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90407

STATE LEASE M-90407

COUNTY: Culberson
TRACT : Sur. 32, Blk. 45, PSL
PART : All
ACRES : 640

LESSEE : BTA Oil Producers
DATE : October 2, 1984
TERM : 3 Years
BONUS : \$100,000.00 #2350.00
RENTAL: \$5.00
FILE : 118135 04-00396-4

Smead.

HASTINGS, MN
LOS ANGELES-CHICAGO-LOGAN, OH
MCGREGOR, TX-LOCUST GROVE, GA
U.S.A.
11 SP83344

Legal
Rental
Min. A/c
Min. Max
Pass To:



MF 090407

CONTENTS OF FILE NO.

90407

1. Bid 10-2-84 HDK

2. Lease 10-2-84 HDK

3. Ltr. to BTA Oil Producers 11-26-84 HDK

4. COMP. REPORT WELL # 1 6-27-85 SB

5. APPLICATION TO DRILL WELL # 1 6-27-85 SB

6. APPLICATION TO DRILL WELL # 1 7-12-85 SJ

7. COMP. REPORT WELL # 1 7-12-85 SJ

8. COMP. REPORT WELL # 1 9-16-85 SB

9. Acctg. Memo 10-7-85

10. Assignment 2-29-92

11. Ltr to BTA 3-4-92

12. LTR to BTA 7-13-95

See Letter Dated AUG 18 1995 In M 27035 (31) AUG 18 1995

13. Ltr to BTA Oil 12/19/02

14. Voided Billing 12/19/02

Scanned 16 11.7.13

15. Email to Joellyn March 05/16/2014

16. Plat 05/16/2014

17. Production Report 05/19/2014

18. Field Rules 05/19/2014

19. Company Info 05/19/2014

20. Partial Termination Letter 05/19/2014

21. Email notice of partial termination 07/09/2014

22. RRC P-15 and Proration Plat 7/16/15 even

Scanned Pt 5-25-16

MINERAL LEASE APPLICATION

Oil and Gas Lease
Bid FormDate: October 1, 1984To the Commissioner of the General Land Office
and the School Land Board
Austin, Texas

By virtue of Chapter 32 and Subchapter A-D and H of Chapter 52 of the Natural Resources Code, and other applicable laws and amendments, providing for the leasing of river beds and channels, unsold surveyed school lands, and areas within tidewater limits including islands, lakes, salt water lakes, bays, inlets, marshes, reefs, the bed of the sea, and that portion of the Gulf of Mexico within the jurisdiction of the State of Texas, I herewith tender my application for the following area:

(Only one tract may be included in this application and it must be described the same as in the advertised list.)

Marginal Number	Survey/Area	TSP	Block	Section/Tract	County(ies)	Acres
13	PSL		45	32	Culberson	640
Royalty <u>.25</u>		Rental per acre \$ <u>5.00</u>			Primary Term <u>3</u> Years	

I accept and agree to the terms and requirements of said statutes, and I agree to pay to the State of Texas at the General Land Office, Austin, Texas, the above mentioned percentage of the gross production of oil and/or gas, or the value of same that may be produced thereon.

And beginning with the second year of the lease, I agree to pay delay rental in the amount per acre mentioned above, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term of my lease.

If production in commercial quantities should be secured within the above mentioned primary term, or any extension thereof, my lease shall continue as long thereafter as oil or gas is produced therefrom in commercial quantities.

IN ADDITION TO THE ABOVE, I HEREBY BID AND ENCLOSE HERewith AS A CASH BONUS THE SUM OF One Hundred Thousand and No/100 -----

----- DOLLARS, \$ 100,000.00 10602

There is also attached remittance in the amount of One Thousand Five Hundred and No/100 ----- Dollars, \$ 1,500.00 10603

being 1 1/2% of the cash bonus offered as a special sale fee as provided in Section 32.110 of the Natural Resources Code as amended.

