

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1625 N. Lincoln Blvd.

Hobbs, NM 88240

SUBMIT IN TR. STATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC NMNM 1065194
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR BTA OIL PRODUCERS		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 104 South Pecos, Midland, TX 79701 915/682-3753		8. FARM OR LEASE NAME, WELL NO. Bell Lake, 7909 JV-P No. 2
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660 FSL & 1980' FEL SW/SE (U. ltr. O) At proposed prod. zone		9. API WELL NO. 30-025-34827
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 26 Miles west of Jal		10. FIELD AND POOL, OR WILDCAT Bell Lake, Morrow Mid
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drip, unit line, if any) 660	16. NO. OF ACRES IN LEASE 157.81	11. SEC., T., R., M., OR BLK AND SURVEY OR AREA Sec. 18, T23S, R34E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. none	19. PROPOSED DEPTH 13,600	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3501 GR; 3521 RKB		13. STATE NM
22. APPROX. DATE WORK WILL START* 02/14/00		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	K55, 13-3/8"	54.5#	700'	800 sx (sufficient to circulate)
12-1/4"	K55 - 9-5/8"	40#	5000'	1500 sx (Sufficient to Circulate)
8-1/2"	P110/S95; 7"	29#	11,800	Above 9-5/8" shoe
6-1/8"	P110; 5" liner	18#	11,400'-TD	Circ. around liner

I hereby certify that BTA OIL PRODUCERS is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with this application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BTA 's Statewide Bond #1556199

OPER. OGRID NO. 3002
PROPERTY NO. 2296
POOL CODE 72000
EFF. DATE 1-5-2000
API NO. 30-025-34827

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Regulatory Administrator DATE 12/07/99
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

Acting Field Office Manager.
Acting Lands and Minerals

APPROVED BY _____ TITLE _____ DATE JAN 03 2000

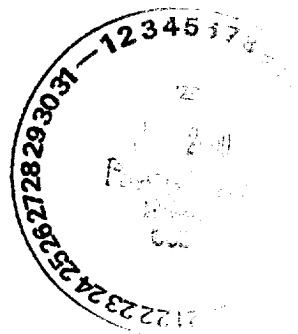
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

GWW

[Signature]

RECEIVED
DEC 08 1999
BLM
ROSWELL, NM



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1080

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34827	Pool Code 74920 12000	Pool Name Bell Lake, Morrow Mid
Property Code 2296	Property Name 7909 JV-P BELL LAKE	Well Number 2
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3501

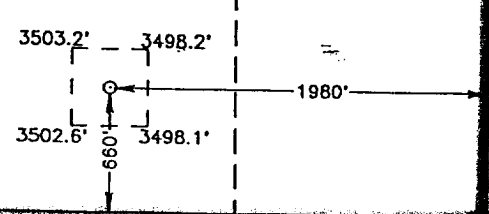
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	18	23 S	34 E		660	SOUTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 315.62	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION			
				<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Dorothy Houghton</i> Signature DOROTHY HOUGHTON Printed Name. REGULATORY ADMINISTRATOR Title December 7, 1999 Date</p>			
				SURVEYOR CERTIFICATION			
				<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 2, 1999</p> <p>Date Surveyed. EIDSON JLP Signature & Seal of Professional Surveyor. 3239 12-14-99 P.O. Num. 99-14-1052 Certificate No. RYAN L EIDSON, 3239 S. EIDSON, 12641 WACON McDONALD, 12185</p>			
							



APPLICATION FOR DRILLING

**BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, NO. 2
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, New Mexico**

In conjunction with Form 3160-3, Application for Permit to Drill, BTA Oil Producers submits the following 10 items for pertinent information in accordance with BLM requirements:

1. The geologic surface formation is Quaternary.
2. The estimated top of geologic markers are as follows:

Delaware	5,055'
Bone Spring Lime	8,530'
Strawn Lime	11,830'
Atoka Bank Lime	12,230'
Morrow Clastics	12,730'
Upper Morrow	12,930'
Lower Morrow	13,340'

3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:

Atoka Bank Lime	12,230'	Upper Morrow	12,930'
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All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished to the BLM, Division of Minerals. All oil and gas shows will be adequately tested for commercial possibilities and reported and protected.

4. Proposed Casing and Cementing Program:

<u>Casing Size</u>	<u>Setting From</u>	<u>Depth to</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
13-3/8 "	0	700'	54.5#	J55	STC
9-5/8"	0	4,000'	40#	K55	LTC
9-5/8"	4,000'	5,000'	40#	HCK55	LTC
7"	0	11,800'	29#	P110/S95	LTC
5" Liner	11,300'	TD	18#	P110	STL



Depending upon availability at the time that the casing is run, equivalent weights and grades may be substituted.

13-3/8" casing will be cemented with 500 sx light cement, tailed-in with 300 sx Class "C" cement. Circulated to the surface.

9-5/8" casing will be cemented with 1,500 sx light cement tailed-in with 300 sx Class "C".

7" casing will be cemented with 1,000 sx light, tailed in w/ 400 sx Class "H" to to cement back above 9-5/8" shoe.

5" liner will be cemented with 250 sx Class H with sufficient volume to circulate.

Note: All casing strings will be pressure tested to 0.22 psi/ft. of setting depth or 1500 psi (whichever is greater) after cementing and prior to drillout.

