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|--|--|---|
| API No. <u>42-003-36921</u><br>Drilling Permit # <u>697322</u><br>SWR Exception Case/Docket No. <u>0266200 (R37)</u> | <b>RAILROAD COMMISSION OF TEXAS</b><br><b>OIL &amp; GAS DIVISION</b><br><b>APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER</b><br><i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i><br><i>A certification of the automated data is available in the RRC's Austin office.</i> | <b>FORM W-1</b> 07/2004<br>Permit Status: <b>Approved</b> |
|--|--|---|

|   |   |   |
|---|---|---|
| 1. RRC Operator No.<br><b>041867</b>        | 2. Operator's Name (as shown on form P-5, Organization Report)<br><b>BTA OIL PRODUCERS, LLC</b> | 3. Operator Address (include street, city, state, zip): |
| 4. Lease Name<br><b>9015 JV-P BLOCK -9-</b> |   | 5. Well No.<br><b>1</b>                                 |

|  |   |   |  |                                   |  |
|--|---|---|--|-----------------------------------|--|
| <b>GENERAL INFORMATION</b>                         |   |   |  |                                   |  |
| 6. Purpose of filing (mark ALL appropriate boxes): |   |   |  |                                   |  |
| <input type="checkbox"/> New Drill                 | <input checked="" type="checkbox"/> Recompletion                          | <input type="checkbox"/> Reclass                                      | <input type="checkbox"/> Field Transfer                                | <input type="checkbox"/> Re-Enter |  |
| <input type="checkbox"/> Amended                   | <input type="checkbox"/> Amended as Drilled (BHL) (Also File Form W-1D)   |   |  |                                   |  |
| 7. Wellbore Profile (mark ALL appropriate boxes):  |   |   |  |                                   |  |
| <input type="checkbox"/> Vertical                  | <input type="checkbox"/> Horizontal (Also File Form W-1H)                 | <input checked="" type="checkbox"/> Directional (Also File Form W-1D) | <input type="checkbox"/> Sidetrack                                     |                                   |  |
| 8. Total Depth<br><b>12600</b>                     | 9. Do you have the right to develop the minerals under any right-of-way ? |   | 10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? |                                   |  |
|  | <input checked="" type="checkbox"/> Yes                                   | <input type="checkbox"/> No   | <input checked="" type="checkbox"/> Yes                                | <input type="checkbox"/> No       |  |

|  |                              |                            |  |  |  |
|--|------------------------------|----------------------------|--|--|--|
| <b>SURFACE LOCATION AND ACREAGE INFORMATION</b>  |                              |                            |  |  |  |
| 11. RRC District No.<br><b>08</b>  | 12. County<br><b>ANDREWS</b> |                            | 13. Surface Location                     |  |  |
|  |                              |                            | <input checked="" type="checkbox"/> Land | <input type="checkbox"/> Bay/Estuary   | <input type="checkbox"/> Inland Waterway   |
|  |                              |                            | <input type="checkbox"/> Offshore        |  |  |
| 14. This well is to be located <u>15</u> miles in a <u>S</u> direction from <u>Andrews</u> which is the nearest town in the county of the well site. |                              |                            |  |  |  |
| 15. Section<br><b>38</b>   | 16. Block<br><b>9</b>        | 17. Survey<br><b>UL</b>    | 18. Abstract No.<br><b>A-</b>            | 19. Distance to nearest lease line:<br><b>295</b> ft.  | 20. Number of contiguous acres in lease, pooled unit, or unitized tract:<br><b>161</b> |
| 21. Lease Perpendiculars: <u>467</u> ft from the <u>SOUTH</u> line and <u>700</u> ft from the <u>EAST</u> line.                                      |                              |                            |  |  |  |
| 22. Survey Perpendiculars: <u>467</u> ft from the <u>SOUTH</u> line and <u>700</u> ft from the <u>EAST</u> line.                                     |                              |                            |  |  |  |
| 23. Is this a pooled unit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                              | 24. Unitization Docket No: |  | 25. Are you applying for Substandard Acreage Field? <input type="checkbox"/> Yes (attach Form W-1A) <input checked="" type="checkbox"/> No |  |

| <b>FIELD INFORMATION</b> List all fields of anticipated completion including Wildcat. List one zone per line. |               |  |               |                      |  |   |
|---|---------------|--|---------------|----------------------|--|---|
| 26. RRC District No.  | 27. Field No. | 28. Field Name (exactly as shown in RRC records) | 29. Well Type | 30. Completion Depth | 31. Distance to Nearest Well in this Reservoir | 32. Number of Wells on this lease in this Reservoir |
| 08  | 02730852      | ANDREWS, SOUTH (WOLFCAMP)                        | Oil Well      | 12600                | 850.00   | 2   |
|   |               |  |               |                      |  |   |
|   |               |  |               |                      |  |   |