APPLICANT: BTA OIL PRODUCERS ✓

ADDRESS: STREET 104 South Pecos

POST OFFICE ---

CITY Midland STATE Texas ZIP 79701-9988

TELEPHONE: AREA 915 NUMBER 682-3753

SIGNATURE: (Applicant or Authorized Agent) C. R. Pearson
C. R. PEARSON wx

Received in the General Land Office on or before OCT - 2 1984

CERTIFICATE

I, Linda K. Fisher, Secretary of the School Land Board, do hereby certify that at a regular meeting of said Board held in the General Land Office, Austin, Texas, October 2, 1984, the said application number was accepted, all of which is shown in the minutes of said Board.

GIVEN UNDER MY HAND this the 15th day of October, 1984, at Austin, Texas.

Linda K. Fisher
Linda K. Fisher, Secretary
School Land Board

The State of Texas General Land Office



Austin, Texas

OIL AND GAS LEASE

No. 90407

WHEREAS, pursuant to the Texas Natural Resources Code Chapters 32, 33, 51, and Chapter 52, Subchapters A-D and H, (said Code being hereinafter referred to as N.R.C.), and subject to all rules and regulations promulgated by the Commissioner of the General Land Office and/or the School Land Board pursuant thereto, and all other applicable statutes and amendments to said N.R.C., the following area, to-wit:

All of Public School Land Survey No. 32, Block 45, Culberson County, Texas, containing 640 acres, as shown on the official map of Culberson County, Texas, now on file in the General Land Office in Austin, Texas,

was, after being duly advertised, offered for lease on the 2nd day of October, 19 84, at 10:00 o'clock A.M., by the Commissioner of the General Land Office of the State of Texas and the School Land Board of the State of Texas, for the sole and only purpose of prospecting and drilling for, and producing oil and/or gas that may be found and produced from the above described area; and

WHEREAS, after all bids and remittances which were received up to said time have been duly considered by the Commissioner of the General Land Office and the School Land Board at a regular meeting thereof in the General Land Office, on the 2nd day of October, 19 84, and it was found and determined that

BTA OIL PRODUCERS

whose address is 104 South Pecos, Midland, Texas 79701-9988, had offered the highest and best bid for a lease of the area above described and is, therefore, entitled to receive a lease thereon:

NOW, THEREFORE, I, Garry Mauro, Commissioner of the General Land Office of the State of Texas, hereinafter sometimes referred to as "Lessor", whose address is Austin, Texas, by virtue of the authority vested in me and in consideration of the payment by the hereinafter designated Lessee, the sum of One Hundred Thousand and No/100----- Dollars (\$100,000.00), receipt of which is hereby acknowledged and of the royalties, covenants, stipulations and conditions contained and hereby agreed to be paid, observed and performed by Lessee, do hereby demise, grant, lease and let unto

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the exclusive right to prospect for, produce and take oil and/or gas from the aforesaid area upon the following terms and conditions, to-wit:

1. TERM: Subject to the other provisions hereof, this lease shall be for a term of three (3) years from this date (herein called "primary term") and as long thereafter as oil or gas is produced in paying quantities from said area.

2. DELAY RENTALS: If no well be commenced on the land hereby leased on or before the 2nd day of October, 19 85, this lease shall terminate as to both parties unless the Lessee on or before said date shall pay or tender to the Commissioner of the General Land Office of the State of Texas at Austin, Texas, the sum of Five and No/100----- Dollars (\$5.00), per acre, which shall operate as rental and cover the privilege of deferring the commencement of a well for twelve (12) months from said date. In like manner, and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively during the primary term hereof.

3. PRODUCTION ROYALTIES: When production of oil and/or gas is secured, the Lessee agrees to pay or cause to be paid to the Commissioner of General Land Office in Austin, Texas, for the use and benefit of the State of Texas, during the term hereof:

(A) OIL: As a royalty on oil, which is defined as including all hydrocarbons produced in a liquid form at the mouth of the well and also all condensate, distillate, and other liquid hydrocarbons recovered from oil or gas run through a separator or other equipment, as hereinafter provided,

one-fourth (1/4)

part of the gross production or the market value thereof, at the option of the Lessor, such value to be determined by 1) the highest posted price, plus premium, if any, offered or paid for oil, condensate, distillate, or other liquid hydrocarbons, respectively, of a like type and gravity in the general area where produced and when run, or 2) the highest market price thereof offered or paid in the general area where produced and when run, or 3) the gross proceeds of the sale thereof, whichever is the greater. Lessee agrees that before any gas produced from the land hereby leased is sold, used or processed in a plant, it will be run free of cost to Lessor through an adequate oil and gas separator of conventional type or other equipment at least as efficient to the end that all liquid hydrocarbons recoverable from the gas by such means will be recovered. Upon written consent of Lessor, the requirement that such gas be run through such a separator or other equipment may be waived upon such terms and conditions as prescribed by Lessor.

(B) NON-PROCESSED GAS: As a royalty on any gas (including flared gas), which is defined as all hydrocarbons and gaseous substances not defined as oil in subparagraph (A) above, produced from any well on said land (except as provided herein with respect to gas processed in a plant for

the extraction of gasoline, liquid hydrocarbons or other products) one-fourth (1/4) part of the gross production or the market value thereof, at the option of the Lessor, such value to be based on the highest market price paid or offered for gas of comparable quality in the general area where produced and when run, or the gross price paid or offered to the producer, whichever is the greater; provided that the maximum pressure base in measuring the gas under this lease contract shall not at any time exceed 14.65 pounds per square inch absolute, and the standard base temperature shall be sixty (60) degrees Fahrenheit, correction to be made for pressure according to Boyle's Law, and for specific gravity according to test made by the Balance Method or by the most approved method of testing being used by the industry at the time of testing.

(C) PROCESSED GAS: As a royalty on any gas processed in a gasoline plant or other plant for the recovery of gasoline or other liquid hydrocarbons, one-fourth (1/4) part of

the residue gas and the liquid hydrocarbons extracted or the market value thereof, at the option of the Lessor. All royalties due herein shall be based on one hundred percent (100%) of the total plant production of residue gas attributable to gas produced from this lease, and on fifty percent (50%) or that percent accruing to Lessee, whichever is the greater, of the total plant production of liquid hydrocarbons, attributable to the gas produced from this lease; provided that if liquid hydrocarbons are recovered from gas processed in a plant in which Lessee (or its parent, subsidiary or affiliate) owns an interest, then the percentage applicable to liquid hydrocarbons shall be fifty percent (50%) or the highest percent accruing to a third party processing gas through such plant under a processing agreement negotiated at arms' length (or if there is no such third party, the highest percent then being specified in processing agreements or contracts in the industry), whichever is the greater. The respective royalties on residue gas and on liquid hydrocarbons shall be determined by 1) the highest market price paid or offered for any gas (or liquid hydrocarbons) of comparable quality in the general area or 2) the gross price paid or offered for such residue gas (or the weighted average gross selling price for the respective grades of liquid hydrocarbons), whichever is the greater. In no event, however, shall the royalties payable under this paragraph be less than the royalties which would have been due had the gas not been processed.

(D) OTHER PRODUCTS: As a royalty on carbon black, sulphur or any other products produced or manufactured from gas (excepting liquid hydrocarbons) whether said gas be "casinghead", "dry" or any other gas, by fractionating, burying or any other processing, one-fourth (1/4) part of the gross production of such products, or the market value thereof, at the option of Lessor, such market value to be determined as follows:

- (1) On the basis of the highest market price of each product, during the same month in which such product is produced, or
- (2) On the basis of the average gross sale price for each of the products for the same month in which such products are produced; whichever is the greater.

(E) NO DEDUCTIONS: Lessee agrees that all royalties accruing to Lessor under this lease shall be without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(F) ROYALTY IN KIND: Notwithstanding anything contained herein to the contrary, Lessor may, at its option, upon not less than 60 days notice to Lessee, require at any time or from time to time that payment of all or any royalties accruing to Lessor under this lease be made in kind without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil, gas and other products produced hereunder ready for sale or use.

