

API No. <u>42-003-36921</u> Drilling Permit # <u>697322</u> SWR Exception Case/Docket No. <u>0266200 (R37)</u>		RAILROAD COMMISSION OF TEXAS OIL & GAS DIVISION APPLICATION FOR PERMIT TO DRILL, RECOMPLETE, OR RE-ENTER <i>This facsimile W-1 was generated electronically from data submitted to the RRC.</i> <i>A certification of the automated data is available in the RRC's Austin office.</i>				FORM W-1 07/2004 Permit Status: Approved	
1. RRC Operator No. 041867		2. Operator's Name (as shown on form P-5, Organization Report) BTA OIL PRODUCERS, LLC			3. Operator Address (include street, city, state, zip):		
4. Lease Name 9015 JV-P BLOCK -9-		5. Well No. 1					
GENERAL INFORMATION							
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 12600		9. Do you have the right to develop the minerals under any right-of-way ? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		10. Is this well subject to Statewide Rule 36 (hydrogen sulfide area)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
SURFACE LOCATION AND ACREAGE INFORMATION							
11. RRC District No. 08		12. County ANDREWS		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 15 miles in a S direction from Andrews which is the nearest town in the county of the well site.							
15. Section 38	16. Block 9	17. Survey UL		18. Abstract No. A-	19. Distance to nearest lease line: 295 ft.	20. Number of contiguous acres in lease, pooled unit, or unitized tract: 161	
21. Lease Perpendiculars: 467 ft from the SOUTH line and 700 ft from the EAST line. 22. Survey Perpendiculars: 467 ft from the SOUTH line and 700 ft from the EAST 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			
FIELD INFORMATION 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	
08	02730852	ANDREWS, SOUTH (WOLFCAMP)		Oil Well	12600	850.00	
BOTTOMHOLE LOCATION INFORMATION is required for DIRECTIONAL, HORIZONTAL, AND AMENDED AS DRILLED PERMIT APPLICATIONS (see W-1D attachment)							
Remarks [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.				Certificate: I certify that information stated in this application is true and complete, to the best of my knowledge. <u>Pam Inskeep, Regulatory Administrator</u> <u>Jun 09, 2010</u> Name of filer Date submitted <u>(432)6823753, x139</u> <u>pinskeep@btaoil.com</u> Phone E-mail Address (OPTIONAL)			
RRC Use Only				Data Validation Time Stamp: Jun 10, 2010 11:12 AM('As Approved' Version)			

Permit Status:	Approved
<i>The RRC has not approved this application. Duplication or distribution of information is at the user's own risk.</i>	

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

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

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A certification of the automated data is available in the RRC's Austin office.*

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

Permit #	697322
Approved Date:	Jun 10, 2010

1. RRC Operator No. 041867	2. Operator's Name (exactly as shown on form P-5, Organization Report) BTA OIL PRODUCERS, LLC	3. Lease Name 9015 JV-P BLOCK -9-	4. Well No. 1
Lateral Drainhole Location Information			
5. Field as shown on Form W-1 ANDREWS, SOUTH (WOLFCAMP) (Field # 02730852, RRC District 08)			
6. Section 38	7. Block 9	8. Survey UL	9. Abstract
		10. County of BHL ANDREWS	
11. Botton 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			

RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION

PERMIT TO DRILL, DEEPEN, PLUG BACK, OR RE-ENTER ON A REGULAR OR ADMINISTRATIVE EXCEPTION LOCATION

PERMIT NUMBER <div align="center">697322</div>	DATE PERMIT ISSUED OR AMENDED <div align="center">Jun 10, 2010</div>	DISTRICT <div align="center">* 08</div>			
API NUMBER <div align="center">42-003-36921</div>	FORM W-1 RECEIVED <div align="center">Jun 09, 2010</div>	COUNTY <div align="center">ANDREWS</div>			
TYPE OF OPERATION <div align="center">RECOMPLETION</div>	WELLBORE PROFILE(S) <div align="center">Directional</div>	ACRES <div align="center">161</div>			
OPERATOR <div align="center">BTA OIL PRODUCERS, LLC</div>		<div align="center">041867</div>	NOTICE This permit and any allowable assigned may be revoked if payment for fee(s) submitted to the Commission is not honored. District Office Telephone No: <div align="center">(432) 684-5581</div>		
LEASE NAME <div align="center">9015 JV-P BLOCK -9-</div>		WELL NUMBER <div align="center">1</div>			
LOCATION <div align="center">15 miles S direction from ANDREWS</div>		TOTAL DEPTH <div align="center">12600</div>			
Section, Block and/or Survey SECTION ◀ 38 BLOCK ◀ 9 ABSTRACT ◀ SURVEY ◀ UL					
DISTANCE TO SURVEY LINES <div align="center">467 ft. SOUTH 700 ft. EAST</div>		DISTANCE TO NEAREST LEASE LINE <div align="center">295 ft.</div>			
DISTANCE TO LEASE LINES <div align="center">467 ft. SOUTH 700 ft. EAST</div>		DISTANCE TO NEAREST WELL ON LEASE <div align="center">See FIELD(s) Below</div>			
FIELD(s) and LIMITATIONS: <div align="center"> * SEE FIELD DISTRICT FOR REPORTING PURPOSES * ** THIS PERMIT IS GRANTED PURSUANT TO STATEWIDE RULE 37(h)(2)(B) ** CASE NO. 0266200 </div>					
FIELD NAME LEASE NAME		ACRES NEAREST LEASE	DEPTH NEAREST WE	WELL # NEAREST WE	DIST
** ANDREWS, SOUTH (WOLFCAMP) <div align="center">9015 JV-P BLOCK -9-</div>		<div align="center">161.00</div> <div align="center">295</div>	<div align="center">12,600</div> <div align="center">850</div>	<div align="center">1</div>	<div align="center">08</div>
----- WELLBORE PROFILE(s) FOR FIELD: Directional -----					
RESTRICTIONS: This is a hydrogen sulfide field. This well shall be drilled in accordance with SWR 36. Bottom Hole: BH1 BH County: ANDREWS Section: 38 Block: 9 Abstract: Survey: UL Lease Lines: 295.0 F SOUTH L 784.0 F EAST L Survey Lines: 295.0 F SOUTH L 784.0 F EAST L					
' ** ' PRECEDING FIELD NAME INDICATES RULE (R37)					
<div align="center">THE FOLLOWING RESTRICTIONS APPLY TO ALL FIELDS</div> This well shall be completed and produced in compliance with applicable special field or statewide spacing and density rules. If this well is to be used for brine mining, underground storage of liquid hydrocarbons in salt formations, or underground storage of gas in salt formations, a permit for that specific purpose must be obtained from Environmental Services prior to construction, including drilling, of the well in accordance with Statewide Rules 81, 95, and 97.					

"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 GENT, JR.
BARRY BEAL
STENGER BEAL
JILLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DRYDEN POEL, JR.

BTA OIL PRODUCERS

101 SOUTH PECOS
MIDLAND, TEXAS 79701

432-683-1250
FAX 432-683-0325

GULF COAST DISTRICT
FOUR GREENSPRING PLAZA
1005 HORNBECK ROAD DRIVE, STE. 200
HOUSTON, TEXAS 77060
PH: 281-472-5057 FAX 281-472-5054

ROCKY MOUNTAIN DISTRICT
460 17TH STREET, STE. 1350 SOUTH
DENVER, CO 80202
PH: 303-264-4101 FAX 303-264-4102

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. 36, 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. Dunn
Title: SVP - Engineering
Date: 6/4/10



MEMBERS
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
432-683-0325
FAX 432-683-0321

May 26, 2010

GULF COAST DISTRICT
FOUR GREENSPRING PLAZA
1641 NORTH CHASE DRIVE, STE. 1603
HOUSTON, TEXAS 77060
PH: 281 972-5072 FAX 281 972-5054

ROCKY MOUNTAIN DISTRICT
460 17TH STREET, STE. 3230 SOUTH
DENVER, CO 80202
PH: 303-534-4404 FAX 303 534-4661

Re: REQUEST FOR WAIVER
Exception to SWR 37
Andrews, South (Wolfcamp) Field
9015 JV-P Block -9- #1
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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



MEMBERS
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

432-682-3731
FAX 432-683-0311

May 26, 2010

GULF COAST DISTRICT
FOUR GREENSPRING PLAZA
1845 NORTHCASE 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
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For BTA Oil Producers LLC

