

**RECEIVED**Form 3160-5  
(February 2005)**FEB 11 2011****HOBBSS**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**OCD-HOBBS**FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

5. Lease Serial No.

**NMNM 82799**

6. If Indian, Allottee or Tribe Name

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

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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****SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well

☐Oil Well ☐☒Gas Well ☐☐

Other

2. Name of Operator

**BTA Oil Producers LLC**

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****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 recomplete 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 recompletion 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.)

BTA respectfully proposes to P&A this well as follows:

- 1) MI & RI completion unit. ND WH. NU BOP. 2) RIH w/4-1/2" perf gun w/4 JSPF. Perf +/- 1350' w/4 holes. 3) PU pkr for 7" 29# csg and 2-7/8" 6.5# EUE work string and RIH to +/- 1200'. Set pkr. 4) Close BOP. Open valve on WH for outside 7" csg. 5) Press up on tbg and determine if there is circ on outside of 7" csg. 6) RU cmt truck. Pump 60 sx Class H cmt. Displ to the ret w/9.3# salt gel mud and POH w/pkr. 7) RIH w/tbg open-ended. Tag cmt plug @ +/- 1200'. 8) Circ csg w/9.3# salt gel mud. 9) POH w/tbg. 10) Spot P&A plug as follows: 22 sx @ surface. 11) Cut off WH and install dry hole marker. 12) Clean location of all equipment and trash. Rehab per State and BLM requirements.

Wellbore diagrams attached (current and proposed).

Like request submitted to the NMOCD (copy attached).

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL****RECLAMATION PROCEDURE  
ATTACHED**

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

**Pam Inskeep**

Title Regulatory Administrator

Signature

Date

**02/01/2011****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

**FEB 9 2011****/s/ Dustin Winkler**

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

**ELG 2-23-2011**

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE**

(Instructions on page 2)

Submit 3 Copies To Appropriate District Office  
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 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.  
30-025-35007

COPY

5. Indicate Type of Lease  
STATE ☐ FEDERAL ☒ NMNM 82799

6. State Oil & Gas Lease No.  
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7. Lease Name or Unit Agreement Name

Grama Ridge Fed, 8817 JV-P

8. Well Number 3

9. OGRID Number 260297

10. Pool name or Wildcat  
Grama Ridge, Bone Spring, West

SUNDRY NOTICES AND REPORTS ON WELLS  
(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.)

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

2. Name of Operator  
BTA Oil Producers LLC

3. Address of Operator  
104 S. Pecos, Midland, TX 79701

4. Well Location  
Unit Letter M : 660 feet from the south line and 1100 feet from the west line  
Section 9 Township 22S Range 34E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. 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 COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. 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 recompletion.

BTA Respectfully proposes to P&A this well as follows:

1) MI & RI completion unit. ND WH. NU BOP. 2) RIH w/4-1/2" perf gun w/4 JSPF. Perf +/- 1350' w/4 holes. 3) PU pkr for 7" 29# csg and 2-7/8" 6.5# EUE work string and RIH to +/-1200'. Set pkr. 4) Close BOP. Open valve on WH for outside 7" csg. 5) Press up on tbg and determine if there is circ on outside of 7" csg. 6) RU cmt truck. Pump 60 sx Class H cmt. Displ to the ret w/9.3# salt gel mud and POH w/pkr. 7) RIH w/tbg open-ended. Tag cmt plug @ +/- 1200'. 8) Circ csg w/9.3# salt gel mud. 9) POH w/tbg. 10) Spot P&A plug as follows: 22 sx @ surface. 11) Cut off WH and install dry hole marker. 12) Clean location of all equipment and trash. Rehab per State and BLM requirements.

Wellbore diagrams attached (current and proposed).

Like request submitted to the BLM (copy attached).

