

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

RECEIVED

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

MAY 15 2008

AMENDED REPORT

HOBBS OCD

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address BTA Oil Producers 104 S. Pecos Midland, TX 79701		² OGRID Number 003002
		³ API Number 30 -025-31318
⁴ Property Code 002314	⁵ Property Name Gem, 8705 JV-P	⁶ Well No. 64
⁹ Proposed Pool 1 Teas, Bone Spring 58960		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20S	33E		1966	South	1975	West	Lea

⁸ Proposed 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
I	2	20S	33E		1980	South	330	East	Lea

Additional Well Information

¹¹ Work Type Code PB	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3585'
¹⁶ Multiple N	¹⁷ Proposed Depth 13,100' PB MD	¹⁸ Formation Bone Spring	¹⁹ Contractor Nabors	²⁰ Spud Date ASAP
Depth to Groundwater 325'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner Synthetic ☐ _____mils thick Clay ☐ Pit Volume: _____bbls Drilling Method: Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				
Closed-Loop System ☒				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	94 & 106.5	1385'	2200	Surf
17-1/2"	13-3/8"	68	3116'	2200	Surf
11"	8-5/8"	32	5490'	1700	4090'
7-7/8"	5-1/2"	20	13640'	2600	Surf

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

This well currently produces from the Gem, Morrow, East (Gas) Field 77380. We propose to add a lateral section to the current wellbore. See attached directional plan, procedure, and plats.

State of NM - Grazing Lease No. GT-2922

Surface Lessee: Kenneth Smith, Inc.
267 Smith Road
Hobbs, NM 88240

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐, CLOSED LOOP SYSTEM ☒

Signature:

Pam Inskeep

Printed name: Pam Inskeep

Title: Regulatory Administrator

E-mail Address: pinskeep@btaoil.com

Date: 5/05/2008

Phone: (432) 682-3753

OIL CONSERVATION DIVISION

Approved by:

PETROLEUM ENGINEER

Approval Date: MAY 19 2008

Expiration Date:

Conditions of Approval Attached ☐

Attachment to C-101
dated 5/05/2008

BTA Oil Producers
8705 JV-P Gem, 8705 JV-P, No.6H
30-025-31318
Plug Back and Add Horizontal Leg
Teas, Bone Spring
Lea County, NM

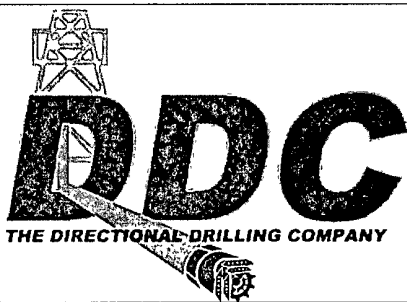
BTA proposes to plug back and add a horizontal leg as follows:

1. Move prod equipment, as required, and prep location.
2. MI & RU.
3. Pull & LD prod equipment.
4. RU WL and run gauge-ring/junk basket to $\pm 9,800'$. Set CIBP @ $\pm 9,740'$.
5. Test csg to 1000 psi.
6. PU 4-1/2" watermelon mill and casing scraper. GIH picking up 2-7/8" drill string to CIBP. Circ hole clean. POH (SLM).
7. GIH w/5-1/2" (20#/23#) retrievable whipstock with tailpipe for spacing ($\pm 60'$ rathole below whipstock) and orientation sub.
8. Orient whipstock using wireline gyro. Set whipstock on CIBP with face of whipstock on an azimuth of 89.35° .
9. Mill window in 5-1/2" csg. Dress window as required and drill 4'-6' of formation.
10. Trip for directional drilling BHA with gyro seat. Run wireline with surface read-out gyro.
11. Mud logging will be required while drilling curve and lateral.
12. Drill lateral per DDC profile with geological adjustments.
13. At TD; Circ, sweep hole and short trip s required to clean up lateral. POH.
14. Run and cement 3-1@" flush-joining liner from 9,450' to TD.
15. RD & MO.
16. Completion program to follow

BOP's

Rotating head

Double Ram Hydraulic – 3000 psi with blind rams and 2-7/8" pipe rams



Job Number: MI-08
 Company: BTA Oil Producers
 Lease/Well: 8705 JV-P Gem #6H
 Location: Lea County
 Rig Name: Nabors #441
 RKB: ☐
 G.L. or M.S.L.: 3585'

State/Country: New Mexico
 Declination: 8.00991
 Grid: -0.35
 File name: C:\DOCUME~1\RIKMA~1\MYDOCU~1\PROPOS~1\BTA
 Date/Time: 02-May-08 / 09:17
 Curve Name: Preliminary Plan #2

