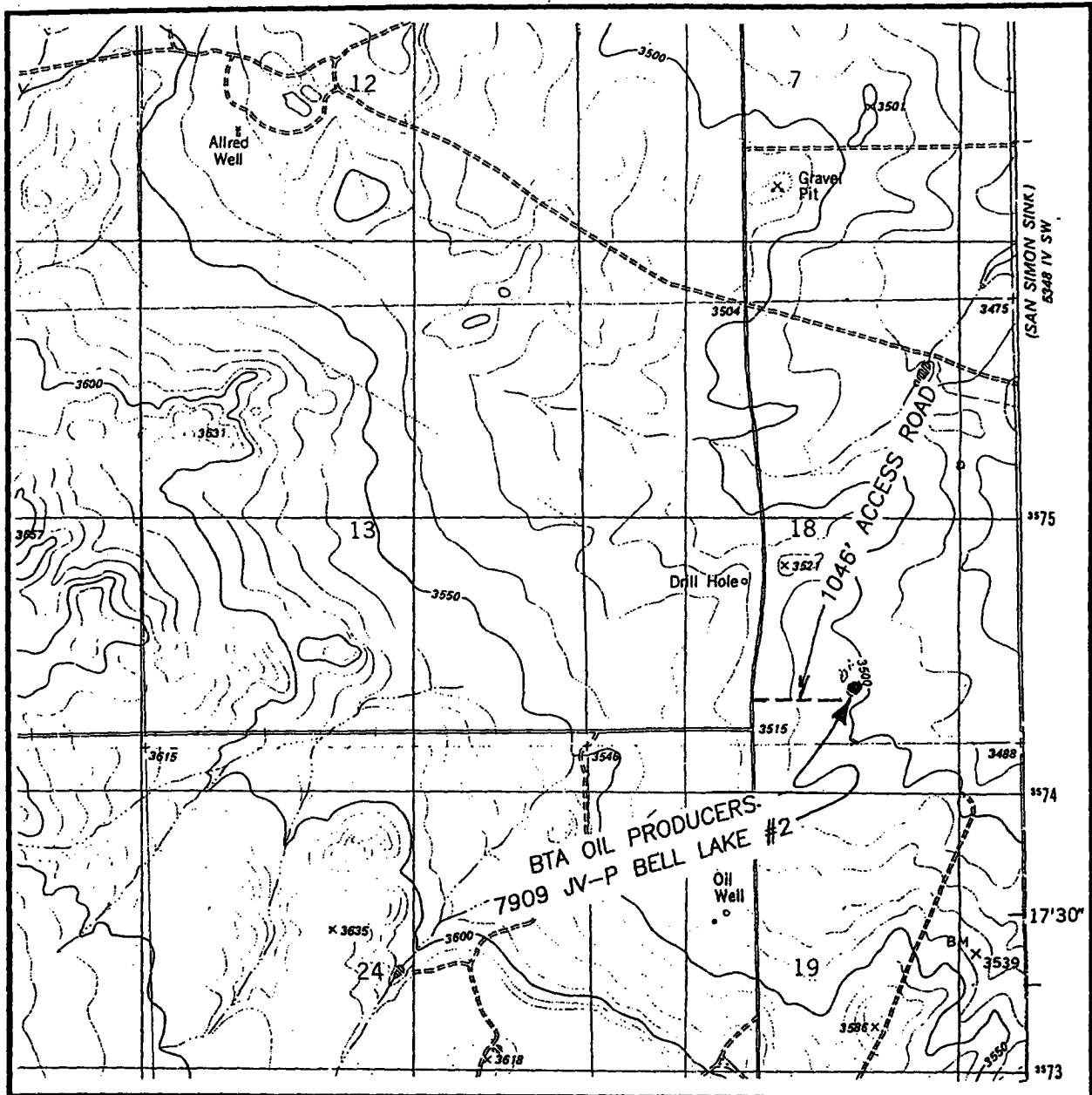
SCALE: 1" = 2 MILES

SEC. 18 TWP. 23-S RGE. 34-E
SURVEY N.M.P.M.
COUNTY LEA
DESCRIPTION 660' FSL & 1980' FEL
ELEVATION 3501
OPERATOR BTA OIL PRODUCERS
LEASE 7909 JV-P BELL LAKE

EXHIBIT -A-

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 18 TWP. 23-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 3501

OPERATOR BTA OIL PRODUCERS

LEASE 7909 JV-P BELL LAKE

U.S.G.S. TOPOGRAPHIC MAP

TIP TOP WELLS, N.M.

