

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side

RECEIVED

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

FEB 11 2011

2. Name of Operator **BTA Oil Producers LLC**

HOBBSOCD

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)

**UL -M-, Sec. 9, T22S-R34E
660' FSL & 1100' FWL**

5. Lease Serial No.

NMNM 82799

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 #3

9. API Well No.

30-025-35007

10. Field and Pool, or Exploratory Area

Grama Ridge, Bone Spring, West

11. County or Parish, State

Lea Co., NM

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

13. 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 recomplate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see attached.

Attachments: Letter
Wellbore Schematic
Plat
Well Map
Cross Section

WITHDRAWN

2-9-11 Dhw

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Paul Inskeep

Title Regulatory Administrator

Signature

Paul Inskeep

Date

12/08/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Office

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 page 2)



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

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS
MIDLAND, TEXAS 79701
432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
FOUR GREENSPPOINT PLAZA
16945 NORTHCHASE DRIVE, STE. 1600
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

December 8, 2010

Re: Temporarily Abandoned Status Requests
Grama Ridge Federal #2 & #3
Lease No. NMNM82799
Sec. 9, T22S, R34E
Lea County, NM

US DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
620 E. GREENE ST.
CARLSBAD, NM 88220-6292

Attn: Mr. Wesley Ingram

Dear Sir or Madam:

BTA Oil Producers, LLC respectfully requests that TA status be extended for the Grama Ridge Federal #2 wellbore and granted for the 8817 JV-P Grama Ridge Federal #3 wellbore. These wells are located in Section 9, Township 22S, Range 34E of Lea County, New Mexico. BTA acquired the producing rights to all depths in this section through two assignments from Sun Oil Company in 1989 and 1995. In 2009, BTA sold the rights to the Morrow formation and the Grama Ridge Federal #1 wellbore to Enstor for use in the Grama Ridge Gas Storage Unit. Enstor expanded the Grama Ridge Gas Storage Unit to include Section 9 which allowed BTA's producing rights outside of the Morrow to be considered held by production.

BTA requests that TA status be granted for these two wellbores so that they may be preserved for future use in the emerging Upper Bone Spring shale horizontal play. This play is being developed extensively in southern Eddy County and has been tested in southern Lea County approximately 20 miles from BTA's Grama Ridge Federal lease with encouraging results. The enclosed cross section indicates that similar organic shales are present in Section 9. Mudlog shows also indicate the presence of thick organic shales. In addition, two vertical completions located in sections 4 and 5 of Township 21S, Range 34E have produced oil and gas from these organic shales. While initial rates from these wells have been encouraging, long term decline rates have not been established creating considerable uncertainty in ultimate recovery estimates. BTA believes more time is needed to observe these wells in order to make a judgment about the commercial viability of horizontal Bone Spring shale development.

Temporarily Abandoned Status Requests
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Both the Grama Ridge Federal #2 and 8817 JV-P Grama Ridge Federal #3 wellbores have seven inch casing set through the Bone Spring formation making them suitable candidates for horizontal re-entry. Both wells have plugs set above the existing perforations and have been pressure tested to ensure mechanical integrity. It is BTA's opinion that in order to plug and abandon these wells, additional perforations and cement squeezing would be required which would compromise the integrity of the wellbores for future use. The Delaware formation was tested in the 8817 JV-P Grama Ridge Federal #3 well, however, due to high water rates, this formation does not appear commercial on the subject lands. Considering these factors, BTA requests the TA status be extended for the Grama Ridge Federal #2 wellbore and granted for the 8817 JV-P Grama Ridge Federal #3 wellbore.

Should further information be required, please advise.

Respectfully,

A handwritten signature in black ink that reads "Britton McQuien" followed by a small stylized mark.

Britton McQuien
For BTA Oil Producers LLC

Attachments

Tubing Detail

KB = 3586
GL = 3566
Diff = 20

X-Mas Tree Top Conn.

