

N. M. OIL CONS. COMMISSION
P. O. BOX 1980
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(See 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. NMNM97153		
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. Vaca Draw, 9418 JV-P #2		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL & 1980' FEL At proposed prod. zone B			9. API WELL NO. 30-025-34639		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 29 Miles West from Jal			10. FIELD AND POOL, OR WILDCAT Johnson Ranch Vaca Draw; Wolfcamp		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drg. unit line, if any) 660			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10, T25S, R33E		
16. NO. OF ACRES IN LEASE 640			12. COUNTY OR PARISH Lea		
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2952			19. PROPOSED DEPTH 14,200'		
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3410' GR		
22. APPROX. DATE WORK WILL START* 06/21/99					

23. PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	J55, 13-3/8"	54.5#	700'	Sufficient to Circulate
12-1/4"	K55, 9-5/8"	40#	5000'	1400 sx-Sufficient to Circulate
8-3/4"	P110/S95, 7"	29#	12,800'	Cmtd to +4000' w/1400 sx
6-1/8"	P110, 5" liner	18#	12,800 - TD	250 sx-Sufficient to Circulate

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.

APPROVED NO. 3002
PROJECT NO. 19661
POST CODE 86790
EFFECTIVE DATE 6-9-99
API NO. 30-025-34639

**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 05/11/99

(This space for Federal or State office use)

PERMIT NO. ORIGINAL - BUREAU OF LAND MANAGEMENT

APPROVAL DATE JUN 09 1999

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

APPROVED BY [Signature] TITLE Assistant Field Office Manager, Lands and Minerals DATE JUN 04 1999

*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.

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[Signature]

RECEIVED

MAY 12 '99

BLM
ROSWELL, NM

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1964
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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 30-025-34639	Pool Code 86790	Pool Name Vaca Draw; Johnson Ranch, Wolfcamp
Property Code 19661	Property Name 9418 JV-P VACA DRAW	Well Number 2
OGRID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3410

Surface Location

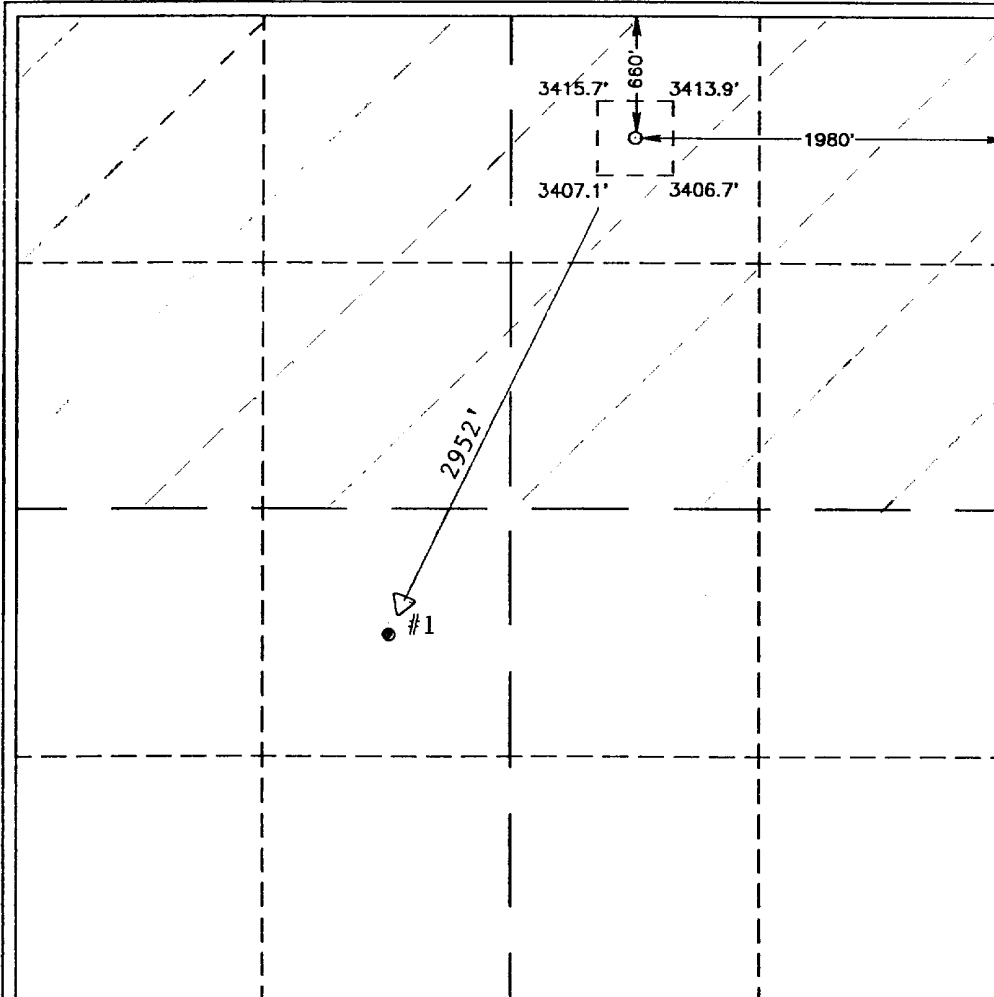
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	10	25 S	33 E		660	NORTH	1980	EAST	LEA