E X H I B I T -B-

JOHN WEST SURVEYING

HOBBS, NEW MEXICO

(505) 393-3117

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer ED, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 71920	Pool Name Bell Lake, Morrow Mid
Property Code	Property Name 7909 JV-P BELL LAKE	Well Number 2
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3501

Surface Location

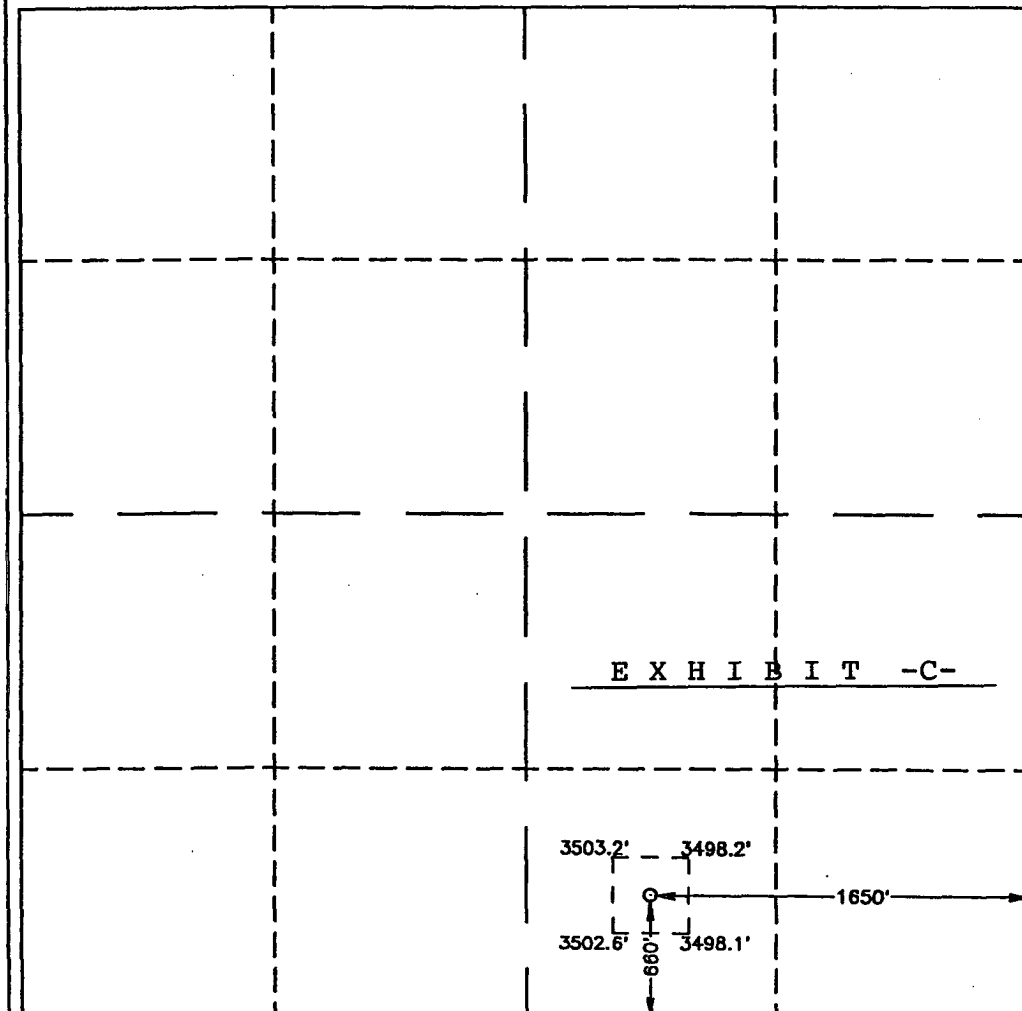
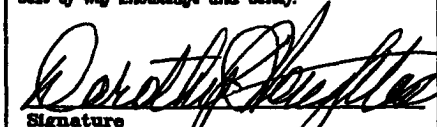
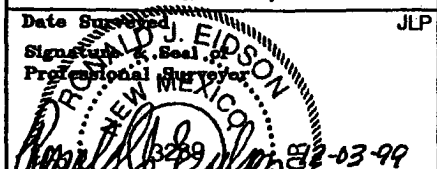
UL or lot No. 0	Section 18	Township 23 S	Range 34 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 315.62	Joint or Infill	Consolidation Code	Order No.
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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

				OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature DOROTHY HOUGHTON Printed Name Regulatory Administrator Title December 7, 1999 Date	
				SURVEYOR CERTIFICATION <i>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.</i> DECEMBER 2, 1999 Date Signed  Signature RONALD J. EIDSON Professional Surveyor NEW MEXICO 3239 32-03-99 P.O. Num. 99-151052 Certification No. RONALD J. EIDSON, 3239 EIDSON, 12641 EIDSON McDONALD, 12185	

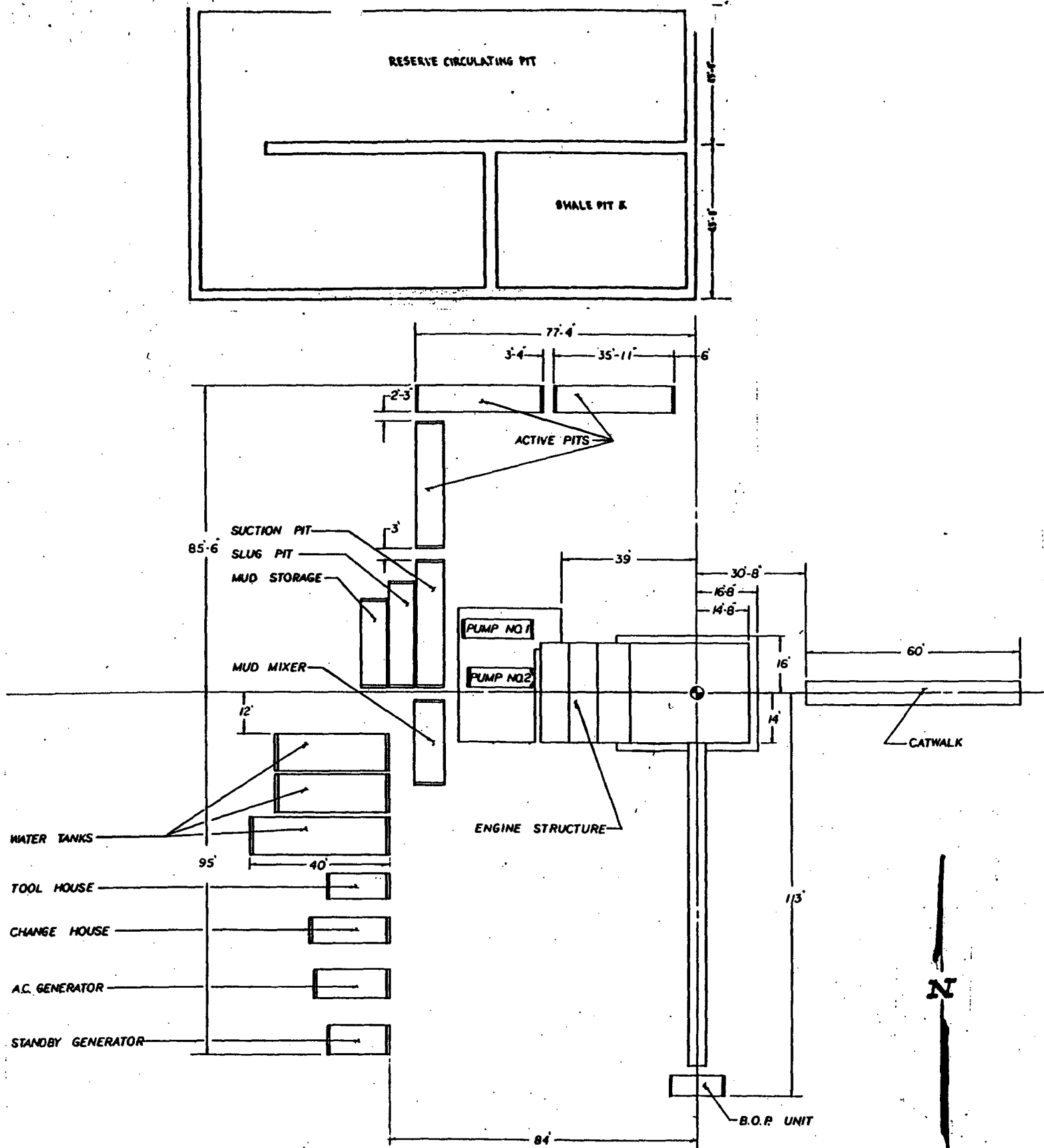


EXHIBIT - D -
BTA OIL PRODUCERS
 Bell Lake, 7909 JV-P, No. 2
 660' FSL & 1980' FEL
 Sec. 18, T23S, R34E
 Lea County, NM