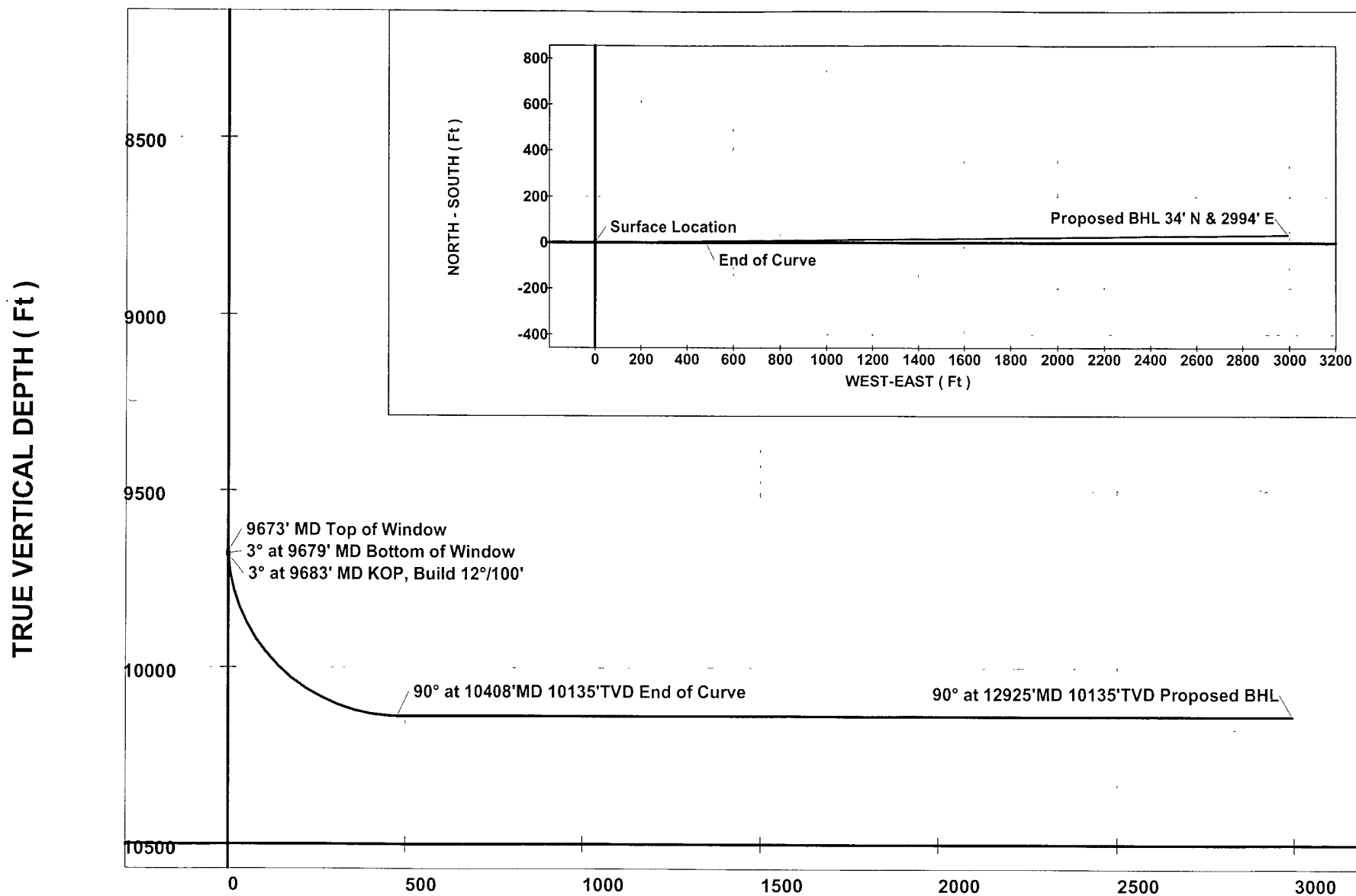
The Directional Drilling Company

WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane 89.35
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
Distance FT	Direction Deg								
Top of Window									
9672.51	.00	.00	9672.51	.00	.00	.00	.00	.00	.00
Bottom of Window									
9678.51	3.00	89.35	9678.51	.16	.00	.16	.16	89.35	50.00
KOP, Build 12°/100'									
9682.51	3.00	89.35	9682.50	.37	.00	.37	.37	89.35	.00
9732.51	9.00	89.35	9732.21	5.59	.06	5.59	5.59	89.35	12.00
9782.51	15.00	89.35	9781.09	15.98	.18	15.98	15.98	89.35	12.00
9832.51	21.00	89.35	9828.62	31.42	.36	31.42	31.42	89.35	12.00
9882.51	27.00	89.35	9874.28	51.75	.59	51.75	51.75	89.35	12.00
9932.51	33.00	89.35	9917.56	76.74	.87	76.73	76.74	89.35	12.00
9982.51	39.00	89.35	9957.99	106.11	1.20	106.11	106.11	89.35	12.00
10032.51	45.00	89.35	9995.14	139.55	1.58	139.54	139.55	89.35	12.00
10082.51	51.00	89.35	10028.58	176.69	2.00	176.68	176.69	89.35	12.00
10132.51	57.00	89.35	10057.96	217.12	2.46	217.11	217.12	89.35	12.00
10182.51	63.00	89.35	10082.95	260.40	2.95	260.39	260.40	89.35	12.00
10232.51	69.00	89.35	10103.28	306.06	3.46	306.04	306.06	89.35	12.00
10282.51	75.00	89.35	10118.72	353.59	4.00	353.57	353.59	89.35	12.00
10332.51	81.00	89.35	10129.12	402.47	4.55	402.45	402.47	89.35	12.00
10382.51	87.00	89.35	10134.34	452.18	5.11	452.15	452.18	89.35	12.00
End of Curve									
10407.55	90.00	89.35	10135.00	477.20	5.40	477.17	477.20	89.35	12.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
10507.55	90.00	89.35	10135.00	577.20	6.53	577.16	577.20	89.35	.00
10607.55	90.00	89.35	10135.00	677.20	7.66	677.16	677.20	89.35	.00
10707.55	90.00	89.35	10135.00	777.20	8.79	777.15	777.20	89.35	.00
10807.55	90.00	89.35	10135.00	877.20	9.92	877.14	877.20	89.35	.00
10907.55	90.00	89.35	10135.00	977.20	11.05	977.14	977.20	89.35	.00
11007.55	90.00	89.35	10135.00	1077.20	12.18	1077.13	1077.20	89.35	.00
11107.55	90.00	89.35	10135.00	1177.20	13.31	1177.13	1177.20	89.35	.00
11207.55	90.00	89.35	10135.00	1277.20	14.44	1277.12	1277.20	89.35	.00
11307.55	90.00	89.35	10135.00	1377.20	15.58	1377.11	1377.20	89.35	.00
11407.55	90.00	89.35	10135.00	1477.20	16.71	1477.11	1477.20	89.35	.00
11507.55	90.00	89.35	10135.00	1577.20	17.84	1577.10	1577.20	89.35	.00
11607.55	90.00	89.35	10135.00	1677.20	18.97	1677.09	1677.20	89.35	.00
