

HADSON

March 9, 1988

BTA Oil Producers
104 South Pecos
Midland, Texas 79701-9988

Attention: Mr. C. Robert Crawford

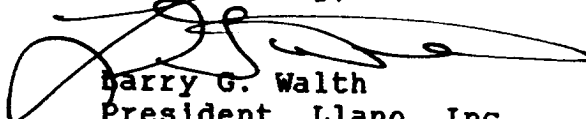
Re: Chiso "B" 8711 JV-P Com. #1
Sec. 14, T22S, R34E, Lea County, New Mexico
Offset to Llano's Grama Ridge Storage Unit

Llano, Inc., a subsidiary of Hadson New Mexico, Inc., has become aware that BTA is proposing to drill a well to the Morrow formation at a location in the SW/4 Section 14, T22S, R34E, Lea County, New Mexico.

Llano assumes that BTA is aware that Llano, Inc.'s Grama Ridge Morrow gas storage project consists of Sections 33 and 34 of T21S, R34E, and Sections 3, 4 and 10 of T22S, R34E, Lea County, New Mexico. The defined area is covered by existing formal agreements between Llano and the State of New Mexico, as well as Llano and the United States Government, which designate and unitize the Morrow formation for underground storage purposes.

While Llano is reasonably confident that the limits of the storage reservoir do not extend into Section 14, to insure the integrity of the reservoir, Llano solicits BTA's cooperation in the exchange of current and future geological and reservoir information on your proposed well only as the information relates directly to Llano's unitized Morrow gas storage interval. Should interpretation of these data indicate communication and therefore, the presence of stored gas in the well bore, Llano also requests your assistance in resolving the problem to our mutual satisfaction.

Respectfully,


Harry G. Walth
President, Llano, Inc.

LGW/am

cc: Frank Fuller, Llano, Inc.
Cliff Reed, Llano, Inc.

William J. LeMay
State of New Mexico
Energy & Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Mr. Jerry Sexton
NM Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88241-1980

LLANO, INC. 

A SUBSIDIARY OF HADSON NEW MEXICO, INC.

921 W. Sanger / Hobbs, New Mexico 88240

WRS COMPLETION REPORT

COMPLETIONS
PI# 30-T-0017 06/29/88 SEC 14 TWP 22S RGE 34E
30-025-30265-0000 PAGE 1

NMEX LEA * 1980FSL 2310FWL SEC NE SW
STATE COUNTY FOOTAGE SPOT
BTA OIL PRODUCERS
OPERATOR D DG
1 CHISO "B" 8711 JV-P COM
WELL NO LEASE NAME
3497KB 3477GR
OPER ELEV OJO CHISO

LEASE TYPE NO 04/11/1988 06/16/1988 ROTARY
SPUD DATE COMF DATE TYPE TOG GAS
13500 MORROW PARKER 211 RIG SUB 19
PROJ DEPTH PROJ FORM CONTRACTOR
DTD 13310 PB 13237 FM/TD MORROW
DRILLERS T.C. LOG T.D. PLUG BACK TO OLD T.D. FORM T.D.

LOCATION DESCRIPTION

21 MI SE HALFWAY, NM

CASING/LINER DATA

CSG 16 @ 1230 W/ 1400 SACKS
CSG 10 3/4 @ 5000 W/ 3000 SACKS
CSG 7 5/8 @ 11218 W/ 2200 SACKS
LNR 5 10816-13310

W/ 390S

TUBING DATA

TBG 2 7/8 AT 12558

INITIAL POTENTIAL

IPF 120BOPD 2892 MCFD 12BW 24HRS
MORROW PERF W/ 27/IT 12633-12787
PERF 12633-12787
TP 4500
GTY 50.0 GOR 24100
FLWD THRU ADJ CK
FCP PKR
NATURAL

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	RUSTLER		1678	1819		
LOG	YATES		3474	23		
LOG	BONE SPG SS		9540	-6043		

CONTINUED IC# 300257012188

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Petroleum Information

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Pi-WRS-GET
Form No 187

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BTA OIL PRODUCERS
1 CHISO "B" 8711 JV-P COM

D DG

TYPE	FORMATION	LTH	TOP	DEPTH/SUB	BSE	DEPTH/SUB
LOG	WOLFCAMP		11206	-7709		
LOG	STRAWN		11670	-8173		
LOG	ATOKA		12019	-8522		

LOGS AND SURVEYS /INTERVAL,TYPE/

LOGS	CNL	LDT	DI
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DRILLING PROGRESS DETAILS

BTA OIL PRODUCERS
104 S PECOS
MIDLAND, TX 79701
915-682-3753

02/29	LOC/1988/
04/12	DRLG 540
04/19	DRLG 2400
05/03	DRLG 4510
05/10	DRLG 6720
05/17	DRLG 9445
05/24	11218 TD, RNG 7 5/8 CSG
05/31	DRLG 11815
06/07	DRLG 12610
06/14	DRLG 13242
06/21	13310 TD, PB 13237, PREP COMP
	TD REACHED 06/14/88 RIG REL 06/15/88
06/28	13310 TD, PB 13237
	COMP 6/16/88, IPF 120 BO, 2892 MCFG, 12
	BWPD, ADJ CK, GOR 24100,
	GTY 50, FTP 4500, FCP PKR
	PROD ZONE - MORROW 12633-12787
	NO CORES OR DSTS RPTD