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	Joint or Infill	Consolidation Code	Order No.
320			

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

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Dorothy Houghton
Signature

DOROTHY HOUGHTON

Printed Name

Regulatory Administrator

Title

05/07/99

Date

SURVEYOR CERTIFICATION

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.

MAY 4, 1999

Date Surveyed JLP

Signature & Seal of
Professional Surveyor

Ronald Edson
RONALD EDSON
P.O. Num. 99-110388
Certificate No. RONALD EDSON, 32361
GARY EDSON, 12841
WILLIAM EDSON, 12185

APPLICATION FOR DRILLING

**BTA OIL PRODUCERS
VACA DRAW, 9418JV-P, NO. 2
660' FNL & 1980' FEL
Sec. 10, T25S, R33E
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:

Anhydrite	1,100'	Bone Spring LS	9,200'
Delaware	5,000'	Wolfcamp	12,450'

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

Wolfcamp 12,450'

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	12,800'	29#	P110/S95	LTC
5" Liner	12,400'	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 600 sx, PBCZ. Circulated to surface.

9-5/8" casing will be cemented back with 1,400 sx light cement tailed-in with 300 sx Premium. Circulated to the surface.

7" casing will be cemented with 1000 sx light, tailed in with 400 sx Class H back above 9-5/8" shoe.

5" liner will be cemented with 250 sx Class H 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. 3,000 psi on 13-3/8"; 5,000 psi on 9-5/8"; 10,000 psi on 7"

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.

5,000' to 12,800': 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.

12,800 to TD: Drill out below 7" casing with premix mud. Mud weight will be adjusted as required by hole conditions. Mud wt = 12 to 15 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 log from Surface to 14,200'; Neutron log from Surface to 14,200'; Density log from 5000' to 14,200'; Dual Laterolog from 5000' to 14,200'; Caliper log from 5000' to 14,200'; Formation Imager log from 12,800' to 14,200'.

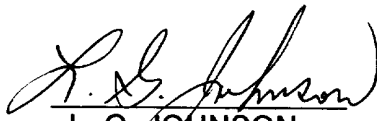
No coring is planned.