|   |  |
|---|--|
| <b>BOTTOMHOLE LOCATION INFORMATION</b> is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1D attachment)  |  |
| <b>Remarks</b><br>[FILER Jun 9, 2010 10:36 AM]: Rule 37 (orig exc case no. 0207125) H9 Certif 059657; [RRC STAFF Jun 9, 2010 11:18 AM]: Spud date; completion date; surface location same.; [RRC STAFF Jun 10, 2010 11:06 AM]: Waivers from all offsets attached. | <b>Certificate:</b><br>I certify that information stated in this application is true and complete, to the best of my knowledge.<br><br><u>Pam Inskeep, Regulatory Administrator</u> <u>Jun 09, 2010</u><br>Name of filer Date submitted<br><br><u>(432)6823753, x139</u> <u>pinskeep@btaoil.com</u><br>Phone E-mail Address (OPTIONAL) |
| <b>RRC Use Only</b>   | Data Validation Time Stamp: Jun 10, 2010 11:12 AM( 'As Approved' Version )   |

Permit Status: **Approved**

*The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.*

**RAILROAD COMMISSION OF TEXAS  
OIL & GAS DIVISION**

**Form W-1D** 07/2004  
**Supplemental Directional Well Information**

**APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER**

Permit # **697322**  
Approved Date: **Jun 10, 2010**

*This facsimile W-1 was generated electronically from data submitted to the RRC.  
A certification of the automated data is available in the RRC's Austin office.*

|                                      |   |   |                         |
|--------------------------------------|---|---|-------------------------|
| 1. RRC Operator No.<br><b>041867</b> | 2. Operator's Name (exactly as shown on form P-5, Organization Report)<br><b>BTA OIL PRODUCERS, LLC</b> | 3. Lease Name<br><b>9015 JV-P BLOCK -9-</b> | 4. Well No.<br><b>1</b> |
|--------------------------------------|---|---|-------------------------|

**Lateral Drainhole Location Information**

5. Field as shown on Form W-1 **ANDREWS, SOUTH (WOLFCAMP) (Field # 02730852, RRC District 08)**

|                         |                      |                        |             |                                     |
|-------------------------|----------------------|------------------------|-------------|-------------------------------------|
| 6. Section<br><b>38</b> | 7. Block<br><b>9</b> | 8. Survey<br><b>UL</b> | 9. Abstract | 10. County of BHL<br><b>ANDREWS</b> |
|-------------------------|----------------------|------------------------|-------------|-------------------------------------|

11. Bottom hole Lease Line Perpendiculars  
 \_\_\_\_\_ **295** ft. from the \_\_\_\_\_ **south** line. and \_\_\_\_\_ **784** ft. from the \_\_\_\_\_ **east** line

12. Bottom hole Survey Line Perpendiculars #  
 \_\_\_\_\_ **295** ft. from the \_\_\_\_\_ **south** line. and \_\_\_\_\_ **784** ft. from the \_\_\_\_\_ **east** line



"BTA Oil Producers, LLC"  
Attachment to APD  
9015 JV-P Block -9- #1  
05/26/10

Service List for Rule 37 Notification

"BTA Oil Producers, LLC"  
104 S Pecos  
"Midland, TX 79701"

Citation Oil & Gas Corporation  
P. O. Box 690688  
"Houston, TX 77269"  
Attn: Jessica Green

COG Operating LLC  
"550 W Texas, Suite 100"  
"Midland, TX 79701"  
Attn: Shirley Houchins

University Lands  
P. O. Box 553  
"Midland, TX 79702"  
Attn: James Holtzclaw



MEMBERS  
 CARLTON BEAL, JR.  
 DANNY BEAL  
 STEPHEN BEAL  
 KELLY BEAL  
 BARRY BEAL, JR.  
 STUART BEAL  
 ROBERT DREYER POEL, JR.