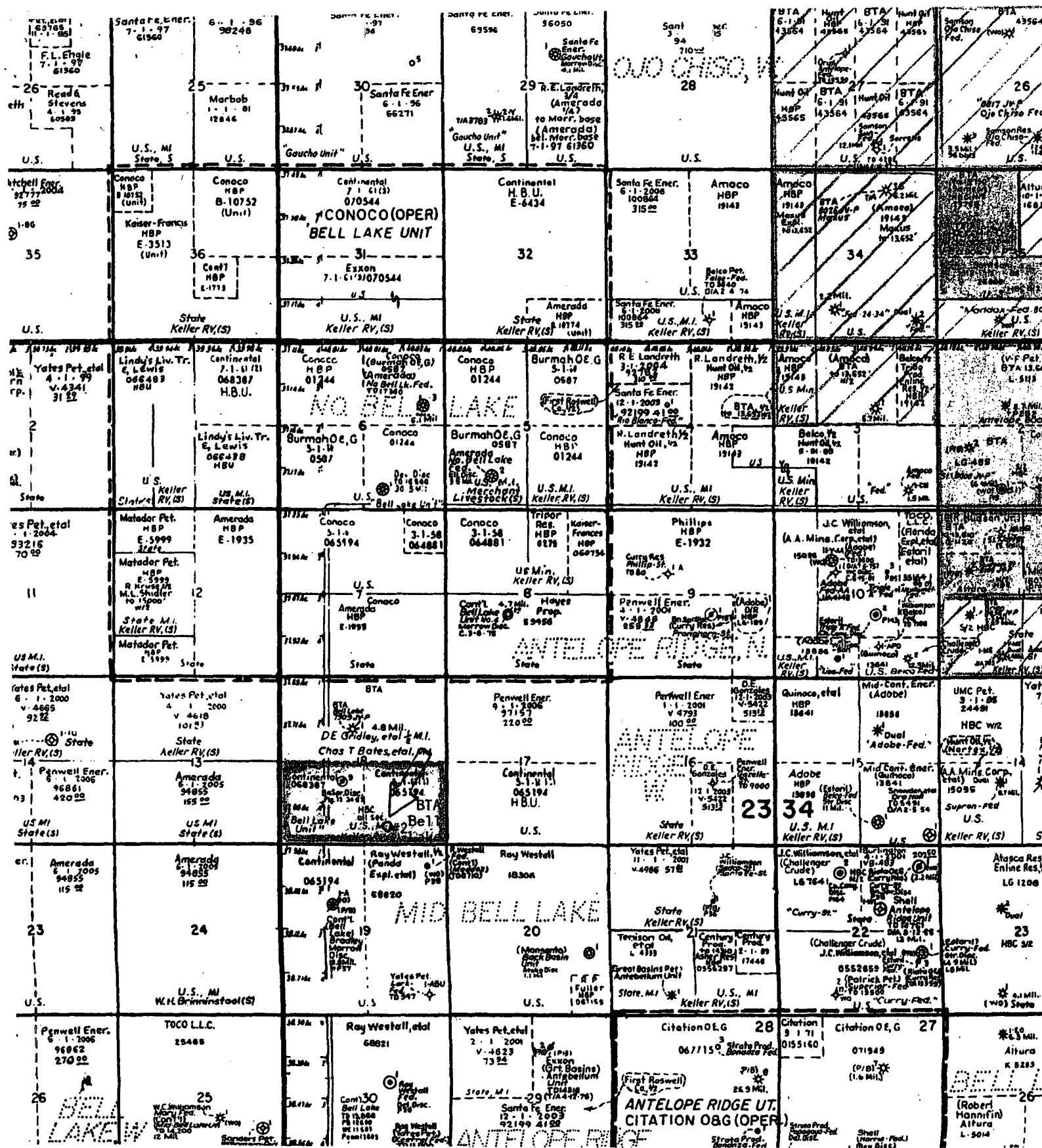


EXHIBIT - E -
BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM



MIDLAND PARTNERS
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701
915-682-3753
FAX 915-683-0311