(G) PLANT FUEL AND RECYCLED GAS: No royalty shall be payable on any gas as may represent this lease's proportionate share of any fuel used to process gas produced hereunder in any processing plant. Notwithstanding anything contained herein to the contrary, and subject to the consent in writing of the Commissioner of the General Land Office, Lessee may recycle gas for gas lift purposes on the leased premises or for injection into any oil or gas producing formation underlying the leased premises after the liquid hydrocarbons contained in the gas have been removed and no royalties shall be payable on the gas so recycled until such time as the same may thereafter be produced and sold or used by Lessee in such manner as to entitle Lessor to a royalty thereon under the royalty provisions of this lease.

(H) MINIMUM ROYALTY: During any year after the expiration of the primary term of this lease, if this lease is maintained by production, the royalties paid to Lessor in no event shall be less than an amount equal to the total annual delay rental herein provided; otherwise, there shall be due and payable on or before the last day of the month succeeding the anniversary date of this lease a sum equal to the total annual rental less the amount of royalties paid during the preceding year.

4. ROYALTY PAYMENTS AND REPORTS: All royalties not taken in kind shall be paid to the Commissioner of the General Land Office at Austin, Texas in the following manner:

Royalty on oil is due and must be received in the General Land Office on or before the 5th day of the second month succeeding the month of production, and royalty on gas is due and must be received in the General Land Office on or before the 15th day of the second month succeeding the month of production, accompanied by the affidavit of the owner, manager or other authorized agent, completed in the form and manner prescribed by the General Land Office and showing the gross amount and disposition of all oil and gas produced and the market value of the oil and gas, together with a copy of all documents, records or reports confirming the gross production, disposition and market value including gas meter readings, pipeline receipts, gas line receipts, and other checks or memoranda of amount produced and put into pipelines, tanks, or pools and gas lines or gas storage, and any other reports or records which the General Land Office may require to verify the gross production, disposition and market value. In all cases the authority of a manager or agent to act for the Lessee herein must be filed in the General Land Office. Each royalty payment shall be accompanied by a check stub, schedule, summary or other remittance advice showing by the assigned General Land Office lease number the amount of royalty being paid on each lease. Any royalty not paid or affidavits and supporting documents not filed when due shall become delinquent and shall have added to the sum owing a delinquency penalty of one percent (1%) of such sum for each thirty (30) day period of delinquency or a fractional period thereof; provided, however, that each such penalty shall never be less than Five Dollars (\$5). The lessee shall bear all responsibility for paying or causing royalties to be paid as prescribed by the due date provided herein. Payment of the delinquency penalty shall in no way operate to prohibit the State's right of forfeiture as provided by law nor act to postpone the date on which royalties were originally due. The above penalty provisions shall not apply in cases of title dispute as to the State's portion of the royalty or to that portion of the royalty in dispute as to fair market value.

5. (A) RESERVES, CONTRACTS AND OTHER RECORDS: Lessee shall annually furnish the Commissioner of the General Land Office with its best possible estimate of oil and gas reserves underlying this lease or allocable to this lease and shall furnish said Commissioner with copies of all contracts under which gas is sold or processed and all subsequent agreements and amendments to such contracts within thirty (30) days after entering into or making such contracts, agreements or amendments. Such contracts and agreements when received by the General Land Office shall be held in confidence by the General Land Office unless otherwise authorized by Lessee. All other contracts and records pertaining to the production, transportation, sale and marketing of the oil and gas produced on said premises, including the books and accounts, receipts and discharges of all wells, tanks, pools, meters, and pipelines shall at all times be subject to inspection and examination by the Commissioner of the General Land Office, the Attorney General, the Governor, or the representative of any of them. The State shall have a first lien upon all oil and gas produced from the area covered by this lease, to secure payment of all unpaid royalty and other sums of money that may become due under this lease.

(B) DRILLING RECORDS: Written notice of all operations on a State of Texas lease shall be submitted to the Commissioner of the General Land Office by Lessee or operator within five (5) days of spud date, workover, re-entry, temporary abandonment or plug and abandonment of any well or wells. Such written notice to the General Land Office shall include copies of Railroad Commission forms for application to drill, well tests, completion reports and plugging records. Lessee shall supply the General Land Office with any records, memoranda, accounts, reports, cuttings and cores, or other information relative to the operation of the above described premises, which may be requested by the General Land Office, in addition to those herein expressly provided for. Lessee shall have an electrical and/or radioactivity survey made on the bore-hole section, from the base of the surface casing to the

total depth of well, of all wells drilled on the above described premises and shall transmit a true copy of the log of each survey on each well to the General Land Office within fifteen (15) days after the making of said survey.