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Pam Inskeep TITLE Regulatory Administrator DATE 02/01/2011

Type or print name Pam Inskeep

E-mail address: pinskeep@btaoil.com

Telephone No. 432-682-3753

For State Use Only

APPROVED BY: [Signature] TITLE State Rep DATE 2-23-2011  
Conditions of Approval (if any)

Tubing Detail

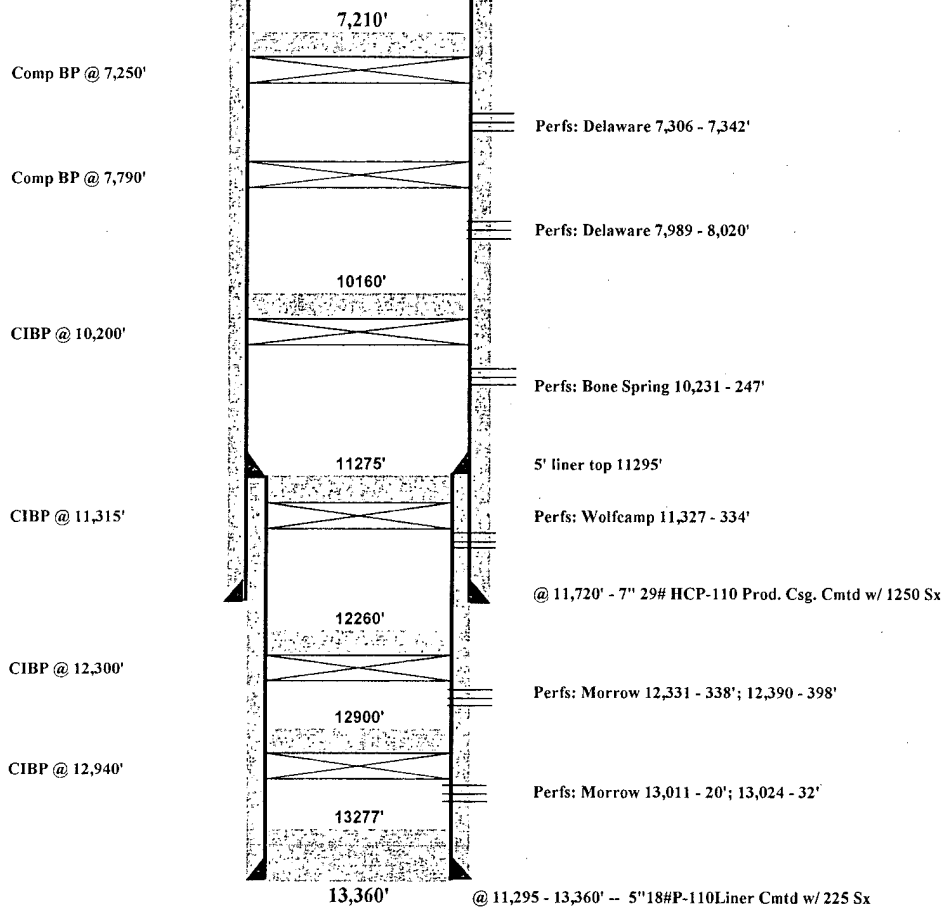
KB = 3586  
 GL = 3566  
 Diff = 20


X-Mas Tree Top Conn.