December 10, 1999

ROCKY MOUNTAIN DIVISION
600 17TH STREET
SUITE 2230
SOUTH TOWER
DENVER, CO 80202
303-534-4404
FAX 303-534-4661

Re: Application for Permit to Drill
Bell Lake, 7909 JV-P, No. 2
Lease No. LC-065194
Sec. 18, T23S, R34E
Lea County, NM

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, NM 88202

RECEIVED
1999 DEC 13 A 10:33
BUREAU OF LAND MGMT.
ROSWELL OFFICE

Gentlemen:

The private surface owner for this well is: Keller, R. V. LLC

We notified the surface owner before staking the well, made an agreement concerning the surface damages and will provide notification before any disturbance takes place.

Should further information be required, please advise.

Sincerely,


DOROTHY HOUGHTON
For BTA Oil Producers

xc: Barry Hunt - Carlsbad



PARTNERS
CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

BTA OIL PRODUCERS

104 SOUTH PECOS
MIDLAND, TEXAS 79701

915-682-3753
FAX 915-683-0311

GULF COAST DISTRICT
TWO GREENSPPOINT PLAZA
16825 NORTHCHASE DRIVE, STE. 680
HOUSTON, TEXAS 77060
PH. 281-872-5022 FAX 281-872-5054

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, CO 80202
PH. 303-534-4404 FAX 303-534-4661

September 2, 2003

Re: Bell Lake, 7909 JV-P, No. 2
Lease No. NMLC-065194
Sec. 18, T23S, R34E
Lea County, New Mexico

R. V. Keller, LLC
2811 Co. Rd. 460
Oakley, KS 67748

Attn: Mr. Jim Keller

Mr. Keller,

The above referenced well was originally permitted to drill January 3, 2000. Attached is a copy of the permit. BTA, then, temporarily put the drilling on hold. We are now ready to proceed with this project.

Upon word from the Bureau of Land Management that we may proceed, BTA will begin operations.

If you have any questions, please do not hesitate to contact us.

Respectfully,

PAM INSKEEP
For BTA Oil Producers

cc: L. G. Johnson



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO:
NMLC-065194

JAN 31 2000

BTA Oil Producers
Attention: Dorothy Houghton
104 South Pecos
Midland, Texas 79701

Dear Dorothy:

Pursuant to your telephone conversation with our petroleum geologist, John S. Simitz on Friday January 28, 2000, we regret to inform your company that the surface casing requirement for the Bell Lake JV-P No. 2 well has been amended. The subject well is located on lease NMLC-065194 in the SW $\frac{1}{4}$ SE $\frac{1}{4}$, sec. 18, T. 23 S., R. 34 E., NMPM, and is amended to a setting depth of 1000 ft. Our geologist has been requiring surface casing be seated in the top 25' of the Rustler Formation for most of Lea County and this depth should be sufficient to accomplish that goal. This requirement is due to the numerous citations of the fresh water occurrence in the Santa Rosa Formation and does not mark a change but a return to a requirement of some years back for setting the surface casing in the Rustler Fm.

Our geologist regrets his oversight on this particular well and offers his apologies for any inconvenience this may have caused your company. If you have any questions regarding this subject he can be reached at (505) 627-0288.

Sincerely,

for

Larry D. Bray
Assistant Field Office Manager,
Lands and Minerals

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Resource Area
P.O. Drawer 1857
Roswell, New Mexico 88202-1857

RECEIVED
BUREAU OF LAND MANAGEMENT
10-10-03

2003 SEP -9 AM 9:24

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Statement Accepting Responsibility for Operations

Operator name: BTA Oil Producers
Street or box: 104 S. Pecos
City, State : Midland, TX
Zip code, : 79701

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:


Lease No.: LCNM1065194

Legal Description of land: 660' FSL & 1980' FEL
SWSE (U 1tr 0)
Sec. 18, T23S, R34E
Lea County, NM

Formation(s) (if applicable):
Morrow Mid

Bond Coverage: (State if individually bonded or another's bond)
Statewide Bond 1556199

BLM Bond File No.: NM1195

Authorized Signature: 

Pam Inskeep

Title: Regulatory Administrator

Date: 09/08/03