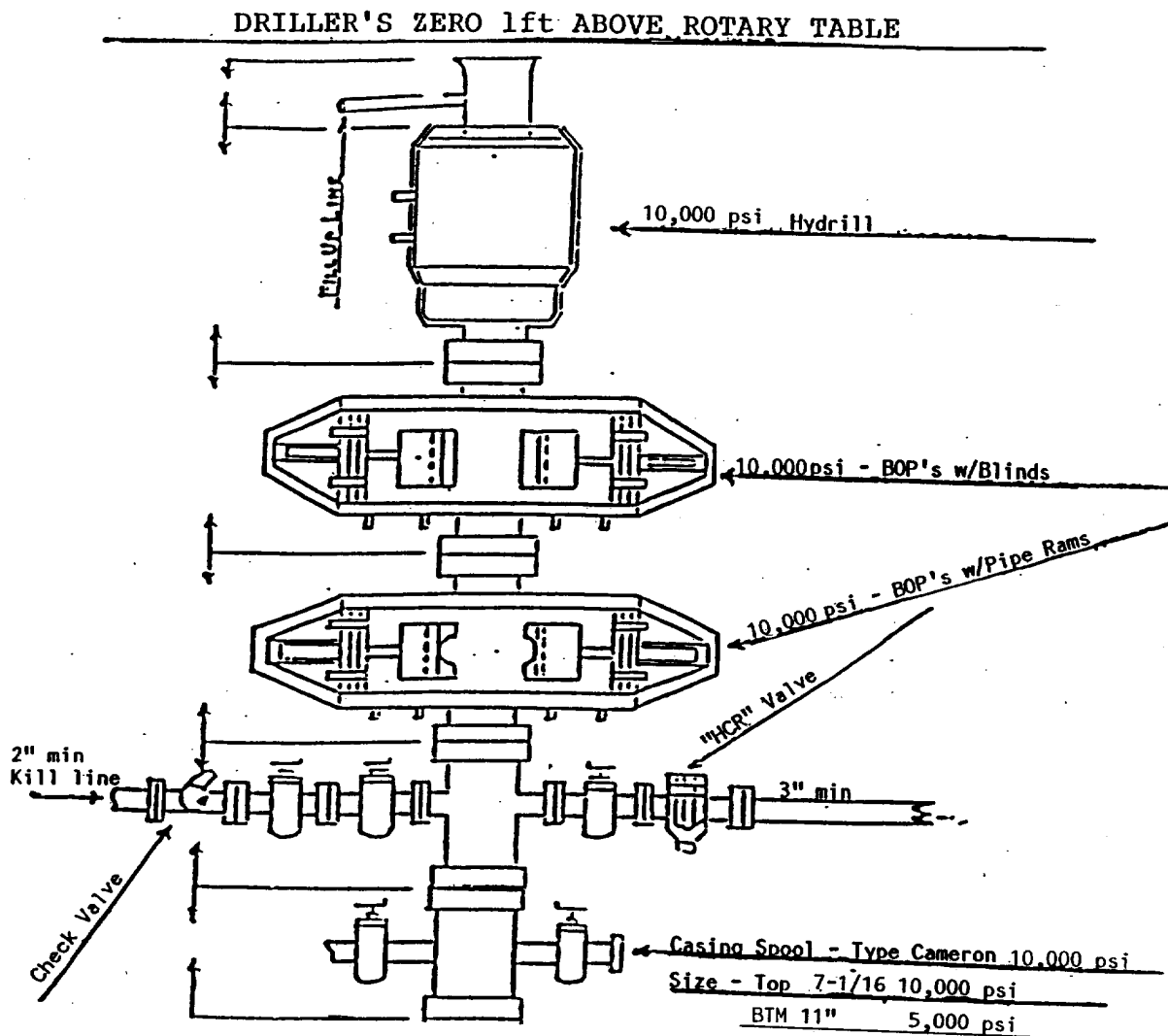
9. Abnormal pressure is anticipated in Wolfcamp. BHP \pm 10,000 psi (max)

10. Anticipated Starting Date:

It is planned to commence drilling operations on or before June 21, 1999 to last a period of 85 days.

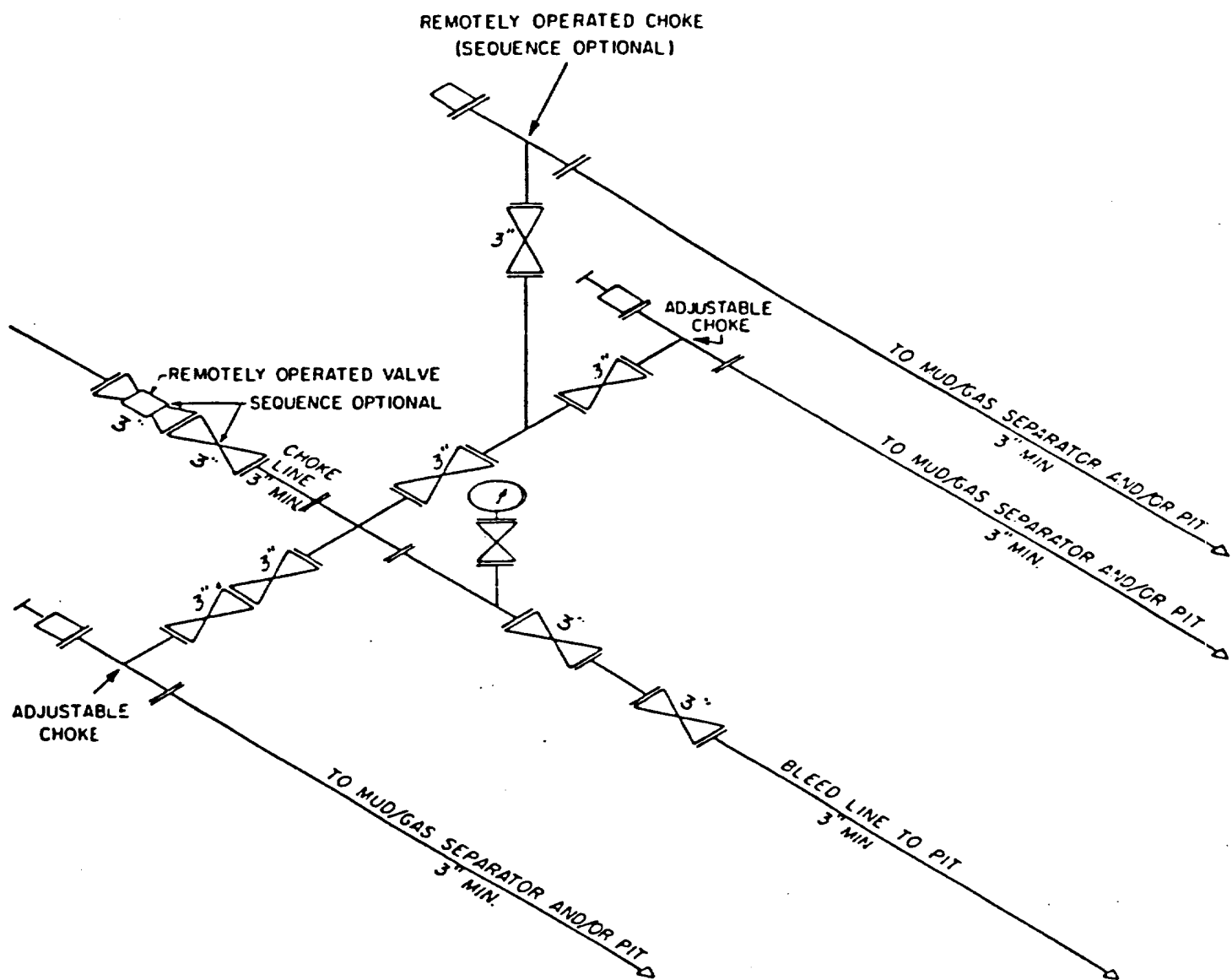
Contact L. G. JOHNSON at 915-682-3753
With any questions concerning the Drilling Plan.