## BTA OIL PRODUCERS

801 SOUTH PECOS  
 MIDLAND, TEXAS 79701  
 432-683-0325  
 FAX 432-683-0325

GULF COAST DISTRICT  
 FOUR GREENSPRING PLAZA  
 1006 MORNING GLADE DRIVE, STE. 200  
 FORT WORTH, TEXAS 76102  
 PH: 817-472-5007 FAX 817-472-5254

ROCKY MOUNTAIN DISTRICT  
 460 17TH STREET, STE. 2300 SOUTH  
 DENVER, CO 80202  
 PH: 303-264-4101 FAX 303-264-4401

May 26, 2010

Re: REQUEST FOR WAIVER  
 Exception to SWR 37  
 Andrews, South (Wolfcamp) Field  
 9015 JV-P Block -9- #1  
 467' FSL & 700' FEL Surface  
 295' FSL & 784' FEL Bottomhole  
 Sec. 38, Blk 9, ULS  
 Andrews County, Texas

### INTERESTED PARTIES

Gentlemen:

BTA Oil Producers LLC is applying for a permit to plugback and test the Wolfcamp in our 9015 JV-P Block -9- No. 1 with an exception to SWR Rule 37. The well was originally directionally drilled and the bottom hole location for the well is 850' east of our 9015 JV-P Block -9- No. 2 well, while the rules for the field call for between well spacing of 933'. The bottom hole is 295' from the south lease line, while the rules call for a minimum 330'. The well's original SWR 37 exception approval was Case No. 0207125. The #1 well currently produces from the Block 9 (Fusselman) while the #2 well currently produces from the Andrews, South (Wolfcamp).

BTA hereby requests your waiver of objection to this location. Please indicate your approval by signing one copy of this letter in the space provided below and returning same to the undersigned by fax at 432-683-0325 or e-mail pinskeep@btaoil.com.

Please advise, should you have any questions regarding this application.

Respectfully,

PAM INSKEEP  
 For BTA Oil Producers LLC

The undersigned hereby waives any objection to the location proposed by BTA Oil Producers LLC

Company: Citation Oil & Gas Corp.  
 Name: Steve K. Ann  
 Title: SVP - Engineering  
 Date: 6/4/10



CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

**BTA OIL PRODUCERS**

104 SOUTH PECCS  
MIDLAND, TEXAS 79701  
432-683-8733  
FAX 432-683-0971

**GULF COAST DISTRICT**  
FOUR GREENSPRING PLAZA  
1691 NORTH CHASE DRIVE, STE. 1603  
HOUSTON, TEXAS 77060  
PH. 281 972-5072 FAX 281 972-5054

**ROCKY MOUNTAIN DISTRICT**  
460 17TH STREET, STE. 2230 SOUTH  
DENVER, CO 80202  
PH. 303-594-4404 FAX 303 594-4661

May 26, 2010

Re: REQUEST FOR WAIVER  
Exception to SWR 37  
Andrews, South (Wolfcamp) Field  
9015 JV-P Block -9- #1  
467' FSL & 700' FEL Surface  
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Sec. 38, Blk 9, ULS  
Andrews County, Texas

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Please advise, should you have any questions regarding this application.

Respectfully,

PAM INSKEEP  
For BTA Oil Producers LLC

**The undersigned hereby waives any objection to the location proposed by BTA Oil Producers LLC**

Company: LOG OPERATING, LLC  
Name: [Signature]  
Title: TX ASSET MGR  
Date: 6-7-10



MEMBER  
CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

**BTA OIL PRODUCERS**

104 SOUTH PECOS  
MIDLAND, TEXAS 79701

432-682-3733  
FAX 432-683-0311

May 26, 2010

**GULF COAST DISTRICT**  
FOUR GREENSPRING PLAZA  
1815 NORTHCHASE DRIVE, STE. 1600  
HOUSTON, TEXAS 77060  
PH. 281-872-5022 FAX 281-872-5054

**ROCKY MOUNTAIN DISTRICT**  
400 17TH STREET, STE. 2230 SOUTH  
DENVER, CO 80202  
PH. 303-534-4404 FAX 303-534-4461

Re: REQUEST FOR WAIVER  
Exception to SWR 37  
Andrews, South (Wolfcamp) Field  
9015 JV-P Block -9- #1  
467' FSL & 700' FEL Surface  
295' FSL & 784' FEL Bottomhole  
Sec. 38, Blk 9, ULS  
Andrews County, Texas