5. Pressure Control Equipment: See Attached Diagrams.
6. Mud Program:

Surface to 700': Fresh water spud with 35 to 45 sec/1000 cc viscosity. Will keep mud weight as low as possible using solids separation equipment and water. Will maintain fresh gel in system. Mud wt = 9.5/ 9.6

700' to 5,000': Brine water, circulate to reserve pit. Will use lime for pH control in range 10 to 11. Will sweep hole with gel slugs as required for hole cleaning. Mud wt = 10 ppg

5,000' to 11,800': 8.6 to 9.2 ppg controlled brine water. Will use lime for pH control in range 10 to 11. Will sweep hole with salt gel slugs as required for hole cleaning. Will use paper for seepage losses. Will adjust fluid weight as required using brine water.

11,800 to TD: Drill out below 7" casing with premix mud. Mud weight will be adjusted as required by hole conditions. Mud wt = 11.5/ 12.0 ppg.



7. AUXILIARY EQUIPMENT:

- a) Upper kelly cock valve with handle available.
- b) Lower kelly cock valve with handle available.
- c) Safety valves and subs to fit all drill string connections in use.
- d) Inside BOP or float sub available.
- e) Wear ring in casing head
- f) No floats at bit
- g) Monitoring of mud system will be electronic/ mechanical below 9,500'.

8. Testing Logging and Coring Program:

Drill Stem Tests will only made when samples, drilling time and other data indicate a test is warranted.

It is planned that electric logs will include Gamma Ray-CNL, FDC logs and dual laterologs.

Note: A gamma ray log will be run over the surface casing from its base to the ground surface.

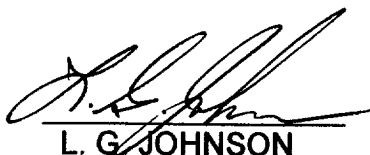
No coring is planned.

9. No abnormal pressure is anticipated in the Atoka and Morrow. BHP=8000 psi (maximum)

10. Anticipated Starting Date:

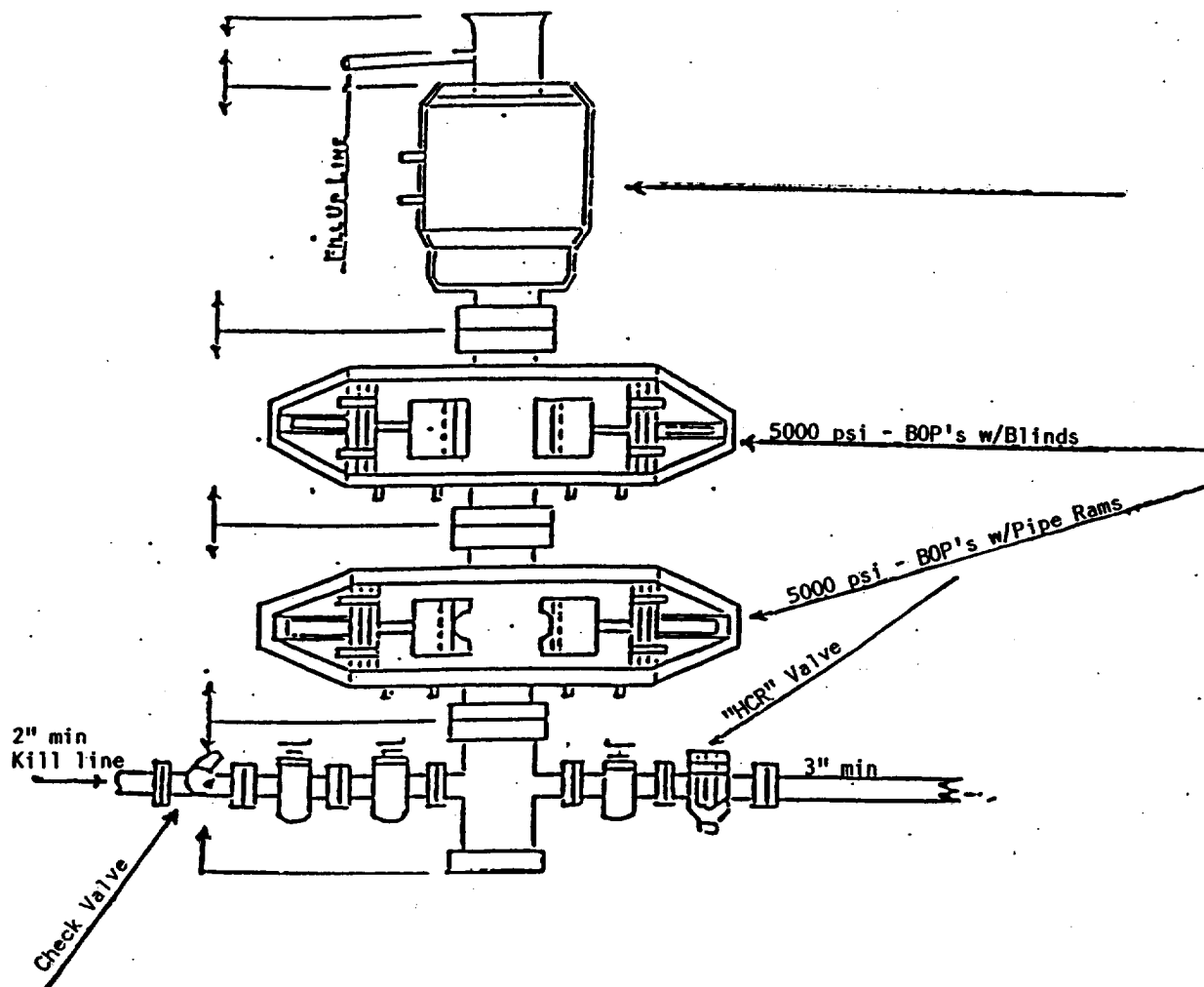
It is planned to commence drilling operations on or before February 14, 2000 to last a period of 85 days.