L. G. JOHNSON
Drilling Superintendent



BOP HOOK UP AFTER SETTING INTERMEDIATE (7") STRING.
 ALL CONNECTIONS FROM THE SPOOL UP WILL BE TESTED TO
 10,000 psi.

BTA OIL PRODUCERS
 9418 JV-P VACA DRAW # 2
 1980' FEL & 660' FNL
 SEC. 10, T-25S, R-33E
 LEA COUNTY, NEW MEXICO
 JOHNSON RANCH (WOLFCAMP)



CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

SURFACE USE SUMMARY

FOR

BTA OIL PRODUCERS
VACA DRAW, 9418 JV-P, Well No. 2
660' FNL & 1980' FEL
Sec. 10, T-25-S, R-33-E
Lea County, N.M.

<u>LOCATED:</u>	29 Miles West from Jal
<u>FEDERAL LEASE NUMBER:</u>	NMMN 97153
<u>SURFACE OWNERSHIP:</u>	Federal – BLM
<u>GRAZING LEASEE:</u>	Diamond & Half Ranch c/o Carl Johnson P. O. Box 1292 Jal, NM 88252 505-225-2017
<u>POOL:</u>	Johnson Ranch
<u>DEDICATED ACRES:</u>	320 –North Half of Sec. 10
<u>EXHIBITS:</u>	A. Topographic Vicinity Map B. Access Road C. Rig Layout Sketch D. County Map

MULTI-POINT SURFACE USE & OPERATIONS PLAN

BTA OIL PRODUCERS

**#2, VACA DRAW, 9418 JV-P
660' FNL & 1980' FEL
Sec. 10, T25S, R33E
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 29 miles west from Jal as shown on Exhibit –B-.
- B. From Jal, travel west 24.3 miles north on State Highway 128; turn left on County Road C-2 and go 2.6 miles southwest to the cattle guard and going by the Ranch House. Continue southeast for 2 miles; turn left and go east on new access road to the drill site as shown on Exhibit –A- and –B-.

2. Access Road

- A. Our proposed new access road will be an estimated 401 feet east of existing lease road as shown on Exhibit –B-. All of the new access road is on BTA's lease.
- B. The access road will be crowned for drainage with ditching on both sides of the roadway with turnout ditches located at beginning and end. All roads will be maintained during drilling operations and, if productive, as long as producing.

MULTI-POINT SURFACE USE AND OPERATION PLAN

#2, Vaca Draw, 9418 JV-P

Page 2

3. Location of Existing Wells

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

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 will be obtained from the 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, Vaca Draw, 9418 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 –C- shows the rig layout and reserve pit.
- B. Cut and fill will be used as required at the well site, along with the required 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 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, Vaca Draw, 9418 JV-P

Page 4

- 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 seed mixture specified by the BLM.
- 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.