@ 1,295' - 13-3/8" 54.5# J-55 Surf. Csg. Cmtd w/ 1250 Sx Cmt Circ

TOC 2,850' By Temp Survey

@ 5269' - 9-5/8" 40# J-55 & K-55 Interm Csg. Cmtd w/ 1600 Sx Cmt Circ

PB 7,740'

Comp BP @ 7,260'

Perfs: Delaware 7,306 - 7,342'

7,790'

Comp BP @ 7,790'

Perfs: Delaware 7,989 - 8,020'

CIBP @ 10,200'

Perfs: Bone Spring 10,231 - 247'

5' liner top 11295'

CIBP @ 11,315'

Perfs: Wolfcamp 11,327 - 334'

@ 11,720' - 7" 29# HCP-110 Prod. Csg. Cmtd w/ 1250 Sx

CIBP @ 12,300'


Perfs: Morrow 12,331 - 338'; 12,390 - 398'

CIBP @ 12,940'

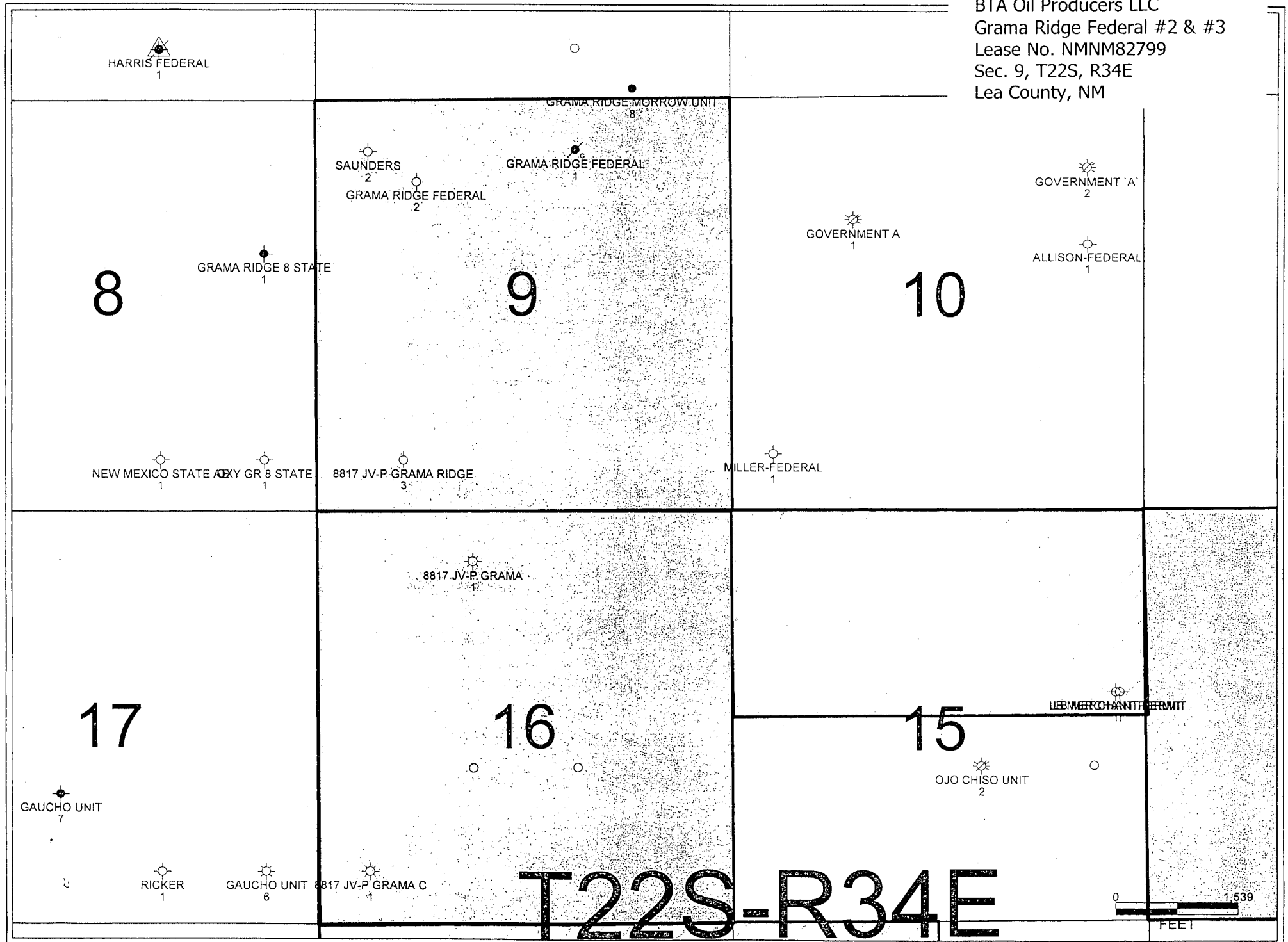
Perfs: Morrow 13,011 - 20'; 13,024 - 32'