Contact L. G. JOHNSON at 915-682-3753
With any questions concerning the Drilling Plan.



L. G. JOHNSON
Drilling Superintendent



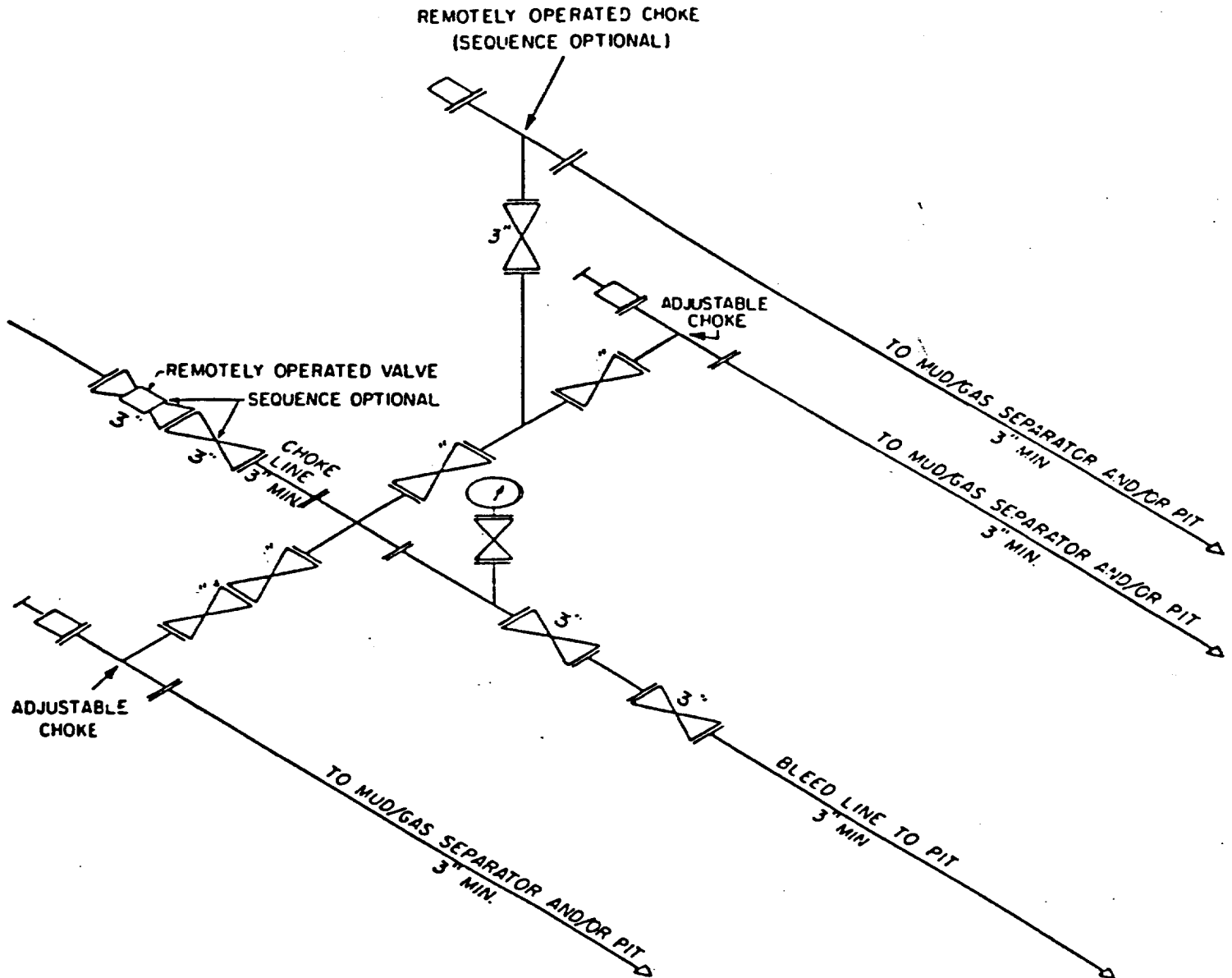


BOP HOOK UP AFTER SETTING SURFACE

BTA OIL PRODUCERS
 Bell Lake, 7909 JV-P, No. 2
 660' FSL & 1980' FEL
 Sec. 18, T23S, R34E
 Lea County, NM



5 M CHOKE MANIFOLD EQUIPMENT



CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM



SURFACE USE PLAN SUMMARY

FOR

BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
Sec. 18, T-23-S, R-34-E
Lea County, N.M.