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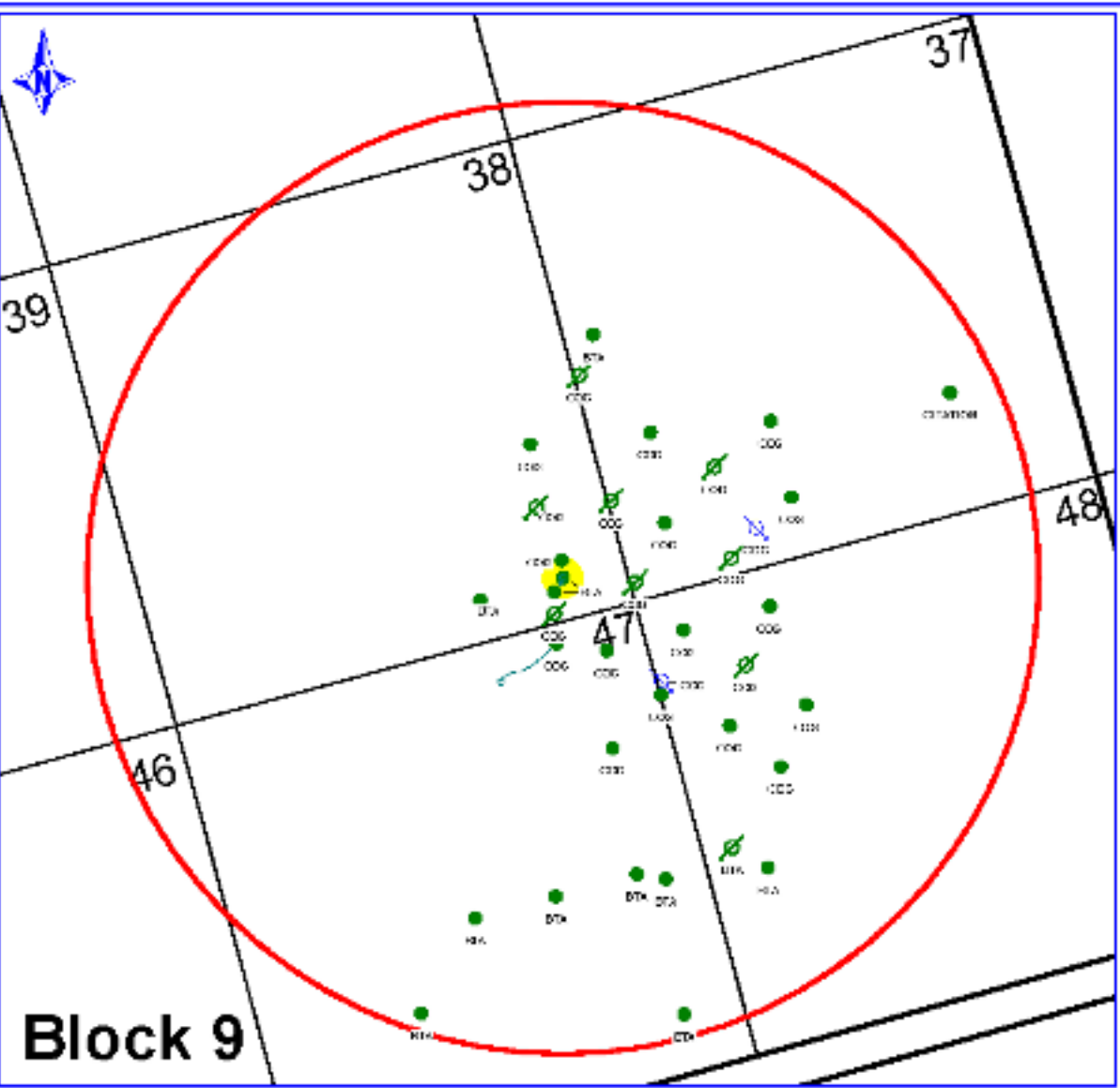
Company:







Name:

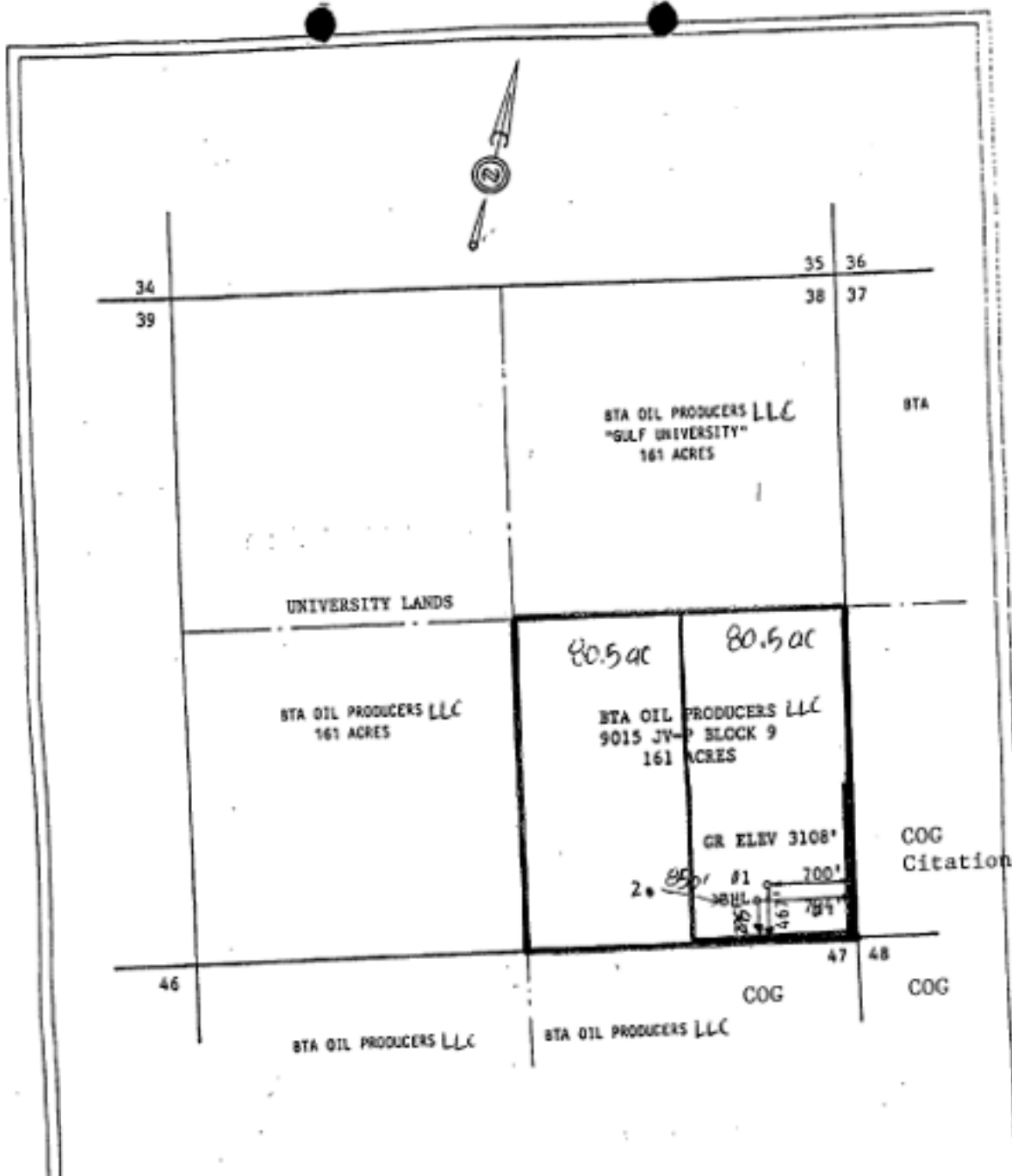
Title:

Date:

University Lands
James Hotchkiss
Senior Landman
6/1/10



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

May 28, 2010



THIS IS TO CERTIFY THAT THIS LOCATION WAS MADE ON THE GROUND BY ME OR UNDER MY SUPERVISION AND THAT THIS PLAT IS A CORRECT REPRESENTATION THEREOF.

DATED THIS 11TH DAY OF APRIL 1991

Max A. Schumann, Jr.

MAX A. SCHUMANN, JR.
REGISTERED PROFESSIONAL LAND
SURVEYOR NO. 137

SCHUMANN ENGINEERING CO., INC.
BOX 504/408 N. PECOS/913-684-3348
MIDLAND, TEXAS 79702-0504
JOB NO. 57,180



LOCATION PLAT

STA OIL PRODUCERS LLC

WELL NO. 1
9015 JV-P BLOCK 9 LEASE

467 FT FR SOUTH; 700 FT FR EAST LINES
SECTION 38, BLOCK 9,
UNIVERSITY LANDS SURVEY,

ANDREWS COUNTY, TEXAS

SCALE: 1" = 1000'