11. Surface Topography

- A. The surface ownership is Federal.
- B. The grazing lessee is: Diamond & Half Ranch
P. O. Box 1292
Jal, New Mexico 88252
- C. The wellsite and access route are shown on Exhibit –A-, Topographic map of the area. Our access route is covered by NM State Land Office ROW No. RW-26037 in Sections 33 and 34 and BLM-ROW Serial No. NMNM-96619 covers Section 3 as shown on Exhibit –A-.
- D. There are no houses or buildings within one mile of the drillsite. The Ranch house located two miles northwest is the closest building.
- E. Signs identifying and locating our well will be maintained at the drillsite and principle entrance, commencing with the spudding of the well.
- F. An Archaeological Survey is being prepared by Desert West Archaeology and sent directly to the Carlsbad office.

12. Operator's Representative:

- A. The BTA 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)

MULTI-POINT SURFACE USE & OPERATION PLAN

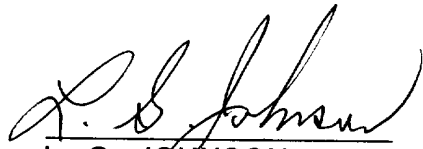
#2, Vaca Draw, 9418 JV-P

Page 5

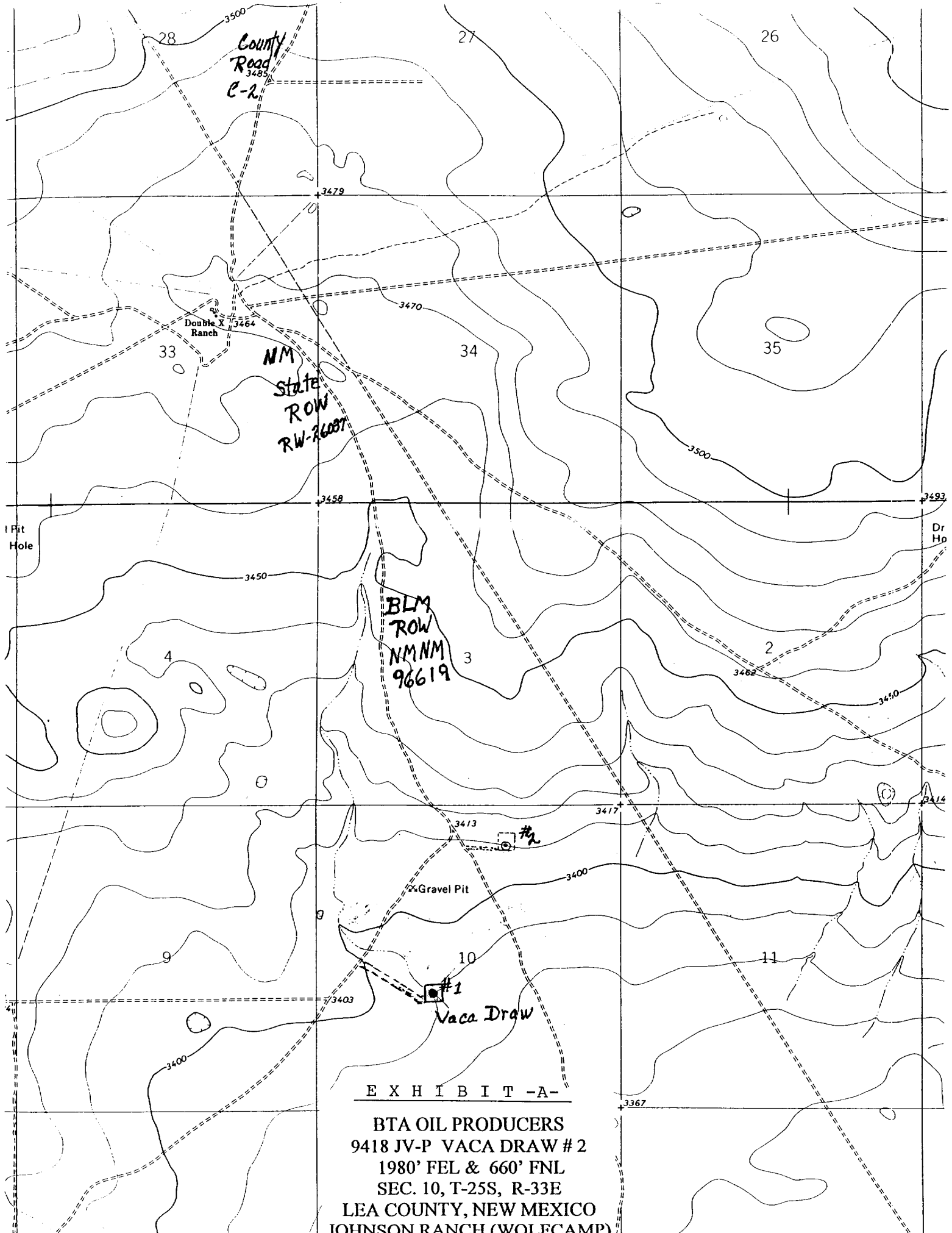
13. Certification:

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.

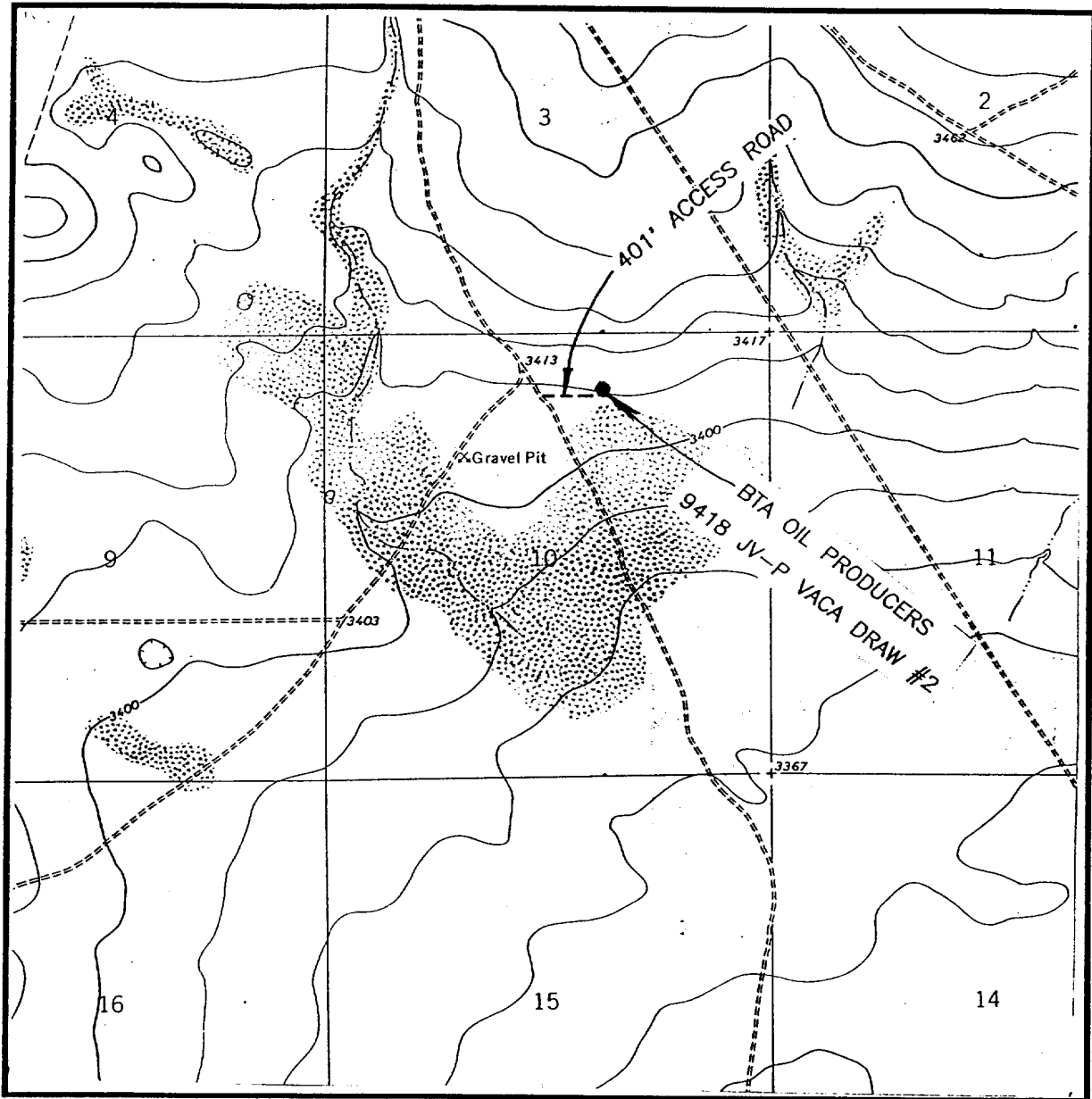
Dated this 11th day of May, 1999.