<u>LOCATED:</u>	26 Miles West of Jal, NM
<u>FEDERAL LEASE NUMBER:</u>	NMNM 1065194
<u>SURFACE OWNERSHIP:</u>	R. V. Keller, LLC 2811 Co. Rd. 460 Oakley, KS 67748 785/672-3257
<u>POOL:</u>	Bell Lake, Morrow Mid
<u>DEDICATED ACRES:</u>	315.62– S/2 of Sec. 18 (Pooled)
<u>EXHIBITS:</u>	A. Topographic Vicinity Map B. Topographic Road Map C. Pit and Pad Layout D. Rig Layout Sketch E. County Map



MULTI-POINT SURFACE USE & OPERATIONS PLAN

BTA OIL PRODUCERS

**#2, BELL LAKE, 7909 JV-P
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the referenced well. The plan describes the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance, and the procedures to be followed in rehabilitating the surface after completion of the operation so that complete appraisal can be made concerning the environmental effects associated with the operations.

1. Existing Roads

- A. Exhibit –A- is a topographic map showing the location of the proposed well as staked with existing roads and conditions within the one mile area. The proposed location is approximately 26 miles west from, Jal New Mexico as shown on Exhibit –B-.
- B. From Jal, travel westerly on NM State highway 128 turn north on Lea County Road 21, also known as Delaware Basin Road and travel 6.2 miles. Turn east on new lease road for .1 mile to the wellsite, as shown on Exhibit -B-

2. Access Road

- A. Our proposed access road will be 1046 feet from Lea County Rd 21 as shown on Exhibit –B- and east to the well pad as shown on Exhibit –C-.
- B. Caliche will be used for the access road; watered, compacted and graded.



MULTI-POINT SURFACE USE & OPERATIONS PLAN

#2, Bell Lake, 7909 JV-P

Page 2

C. The access road will be crowned for drainage and maintained during drilling operations and, if productive, as long as producing.

3. Location of Existing Wells

A. All existing wells within a one mile radius of our proposed well are shown on Exhibit –E-.

4. Location of Existing and/ or Proposed Facilities if Well is Productive.

A. If well is productive, we will use the existing well pad for the tank battery and all necessary production facilities.

B. New facilities will be applied for via Sundry notice with a schematic diagram prior to installation.

C. Should the well be successfully completed for production, the BLM will be notified within five days when the well is placed in producing status.

D. All facilities will be painted a flat, nonreflective, earthtone color to match the standard environmental colors within six months of installation.

5. Location and Type of Water Supply

A. Water for drilling and completion operations will either be purchased and trucked to the well site, or transported by plastic temporary "fas-line" laid on the surface alongside existing roads.

6. Source of Construction Materials

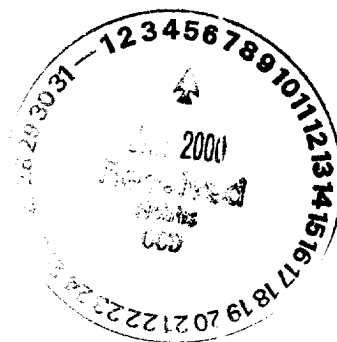
A. Caliche used for construction of the drilling pad and access road will be obtained from closest existing caliche pit as designated by the BLM.

B. If there is not sufficient material available, it will be purchased from the area designated by the BLM.

7. Methods of Handling Waste Disposal

A. Drill cuttings will be disposed of in the reserve pits located on the north side of the rig.

B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough for backfilling.



MULTI-POINT SURFACE USE AND OPERATION PLAN

#2, Bell Lake, 7909 JV-P

Page 3

- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system or a separate disposal application will be submitted to the BLM for appropriate approval.**
- D. Oil produced during testing will be stored in test tanks until sold.**
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.**
- F. Trash, waste paper and garbage will be disposed of by hauling to an available disposal. All waste material will be contained in a totally enclosed trash basket with a fine wire mesh, to prevent wind scattering during collection. The road and pad will be kept litter free.**

8. Ancillary Facilities

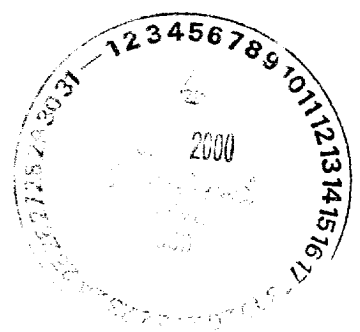
- A. It is possible that a mobile home will be used at the well site during drilling operations.**

9. Wellsite Layout

- A. Exhibit –D- shows the rig layout and reserve pit.**
- B. No cut and fill will be required at the well site, however, it will require clearing and leveling.**
- C. The reserve pits will be fenced.**

10. Plans for Restoration of Surface

- A. Following drilling and/or completion operations, all equipment and material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site as clean as possible.**
- B. Any unguarded pits containing fluids will be fenced until they are filled. Oil in the mud pit will necessitate either removal or installation of overhead flagging. The pit will be allowed to dry prior to the commencement of backfilling operations. Fill material will be pushed back into the cuts and up over the backslope, recontouring the area so that there are no large depressions that will trap water or form ponds. Topsoil will be evenly distributed over the entire location. The seedbed will be prepared by disking to a depth of four to six inches following the contour.**



MULTI-POINT SURFACE USE AND OPERATION PLAN

#2, Bell Lake, 7909 JV-P

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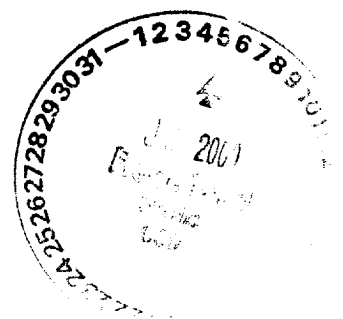
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible.
- D. All disturbed areas will be seeded on the contour at a depth of one-half inch using the following mixture:
 - 1 pound per acre Sand Dropseed
 - 1 pound per acre Sand Lovegrass
 - 2 pounds per acre Plains Bristlegrass
- E. Seeding will be completed after September 15 and prior to November 15th before freeze up or as early as possible the following spring to take advantage of available ground moisture.
- F. Newly constructed access road will be recontoured, disked, and seeded as specified above. All rehabilitation work, including seeding, will be completed as specified by the BLM, or sooner if conditions permit.