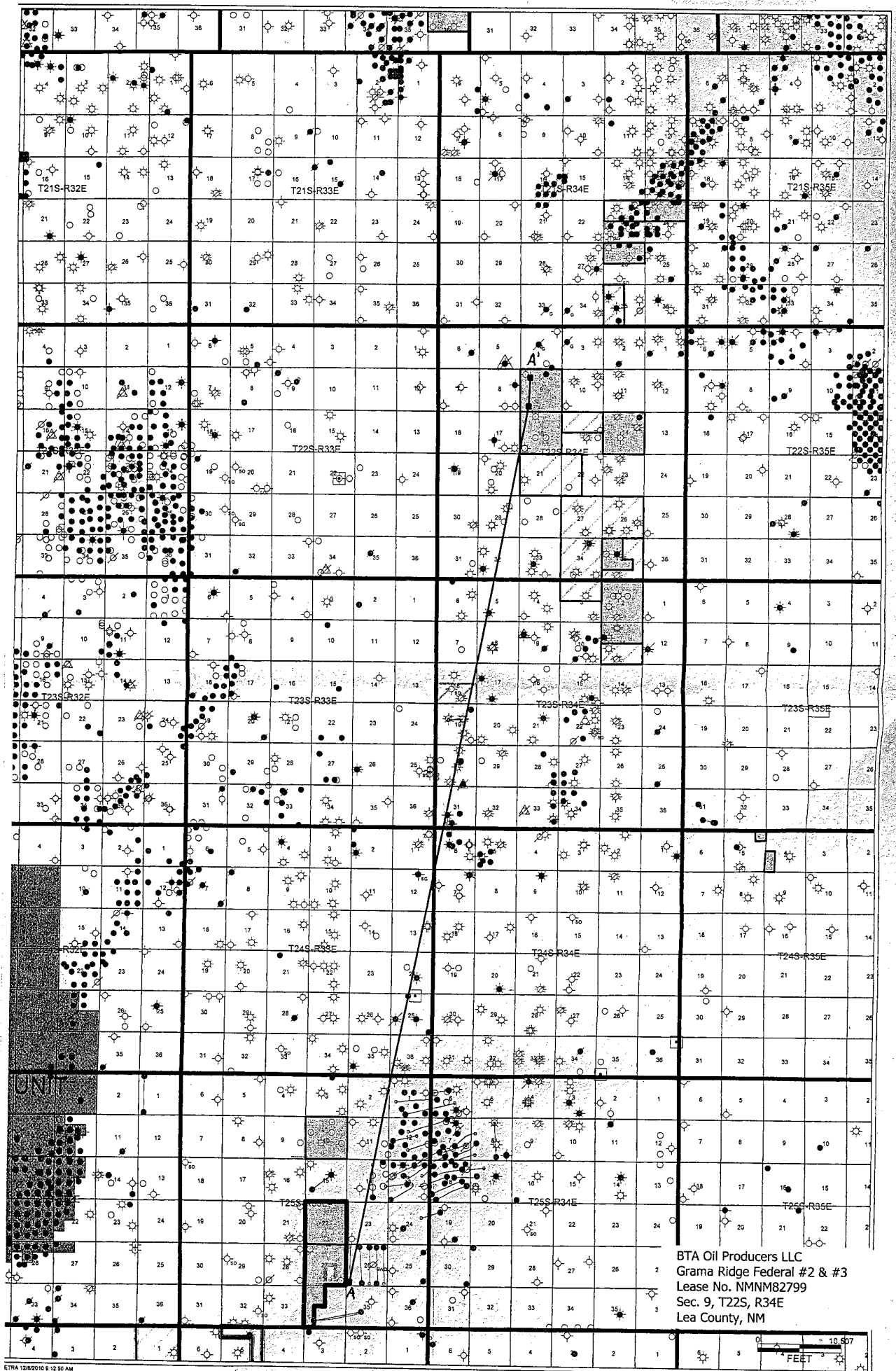
13,360'

@ 11,295 - 13,360' -- 5"18#P-110Liner Cmtd w/ 225 Sx

| | | | | | |
|---------|--|---|-------------------|-----------|-----|
| Revised | | Producing Well | | Drawn | TJW |
| | | LEASE: 8817 JV-P Grama Ridge Federal # 3 | | 2/21/2008 | |
| | | FIELD: Grama Ridge Bone Spring | | | |
| | | LOCATION: 660' FSL 1100' FWL Sec. 9 T22S R34E | | Approved | |
| | | COUNTY: Lea | STATE: New Mexico | Date | |
| | | PRODUCING FORMATION: Delaware | | | |
| | |  | | | |
| | | BTA Oil Producers | | | |

BTA Oil Producers LLC
Grama Ridge Federal #2 & #3
Lease No. NMNM82799
Sec. 9, T22S, R34E
Lea County, NM





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