

DISTRICT I P.O. Box 1980 Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

2040 Pacheco St. Santa Fe, NM 87505

WELL API NO. 30-025-29916

Indicate Type of Lease STATE [X] FEE []

State Oil & Gas Lease No. V-2199

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.)

Type of Well: OIL WELL [X] GAS WELL [] OTHER []

Name of Operator BTA OIL PRODUCERS OGRID No. 003002

Address of Operator 104 SOUTH PECOS, MIDLAND, T X 79701

Well Location Unit Letter B : 660 Feet From The North Line and 1980 Feet From The East Line Section 2 Township 20-S Range 33-E NMPM Lea County

Lease Name or Unit Agreement Name 002314

Gem, 8705 JV-P

Well No. 1

Pool name or Wildcat Teas, Delaware Code #96797

Elevation (Show whether DF, RKB, RT, GR, etc.) 3587' GR; 3606' RKB

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 [] OTHER: []

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ANBANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: Plug Back & Test Delaware [X]

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.

- 12/01/99 TD 13,700' PB 10,230' MIRU PU, POH w/ prod equip. 12/02/99 RIH w/ 5-1/2" pkr w/ RBP, set plug @ 6975', RU pmp turck, circ hole w/2% KCL wtr, pressure test plug to 1000 psi, OK, raise EOT to 6594', spot 200 gals 10% acetic acid, POH w/ tbg, RU wireline truck, RIH w/ GR and perf gun, Perf 6592' - 6599'. RIH w/ pkr & tbg. 12/03/99 RU BJ Services A/ w 1,000 gals - 7-1/2% HCl acid Frac w/ 362 bbls gel water + 19-1/4 tons sand 12/04/99 Open well to frac tank - Swbg & testing

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE [Signature] TITLE Regulatory Administrator DATE 12-09-99 TYPE OR PRINT NAME DOROTHY HOUGHTON TELEPHONE NO. 915/682-3753

(This space for State Use) APPROVED BY [Signature] TITLE DATE CONDITIONS OF APPROVAL, IF ANY:

Handwritten notes: JC, 2A Teas BS, [Signature]