11. Surface Topography

- A. The surface ownership is Keller, R. V., LLC, 2811 So. Co. Rd 460, Oakley, KS 67748, Phone 785/672-3257.
- B. The wellsite and access route are located to the South of San Simon Swale as shown on Exhibit –A-, Topographic map of the area. The area is fairly flat with sandy loam soil underlain with caliche.
- C. There are no houses or buildings within one mile of the drillsite.
- D. Signs identifying and locating our well will be maintained at the drillsite and principle entrance, commencing with the spudding of the well.
- E. An Archaeological Survey is being prepared by Desert West Archaeology and will be sent directly to the Carlsbad office.

12. Operator's Representative:

- A. The field representative that is responsible for assuring compliance With the approved surface use plan is:
 - Drilling Superintendent: Mr. L. G. Johnson
 - Phone: 915/682-3753 (Office)
 - 915/682-5149 (Home)
 - 915/553-2703 (Mobile)



MULTI-POINT SURFACE USE AND OPERATION PLAN

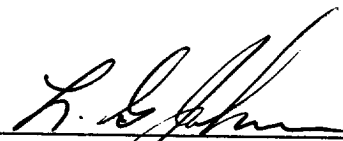
#2, Bell Lake, 7909 JV-P

Page 5

13. Certification:

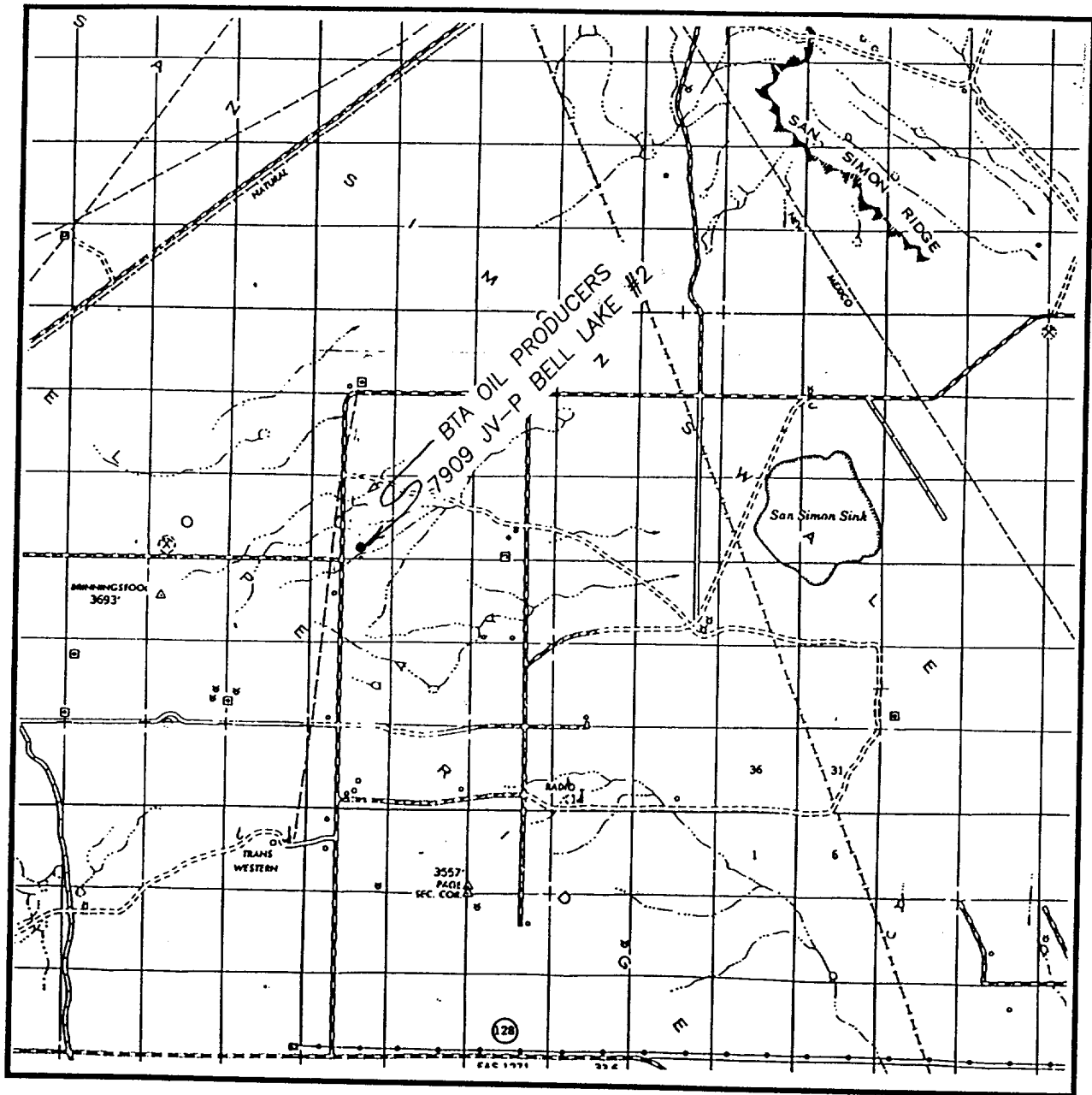
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by BTA Oil Producers and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

Dated this 7th day of December, 1999.