6. **DEVELOPMENT:** Notwithstanding any provision of this lease to the contrary, after a well producing or capable of producing oil or gas has been completed on the leased premises, Lessee shall exercise the diligence of a reasonably prudent operator in drilling such additional well or wells as may be reasonably necessary for the proper development of the leased premises and in marketing the production thereon. In the event this lease is in force and effect three (3) years after the expiration date of the primary term it shall then terminate as to all of the leased premises, EXCEPT (1) 40 acres surrounding each producing oil well and 320 acres surrounding each producing gas well (including a shut-in oil or gas well as provided in Paragraph 10 hereof), or a well upon which Lessee is then engaged in continuous drilling or reworking operations, or (2) the number of acres included in a producing pooled unit pursuant to Natural Resources Code Sections 52.151 – 52.153, or (3) such greater or lesser number of acres as may then be allocated for production purposes to a proration unit for each such producing well under the rules and regulations of the Railroad Commission of Texas, or any successor agency, or other governmental authority having jurisdiction. "Producing" as used herein means producing in paying quantities. The acreage retained hereunder as to each well shall, as nearly as practical, be in the form of a square with the well located in the center thereof, or such other shape as may be approved by the School Land Board. Lessee shall execute and record a release or releases containing a satisfactory description of the acreage not retained hereunder and the recorded release, or a certified copy of same, shall be filed in the General Land Office, accompanied by the prescribed filing fee, as provided in this lease.

7. **OFFSET WELLS:** If oil and/or gas should be produced in commercial quantities in a well on land privately owned or on State land leased at a lesser royalty, which well is within one thousand (1,000) feet of the area included herein, the Lessee shall, within sixty (60) days after such initial production on such land, begin in good faith and prosecute diligently the drilling of an offset well on this area, and such offset well shall be drilled to such depth as may be necessary to prevent the undue drainage of this area, and the Lessee, manager or driller shall use all means necessary in a good faith effort to make such offset well produce oil and/or gas in commercial quantities.

8. **DRY HOLE CLAUSE:** If, during the primary term hereof and prior to discovery and production of oil or gas on said land, Lessee should drill a dry hole or holes thereon, or if after discovery and production of oil or gas the production thereof should cease from any cause, this lease shall not terminate if on or before the rental paying date next ensuing after the expiration of sixty (60) days from date of completion of said dry hole or cessation of production Lessee commences additional drilling or reworking operations thereon, or commences or resumes the payment of annual delay rental in the same manner as provided in Paragraph Number 2 of this lease. If a dry hole be completed and abandoned during the last year of the primary term, Lessee's rights shall remain in full force and effect without further operations until the expiration of the primary term. Should the first well or any subsequent well drilled on the above described land be completed as a shut-in oil or gas well within the primary term hereof, Lessee shall resume payment of annual rental in the same manner as provided in Paragraph Number 2 in this lease on or before the rental paying date next ensuing after sixty (60) days from the date of completion of such shut-in oil or gas well and the failure to make such annual rental payment shall subject the lease to forfeiture under the provisions of Paragraph Number 17 hereof. If at the expiration of the primary term or at any time thereafter a shut-in oil or gas well is located on the leased premises payments shall be made in accordance with the provisions of Paragraph Number 10 hereof.

9. **CESSATION, DRILLING, AND REWORKING:** In the event production of oil or gas on the leased premises after once obtained shall cease from any cause at the expiration of the primary term hereof or at any time or times thereafter, this lease shall not terminate if Lessee commences additional drilling or reworking operations within sixty (60) days thereafter, and the lease shall remain in full force and effect so long as such operations continue in good faith and in workmanlike manner without interruptions totaling more than sixty (60) days during any one such operation; and if such drilling or reworking operations result in the production of oil or gas, the lease shall remain in full force and effect so long as oil or gas is produced therefrom in paying quantities or payment of shut-in oil or gas well royalties or compensatory royalties is made as hereinafter provided or as provided elsewhere in the statutes of the State of Texas. Lessee shall give written notice to the General Land Office within five (5) days of any cessation of production.