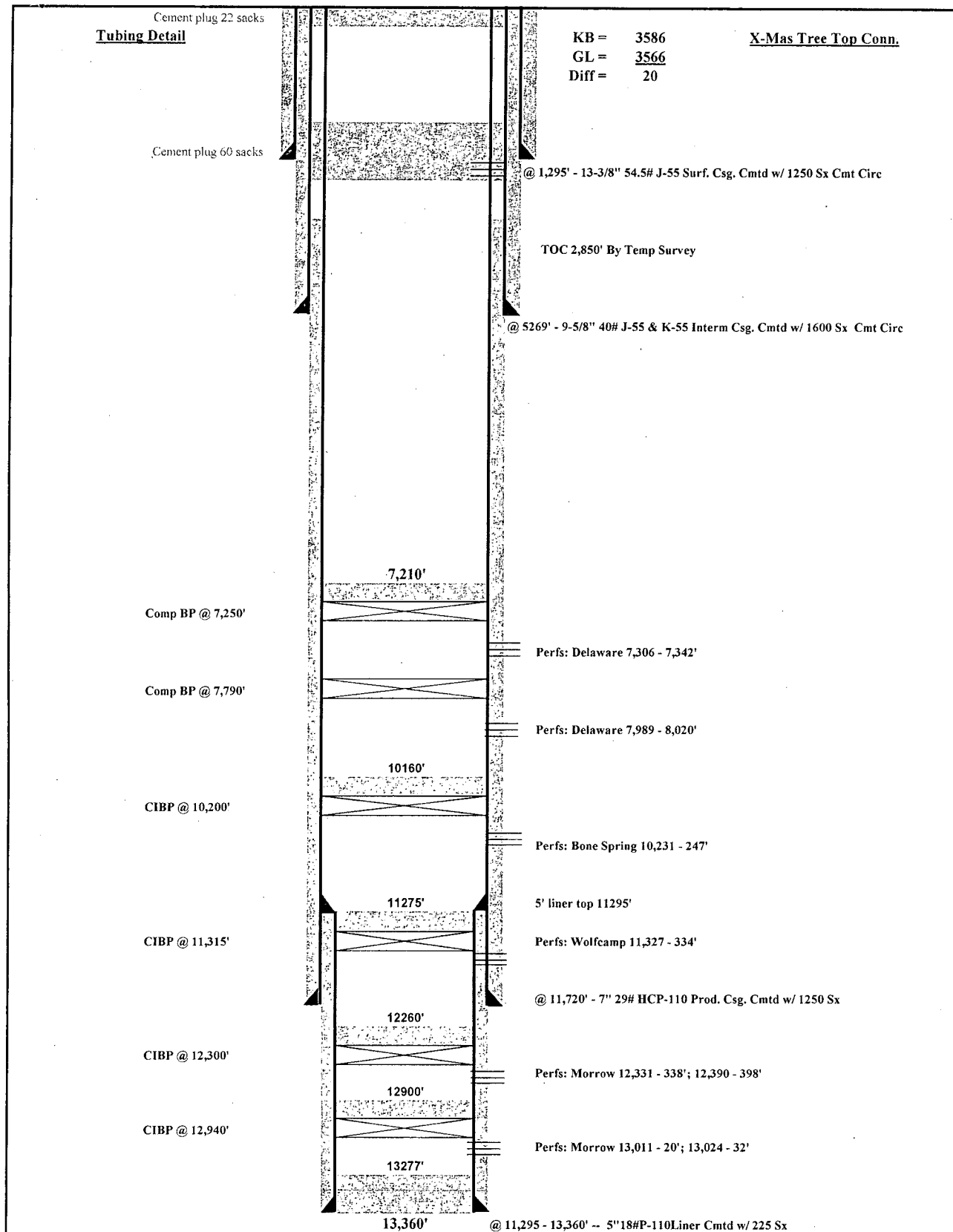
@ 1,295' - 13-3/8" 54.5# J-55 Surf. Csg. Cmtd w/ 1250 Sx Cmt Circ


TOC 2,850' By Temp Survey

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



Revised	Current Wellbore			Drawn	TJW
	LEASE:	8817 JV-P Grama Ridge Federal	# 3	2/1/2011	
	FIELD:	Grama Ridge Bone Spring			
	LOCATION:	660' FSL 1100' FWL Sec. 9 T22S R34E			Approved
	COUNTY:	Lea	STATE:	New Mexico	
	PRODUCING FORMATION:	Delaware		Date	
				BTA Oil Producers	



Revised	Proposed P&A Wellbore		Drawn	TJW
	LEASE:	8817 JV-P Grama Ridge Federal # 3	2/1/2011	
	FIELD:	Grama Ridge Bone Spring	Approved	
	LOCATION:	660' FSL 1100' FWL Sec. 9 T22S R34E		
	COUNTY:	Lea	Date	
	PRODUCING FORMATION:	Delaware		
			BTA Oil Producers	