L. G. JOHNSON
DRILLING SUPERINTENDENT
FOR BTA OIL PRODUCERS



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 18 TWP. 23-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 3501

OPERATOR BTA OIL PRODUCERS

LEASE 7909 JV-P BELL LAKE

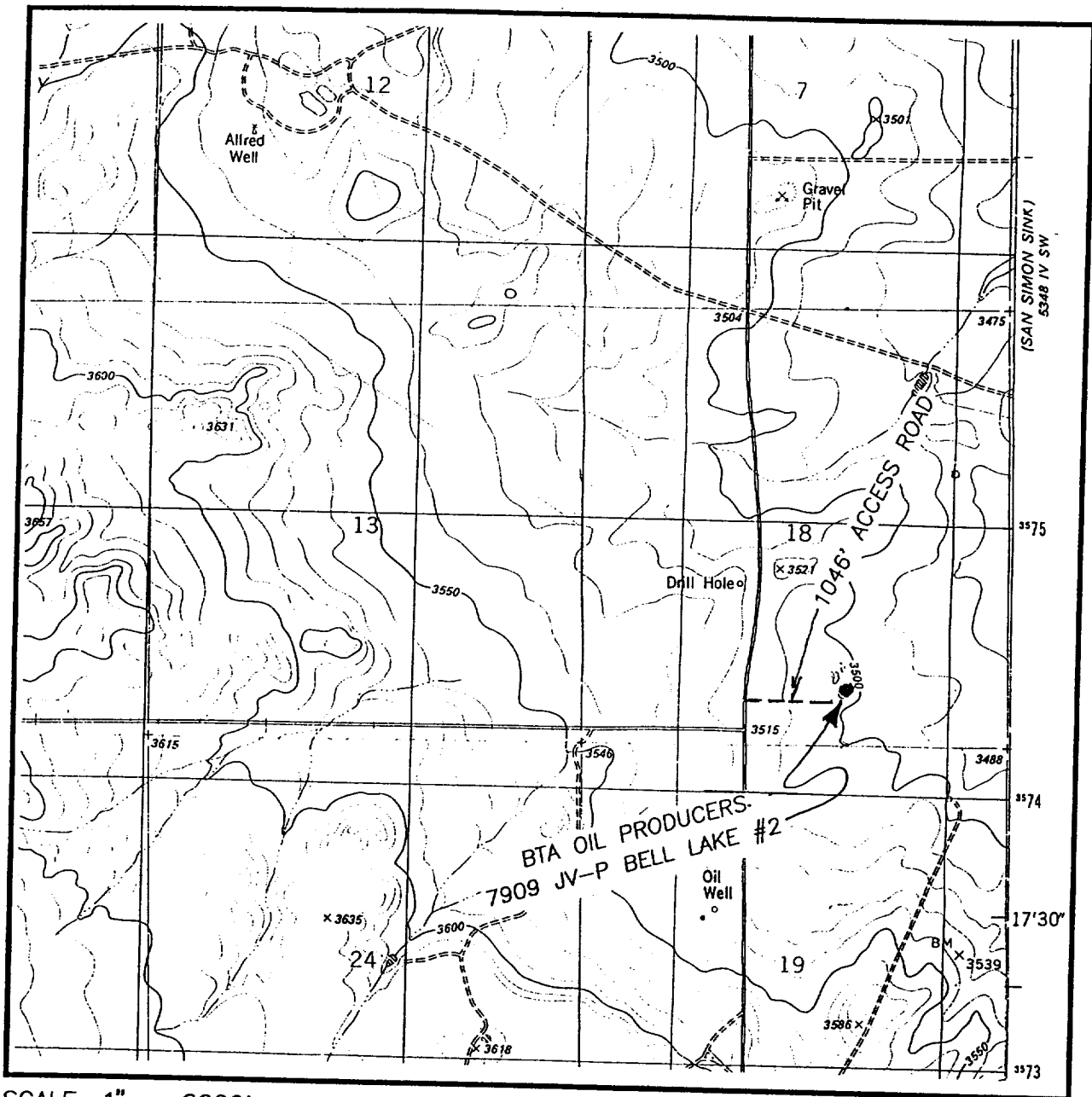
EXHIBIT -A-

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO**

(505) 393-3117



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 18 TWP. 23-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FSL & 1980' FEL

ELEVATION 3501

OPERATOR BTA OIL PRODUCERS

LEASE 7909 JV-P BELL LAKE

U.S.G.S. TOPOGRAPHIC MAP

TIP TOP WELLS, N.M.