10. **SHUT-IN ROYALTIES:** If at the expiration of the primary term or at any time after the expiration of the primary term a well or wells capable of producing oil or gas in paying quantities are located on the leased premises but oil or gas is not being produced for lack of suitable production facilities or a suitable market and the lease is not being maintained in force and effect, before the expiration of the primary term or if the primary term has expired, within sixty (60) days after Lessee ceases to produce oil or gas from the well, Lessee may pay as a shut-in oil or gas royalty an amount equal to double the annual rental provided in the lease but not less than \$1,200 a year for each well capable of producing oil or gas in paying quantities; if the shut-in oil or gas royalty is paid, the lease shall be considered to be a producing lease and the payment shall extend the term of the lease for a period of one year from the end of the primary term or from the first day of the month next succeeding the month in which production ceased and after that if no suitable production facilities or suitable market for the oil or gas exists, Lessee may extend the lease for four additional and successive periods of one year by paying the same amount each year on or before the expiration of the extended term; if, during the period the lease is kept in effect by payment of the shut-in oil or gas royalty, oil or gas is sold and delivered in paying quantities from a well located within 1,000 feet of the leased premises and completed in the same producing reservoir or in any case in which drainage is occurring, the right to continue to extend the lease by paying the shut-in oil or gas royalty shall cease, but the lease shall remain effective for the remainder of the year for which the royalty has been paid and for an additional period of not more than five years from the expiration of the primary term by Lessee paying compensatory royalty at the royalty rate provided in the lease of the value at the well of production from the well which is causing the drainage or which is completed in the same producing reservoir and within 1,000 feet of the leased premises; the compensatory royalty is to be paid monthly to the commissioner beginning on or before the last day of the month next succeeding the month in which the oil or gas is sold and delivered from the well located within 1,000 feet of or draining the leased premises and completed in the same reservoir; if the compensatory royalty paid in any 12-month period is in an amount less than the annual shut-in oil or gas royalty, Lessee shall pay an amount equal to the difference within 30 days from the end of the 12-month period; and none of these provisions will relieve Lessee of the obligation of reasonable development nor the obligation to drill offset wells as provided in N.R.C. Section 52.034.

11. **EXTENSIONS:** If, at the expiration of the primary term of this lease, production of oil or gas has not been obtained on the leased premises but drilling operations are being conducted thereon in good faith and in a good and workmanlike manner, Lessee may, on or before the expiration of the primary term, file in the General Land Office written application to the Commissioner of the General Land Office for a thirty (30) day extension of this lease, accompanied by payment of Three Thousand Dollars (\$3,000.00) if this lease covers six hundred forty (640) acres or less and Six Thousand Dollars (\$6,000.00) if this lease covers more than six hundred forty (640) acres and the Commissioner shall, in writing, extend this lease for a thirty (30) day period from and after the expiration of the primary term and so long thereafter as oil or gas is produced in paying quantities; provided further, that Lessee may, so long as such drilling operations are being conducted make like application and payment during any thirty (30) day extended period for an additional extension of thirty (30) days and, upon receipt of such application and payment, the Commissioner shall, in writing, again extend this lease so that same shall remain in force for such additional (30) day period and so long thereafter as oil or gas is produced in paying quantities; provided, however, that this lease shall not be extended for more than a total of three hundred ninety (390) days from and after the expiration of the primary term unless production in paying quantities has been obtained.

12. **USE OF WATER; SURFACE:** Lessee shall have the right to use water produced on said land necessary for operations hereunder and solely upon the leased premises; provided, however, Lessee shall not use potable water or water suitable for livestock or irrigation purposes for water flood operations without the prior written consent of Lessor. Lessee shall have the right to use so much of the surface of the land that may be reasonably necessary for drilling and operating wells and transporting and marketing the production therefrom, such use to be conducted under conditions of least injury to the surface of the land.

