

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 87411

District IV

1220 S. St. Francis Dr, Santa Fe, NM 87505

RECEIVED

FEB 16 2009

HOBBSOCD

Department of Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-025-31318
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-2199
7. Lease Name or Unit Agreement Name:  Gem,8705 JV-P
8. Well No. 6H
9. Pool name or Wildcat Teas (Bone Spring)

<p><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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>1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator BTA Oil Producers, LLC 260297</p> <p>3. Address of Operator 104 S. Pecos, Midland, TX 79701</p> <p>4. Well Location  Unit Letter <u>K</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>West</u> line  Section <u>2</u> Township <u>20S</u> Range <u>33E</u> NMPM Lea County</p> <p>10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3579' GL 3593' KB</p>	
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11. 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 COMPLETION ☐
- OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
- COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
- CASING TEST AND CEMENT JOB ☐
- OTHER: Add horizontal leg, recomple to Bone Spring ☒

12 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 recompilation.

BTA Oil Producers added a horizontal leg to our 8705 JV-P Gem #6 and recomple to Bone Spring as follows:

- 09/1-30/08 Set CIBP @ 9624'. Test csg to 1000 psi - okay. Set csg whipstock on CIBP @ 9624'. Milled window in 5-1/2" csg 9607-9613'. Drill 4-1/2" hole in sidetrack hole to 12908'.
- 10/1-31/08 Run 3-1/2" liner 9506-12903' (9.3# L80 STL). C w/100 sx solucem. WOC 18 hrs. Test liner top & 5-1/2" csg to 5000 psi - okay.  
Perf 12389-392' w/6 JSPF. A w/500 gals. Release rig. Prep to complete.
- 12/3-31/08 Frac w/2549 gals gelled wtr + 42 tons sd. Set comp plug @ 12255' Press test to 4400 psi. Perf 12210-14' w/6 JSPF. Frac w/2101 bbls gelled wtr + 48.5 tons sd. Drill out plug @ 12255'. Set plug @ 11000'. Perf 11470-474'. A/2000 gals. Frac w/2413 bbls gelled wtr + 50.7 tons sd. Perf 10950-954' w/6 JSPF. A w/2000 gals. Frac w/2164 bbls gelled wtr + 47.8 tons sd. Set plug @ 10450'. Perf 10400-404' w/6 JSPF. A w/2680 gals. Frac w/2019 bbls gelled wtr + 59.25 tons sd. Drill out comp plug. Flow back to test.
- 01/1-12/09 Run 2-7/8" (6.5# EUE) tbg to 9469'. Place well on production.
- 02/04/09 Kill well. Set 2-1/2"x1-1/2"x24' pmp. Return well to production.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 02/07/2009

Type or print name Pam Inskeep Telephone No. 432-682-3753

(This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE DEC 10 2009

Conditions of approval, if any:

2A Gem Morrow East