EXHIBIT -B-

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO**

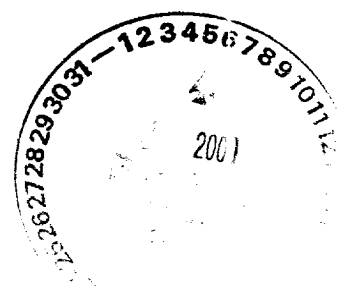
(505) 393-3117



Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ **AMENDED REPORT**

<div><p>EXHIBIT -C-</p><p>3503.2' — 3498.2'</p><p>3502.6' — 3498.1'</p><p>660' — 1650'</p></div>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Dorothy Houghton</i></p> <p>Signature</p> <p>DOROTHY HOUGHTON</p> <p>Printed Name</p> <p>Regulatory Administrator</p> <p>Title</p> <p>December 7, 1999</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>DECEMBER 2, 1999</p> <p>Date Surveyed</p> <p><i>Ronald J. Eidson</i></p> <p>Signature & Seal of Professional Surveyor</p> <p>NEW MEXICO</p> <p>3289</p> <p>99-03-99</p> <p>W.O. Num. 99-1052</p> <p>Certified by: R. J. EIDSON, 3239 S. EIDSON, 12641 McDONALD, 12185</p>



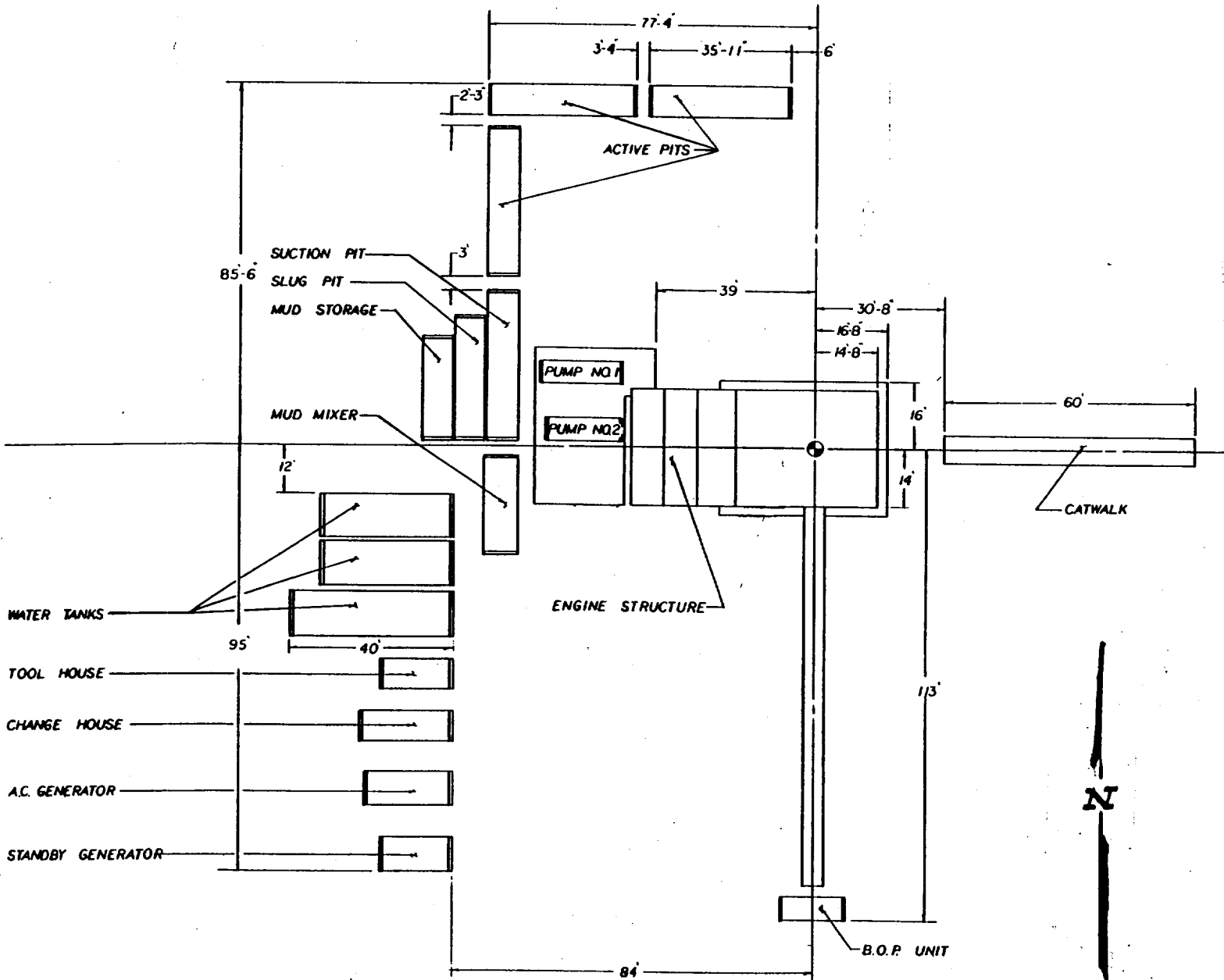
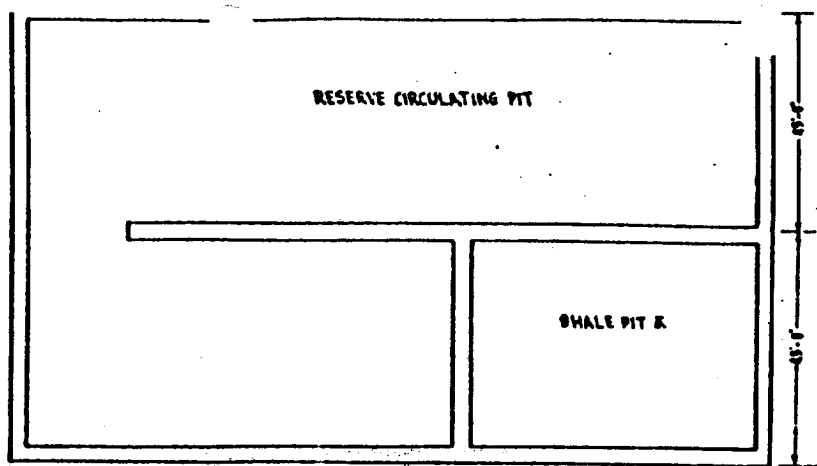
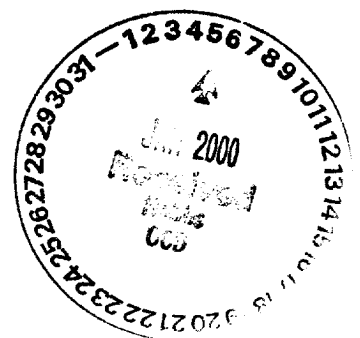