11707.55	90.00	89.35	10135.00	1777.20	20.10	1777.09	1777.20	89.35	.00
11807.55	90.00	89.35	10135.00	1877.20	21.23	1877.08	1877.20	89.35	.00
11907.55	90.00	89.35	10135.00	1977.20	22.36	1977.07	1977.20	89.35	.00
12007.55	90.00	89.35	10135.00	2077.20	23.49	2077.07	2077.20	89.35	.00
12107.55	90.00	89.35	10135.00	2177.20	24.62	2177.06	2177.20	89.35	.00
12207.55	90.00	89.35	10135.00	2277.20	25.75	2277.05	2277.20	89.35	.00
12307.55	90.00	89.35	10135.00	2377.20	26.89	2377.05	2377.20	89.35	.00
12407.55	90.00	89.35	10135.00	2477.20	28.02	2477.04	2477.20	89.35	.00
12507.55	90.00	89.35	10135.00	2577.20	29.15	2577.04	2577.20	89.35	.00
12607.55	90.00	89.35	10135.00	2677.20	30.28	2677.03	2677.20	89.35	.00
12707.55	90.00	89.35	10135.00	2777.20	31.41	2777.02	2777.20	89.35	.00
12807.55	90.00	89.35	10135.00	2877.20	32.54	2877.02	2877.20	89.35	.00
12907.55	90.00	89.35	10135.00	2977.20	33.67	2977.01	2977.20	89.35	.00
Proposed BHL									
12924.55	90.00	89.35	10135.00	2994.20	33.86	2994.01	2994.20	89.35	.00

Company: BTA Oil Producers
Lease/Well: 8705 JV-P Gem #6H
Location: Lea County
State/Country: New Mexico



VERTICAL SECTION (Ft) @ 89.35°

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-31318	Pool Code 58960	Pool Name Teas, Bone Spring
Property Code 002314	Property Name 8705 JV-P GEM	Well Number 6H
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3585'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	20-S	33-E		1966	SOUTH	1975	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
I	2	20-S	33-E		1980	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120			

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

LOT 4 39.74 AC GEODETTIC COORDINATES NAD 27 NME SURFACE LOCATION Y=582773.7 N X=714861.6 E LAT.=32.600212° N LONG.=103.635644° W	LOT 3 39.59 AC	LOT 2 39.43 AC	LOT 1 39.28 AC BOTTOM HOLE LOCATION Y=582807.5 N X=717855.0 E
OPERATOR CERTIFICATION 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. Signature: <u>Pam Inskeep</u> Date: <u>05/13/08</u> Printed Name: <u>Pam Inskeep</u>			
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. Date Surveyed: <u>APRIL 25, 2008</u> REV: <u>5/7/08</u> Signature & Seal of Professional Surveyor: <u>Ronald J. Eidson</u> Certificate No. <u>GARY EIDSON 12641</u> <u>RONALD EIDSON 3239</u>			