A handwritten signature in black ink, appearing to read "L. G. Johnson", written over a horizontal line.

L. G. JOHNSON
DRILLING SUPERINTENDENT
FOR BTA OIL PRODUCERS



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 10 TWP. 25-S RGE. 33-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FNL & 1980' FEL

ELEVATION 3410'

OPERATOR BTA OIL PRODUCERS

LEASE 9418 JV-P VACA DRAW

U.S.G.S. TOPOGRAPHIC MAP

BELL LAKE, N.M.

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO**

(505) 393-3117

E X H I B I T -B-

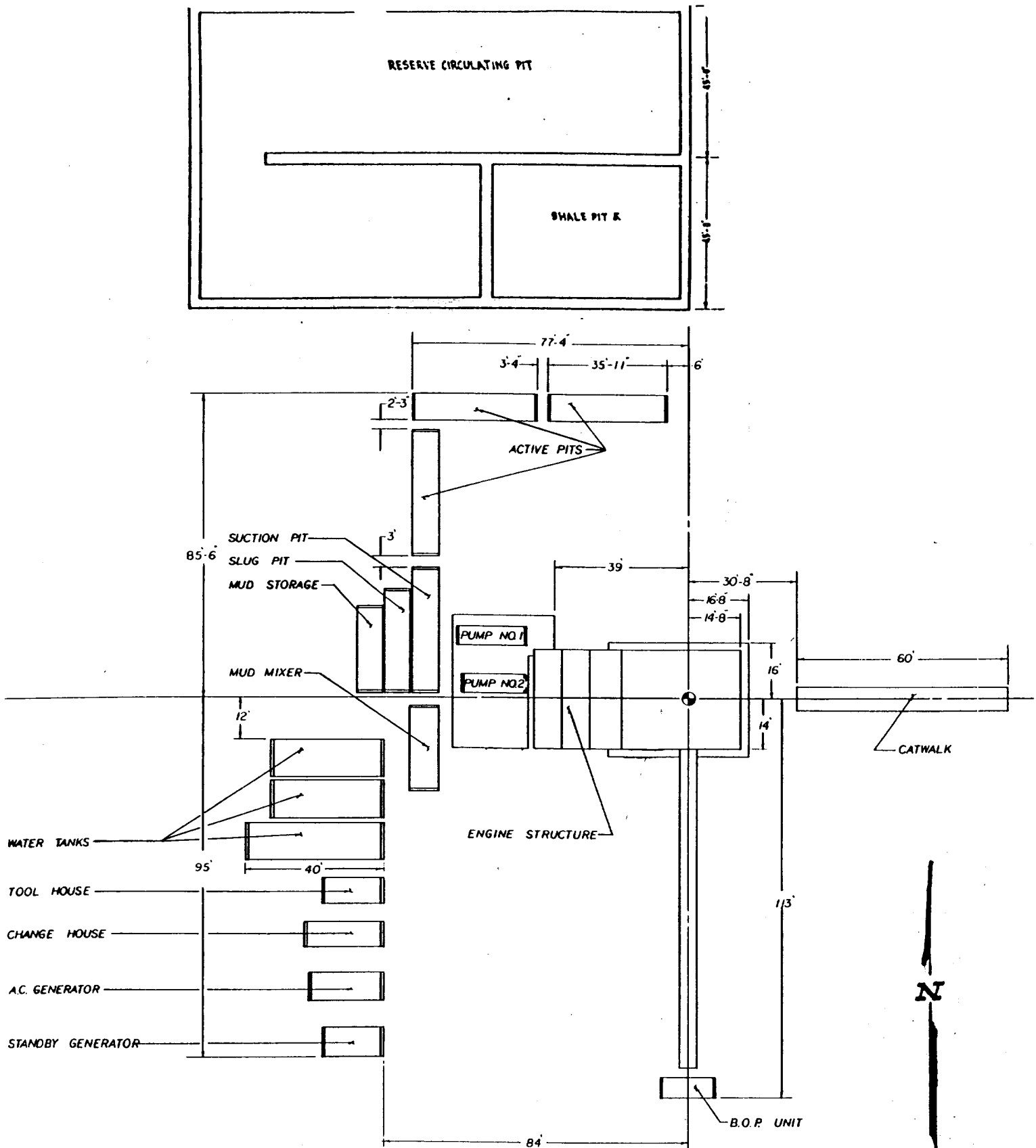


EXHIBIT -C-
 BTA OIL PRODUCERS
 9418 JV-P VACA DRAW #2
 1980' FEL & 660' FNL
 SEC. 10, T-25S, R-33E
 LEA COUNTY, NEW MEXICO
 JOHNSON RANCH (WOLFCAMP)