EXHIBIT - D -
BTA OIL PRODUCERS
 Bell Lake, 7909 JV-P, No. 2
 660' FSL & 1980' FEL
 Sec. 18, T23S, R34E
 Lea County, NM



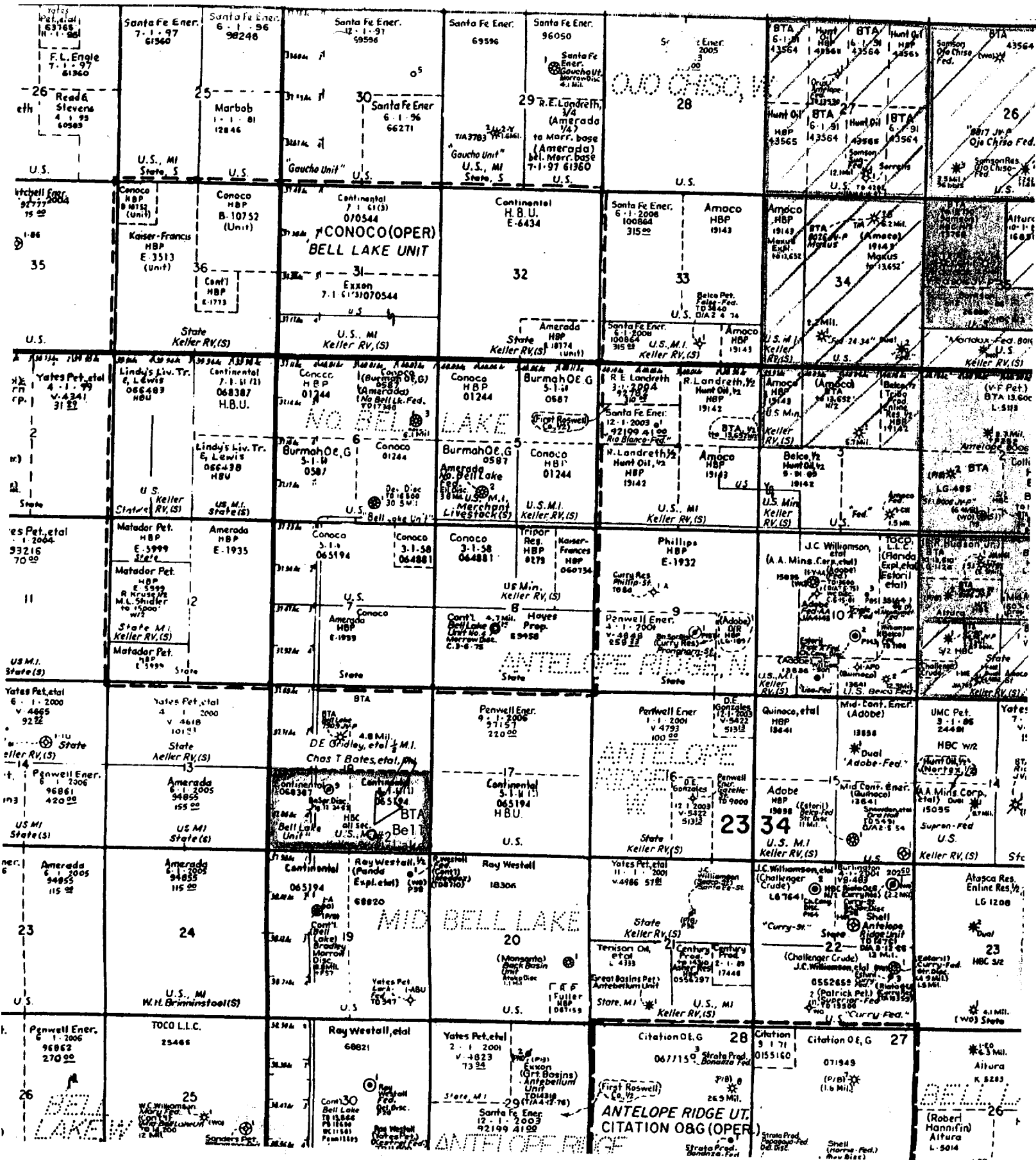


EXHIBIT - E -
BTA OIL PRODUCERS
Bell Lake, 7909 JV-P, No. 2
660' FSL & 1980' FEL
Sec. 18, T23S, R34E
Lea County, NM