13. **POLLUTION:** In developing this area, Lessee shall use the highest degree of care and all proper safeguards to prevent pollution. In the event of pollution, Lessee shall use all means at its disposal to recapture all escaped hydrocarbons or other pollutant and shall be responsible for all damage to public and private properties. Lessee shall build and maintain fences around its slush, sump, and drainage pits and tank batteries so as to protect livestock against loss, damage or injury; and upon completion or abandonment of any well or wells, Lessee shall fill and level off all slush pits and cellars and completely clean up the drilling site of all rubbish thereon.

14. **IDENTIFICATION MARKERS:** Lessee shall erect, at a distance not to exceed 25 feet from each well on the premises covered by this lease, a legible sign on which shall be stated the name of the operator, the lease designation and the well number. Where two or more wells on the same lease or where wells on two or more leases are connected to the same tank battery, whether by individual flow line connections direct to the tank or tanks or by use of a multiple header system, each line between each well and such tank or header shall be legibly identified at all times, either by a firmly attached tag or plate or an identification properly painted on such line at a distance not to exceed three (3) feet from such tank or header connection. Said signs, tags, plates or other identification markers shall be maintained in a legible condition throughout the term of this lease.

15. **ASSIGNMENTS:** The lease may be transferred at any time. All transfers must be recorded in the county where the area is located, and the recorded

transfer or a copy certified to by the County Clerk of the county where the transfer is recorded must be filed in the General Land Office within ninety (90) days of the execution date, as provided by N.R.C. Section 52.026, accompanied by the prescribed filing fee.

16. **RELEASES:** Lessee may relinquish the rights granted hereunder to the State at any time by recording the relinquishment in the county where this area is situated and filing the recorded relinquishment or certified copy of same in the General Land Office within ninety (90) days after its execution accompanied by the prescribed filing fee. Such relinquishment will not have the effect of releasing Lessee from any liability theretofore accrued in favor of the State.

17. **FORFEITURE:** (A) If Lessee shall fail or refuse to make the payment of any sum within thirty days after it becomes due, or if Lessee or an authorized agent should knowingly make any false return or false report concerning production or drilling, or if Lessee shall fail or refuse to drill any offset well or wells in good faith as required by law and the rules and regulations adopted by the Commissioner of the General Land Office, or if Lessee should fail to file reports in the manner required by law or fail to comply with rules and regulations promulgated by the General Land Office or the School Land Board, or refuse the proper authority access to the records pertaining to operations, or Lessee or an authorized agent should knowingly fail or refuse to give correct information to the proper authority, or knowingly fail or refuse to furnish the General Land Office a correct log of any well, or if Lessee shall knowingly violate any of the material provisions of this lease, or if this lease is assigned and the assignment is not filed in the General Land Office as required by law, the rights acquired under this lease shall be subject to forfeiture by the Commissioner, and he shall forfeit same when sufficiently informed of the facts which authorize a forfeiture, and when forfeited the area shall again be subject to lease to the highest bidder, under the same regulations controlling the original sale of leases. However, nothing herein shall be construed as waiving the automatic termination of this lease by operation of law or by reason of any special limitation arising hereunder.

(B) Forfeitures may be set aside and this lease and all rights thereunder reinstated before the rights of another intervene upon satisfactory evidence to the Commissioner of the General Land Office of future compliance with the provisions of the law and of this lease and the rules and regulations that may be adopted relative hereto.

18. **RIVERBED TRACTS:** In the event this lease covers a riverbed, Lessee is hereby specifically granted the right of eminent domain and condemnation as provided for in N.R.C. Sections 52.092-52.093, as a part of the consideration moving to Lessor for the covenants herein made by Lessee.

19. **DRILLING RESTRICTIONS:** In the event this lease covers land leased under the provisions of N.R.C. Chapter 52, Subchapter B, no surface location on this area may be closer than six hundred sixty (660) feet from the center of any navigable ship channel, and special permission from the Commissioner of the General Land Office will be necessary to make any surface location between six hundred sixty (660) feet and two thousand one hundred sixty (2,160) feet from the center of any such navigable ship channel. Also in such event this lease shall be subject to all rules and regulations promulgated by the Commissioner of the General Land Office, and amendments thereto, governing drilling and producing operations on permanent free school lands.