**INTERESTED PARTIES**

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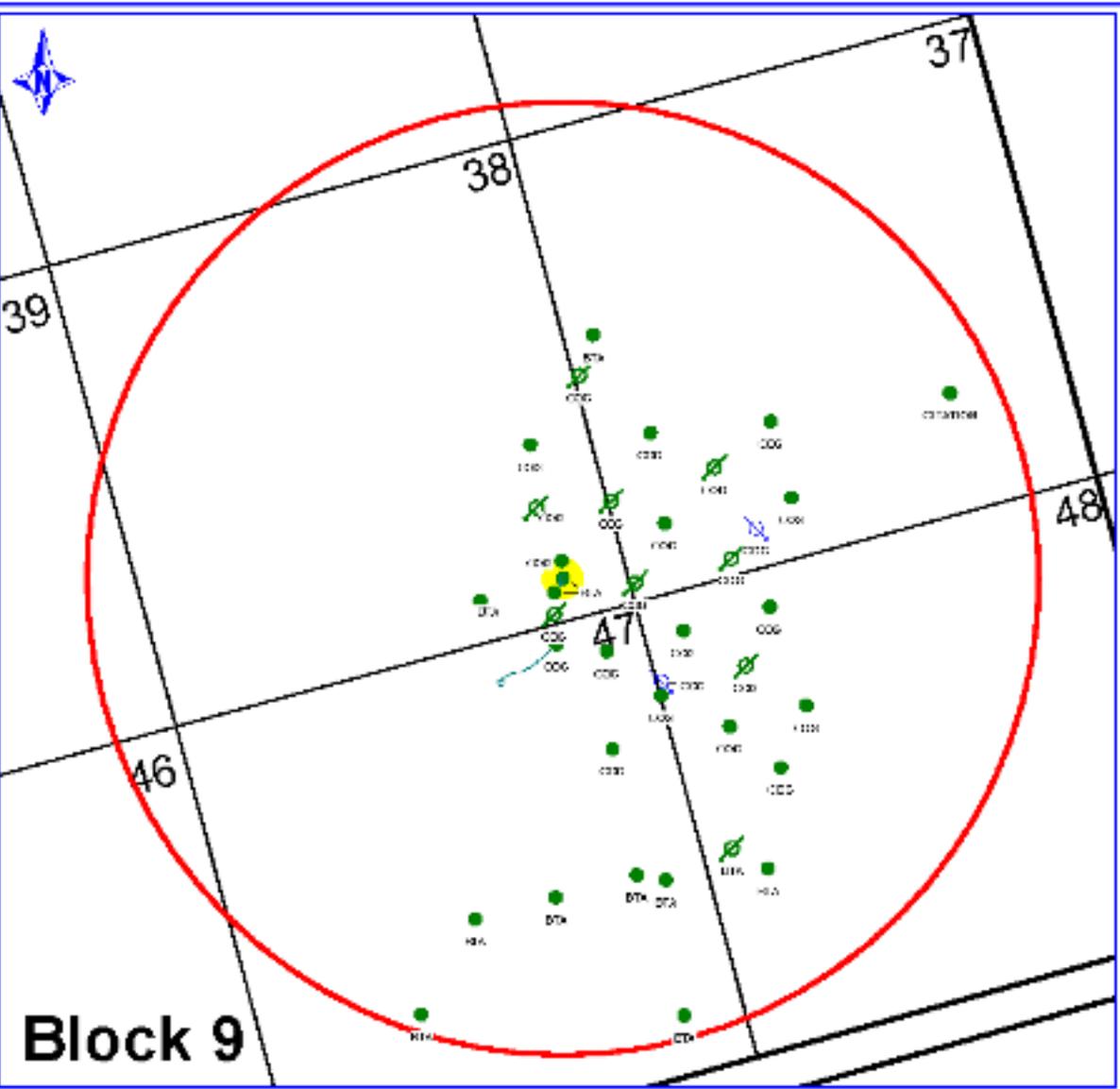
Please advise, should you have any questions regarding this application.

Respectfully,

PAM INSKEEP  
For BTA Oil Producers LLC

The undersigned hereby waives any objection to the location proposed by BTA Oil Producers LLC

Company: University Lands  
Name: James Hatachew  
Title: Senior Landman  
Date: 6/1/10



|   |
|---|
|  <b>BTA Oil Producers, LLC</b>   |
| <b>9015 JV-P BLOCK 9 #1</b>   |
| <b>Andrews County, Texas</b>  |
| <b>Blk. 9, Sec. 38, University Lands Survey</b>   |
| <b>POSTED WELL DATA</b>   |
| ● Operator  |
| <b>WELL SYMBOLS</b>   |
| ● Operator  |
| ➤ Injection From U/I  |
| ➤ Shut-In Injection   |
| <b>REMARKS</b>  |
| Only Active Wells Shown on Map  |
| 1mile radius Indicated in Red   |
| Location Highlighted in Yellow  |
| <b>OPERATORS:</b><br>BTA = BTA Oil Producers, LLC<br>COG = COG Operation LLC<br>CITATION = Citation O&G Corporation |
| By: JHB   |
|                                |
| May 28, 2010  |