BTA Oil Producers LLC  
NM-82799: Grama Ridge Fed #3  
API: 30-025-35007  
Lea County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. OK
  - 1a. Drill out CBP and cement to 10160'. Tag cement on top of CIBP at 10160' or shallower.
  - 1b. Spot cement (approx 40sx) from 8555'-8365' (Bone Spring)
  - 1c. Set a CIBP at 7940' and dumb bail 35' or spot 25sx on top (Perfs)
  - 1d. Set a CIBP at 7255' and dumb bail 35' or spot 25sx on top (Perfs)
  - 1e. Spot cement (approx 30sx) from 5320'-5140'. WOC and tag at 5140' or shallower. (Delaware – Casing shoe)
  - 1f. Spot cement (minimum 25sx) from 4190-4050'. WOC and tag at 4050' or shallower. (Capitan Reef)
  - 1g. Spot cement (minimum 25sx) from 3880'-3740'. WOC and tag at 3740' or shallower. (Yates – BOS)
  - 1h. Perf and squeeze a plug (approx 40sx) from 1750'-1630'. WOC and tag at 1630' or shallower. (TOS)
2. OK
3. OK
4. OK
5. OK
6. OK (Casing shoe)
7. OK
8. OK
9. OK
10. Perforations required at 60' or deeper to verify that cement is to surface in and out of the 7" casing – Otherwise OK (Surface)
11. Verify that all annuluses have cement to surface and fill in as required. Ground Level Dry Hole Marker shall be used in this area; **Requirements attached** – Otherwise OK
12. OK
13. Submit a subsequent report to the BLM.

H<sub>2</sub>S monitoring equipment to be on location.

See attached standard COAs.

DHW 020911

## **Requirements for ground level dry hole markers**

### **Well Identification Markers**

#### **Conditions of Approval (COA)**

The BLM Carlsbad Field Office (CFO) Conditions of Approval (COA) Requires that ground level dry hole markers be placed on well within the Lesser Prairie Chicken habitat area. The dry hole markers will be to the following specifications. The operator will construct the markers as follows:

1. An 8 inch X 8 inch steel plate 1/8 to 3/16 of an inch thick is to be placed on the old dry hole marker stand pipe 2 inches from ground level, in the Lesser Prairie Chicken habitat area.
2. Steel plate may be welded or bolted approximately 2 inches from ground level on the stand pipes. If plates are bolted to the stand pipe, the person installing the plate will be required to weld a pipe collar on the plate and place a minimum of two set screws/bolt on each collar. Aluminum data plates may be bolted with minimum 1/4 inch bolt and locking nuts or self tapping fine threaded screws. A minimum of one in each corner is to be installed on each plate.
3. An 8 inch x 8 inch aluminum plate, which is 12 gauge or .080 sign material (1/8 inch aluminum plate may be used in place of the .080 plate) with the required information for that well stamped or engraved in a minimum 3/8 inch tall letter or number.
4. The following information will be stamped or engraved on the 8 inch X 8 inch aluminum plate in the following order.
  - a. First row: Operators name
  - b. Second row: Well name and number
  - c. Third row: Legal location to include 1/4 1/4, Section, Township, and range. If the legal location cannot be placed on one row it can be split into two rows with the 1/4 1/4 (example: 1980 FNL 1980 FWL) being on the top row.
  - d. Fourth row: Lease Number and API number.
    - i. Example marker plate: (attached)

NMOCD Order No. R-12965 also required the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a ground level dry hole marker was installed as required in the COA's from the BLM.

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

**The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10<sup>th</sup> day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

DHW 122010





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220-6292  
[www.blm.gov/nm](http://www.blm.gov/nm)



In Reply Refer To: 1310

### Reclamation Objectives and Procedures

**Reclamation Objective:** Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos  
Supervisory Environmental Protection Specialist  
575-234-5909, 575-361-2648 (Cell)

Cody Layton  
Natural Resource Specialist  
575-234-5959

Terry Gregston  
Environmental Protection Specialist  
575-234-5958

Trishia Bad Bear  
Natural Resource Specialist  
575-393-3612

Bobby Ballard  
Environmental Protection Specialist  
575-234-2230

Todd Suter  
Surface Protection Specialist  
575-234-5987

Randy Rust  
Natural Resource Specialist  
575-234-5943

Doug Hoag  
Civil Engineering Technician  
575-234-5979

Linda Denniston  
Environmental Protection Specialist  
575-234-5974

Tanner Nygren  
Natural Resource Specialist  
575-234-5975

Jennifer Van Curen  
Environmental Protection Specialist  
575-234-5905

John Fast  
Natural Resource Specialist  
575-234-5996

Justin Frye  
Environmental Protection Specialist  
575-234-5922