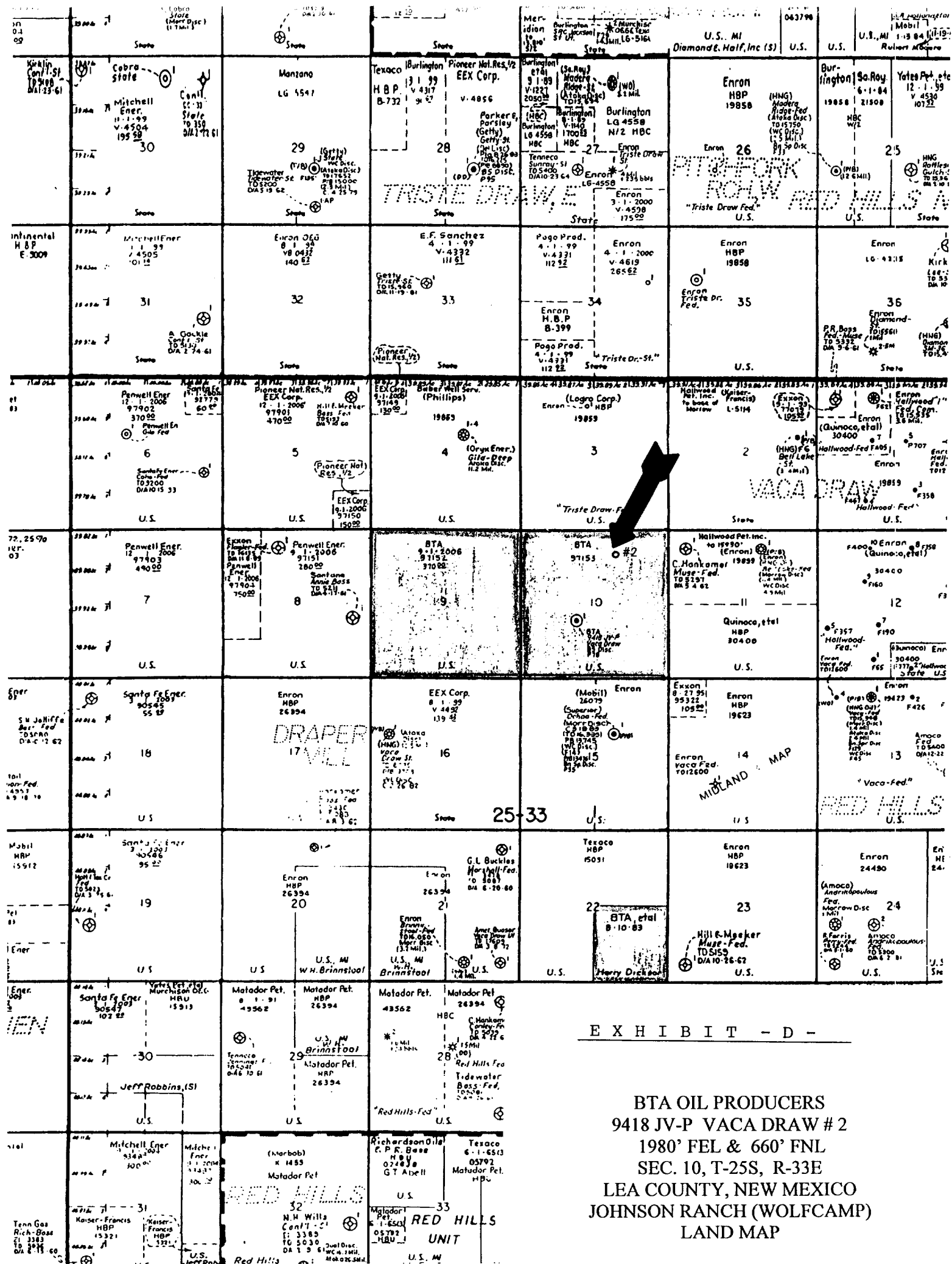


EXHIBIT - D -

BTA OIL PRODUCERS
9418 JV-P VACA DRAW # 2
1980' FEL & 660' FNL
SEC. 10, T-25S, R-33E
LEA COUNTY, NEW MEXICO
JOHNSON RANCH (WOLFCAMP)
LAND MAP