20. **REMOVAL OF EQUIPMENT:** Upon the termination of this lease for any cause, Lessee shall not, in any event, be permitted to remove the casing or any part of the equipment from any producing, dry, or abandoned well or wells without the written consent of the Commissioner of the General Land Office or his authorized representative; nor shall Lessee, without the written consent of said Commissioner or his authorized representative remove from the leased premises the casing or any other equipment, material, machinery, appliances or property owned by Lessee and used by Lessee in the development and production of oil or gas therefrom until all dry or abandoned wells have been plugged and until all slush or refuse pits have been properly filled and all broken or discarded lumber, machinery, or debris shall have been removed from the premises to the satisfaction of the said Commissioner or his authorized representative.

21. **FORCE MAJEURE:** Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling operations thereon, or from producing oil and/or gas therefrom, after effort made in good faith, by reason of war, rebellion, riots, strikes, acts of God or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended upon proper and satisfactory proof presented to the Commissioner of the General Land Office in support of Lessee's contention and Lessee shall not be liable for damages for failure to comply therewith (except in the event of lease operations suspended as provided in the rules and regulations adopted by the School Land Board); and this lease shall be extended while and so long as Lessee is prevented, by any such cause, from drilling, reworking operations or producing oil and/or gas from the leased premises; provided, however, that nothing herein shall be construed to suspend the payment of rentals during the primary or extended term, nor to abridge Lessee's right to a suspension under any applicable statute of this state.

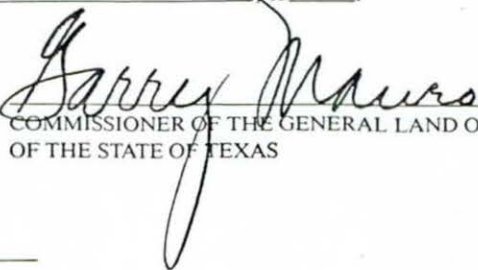
22. **RAILROAD COMMISSION HEARINGS ON GAS:** No natural gas or casinghead gas, including both associated and nonassociated gas, produced from the mineral estate subject to this lease may be sold or contracted for sale to any person for ultimate use outside the State of Texas unless the Railroad Commission of Texas, after notice and hearing as provided in Title 3 of the N.R.C., finds that:

- (a) the person, agency, or entity that executed the lease in question does not require the natural gas or casinghead gas to meet its own existing needs for fuel;
 - (b) no private or public hospital, nursing home, or other similar health-care facility in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
 - (c) no public or private school in this state that provides elementary, secondary, or higher education requires the natural gas or casinghead gas to meet its existing needs for fuel;
 - (d) no facility of the state or of any county, municipality, or other political subdivision in this state requires the natural gas or casinghead gas to meet its existing needs for fuel;
 - (e) no producer of food and fiber requires the natural gas or casinghead gas necessary to meet the existing needs of irrigation pumps and other machinery directly related to this production; and
 - (f) no person who resides in this state and who relies on natural gas or casinghead gas to provide in whole or part his existing needs for fuel or raw material requires the natural gas or casinghead gas to meet those needs;
- provided, however, the Railroad Commission of Texas may grant exceptions to these provisions as set forth in N.R.C. Section 52.296.

23. **LEASE SECURITY:** Lessee shall take the highest degree of care and all proper safeguards to protect said premises and to prevent theft of oil, gas, and other hydrocarbons produced from said lease. This includes, but is not limited to, the installation of all necessary equipment, seals, locks, or other appropriate protective devices on or at all access points at the lease's production, gathering and storage systems where theft of hydrocarbons can occur. Lessee shall be liable for the loss of any hydrocarbons resulting from theft and shall pay the State of Texas royalties thereon as provided in Paragraph 3 above on all oil, gas or other hydrocarbons lost by reason of theft.

24. **SUCCESSORS AND ASSIGNS:** The covenants, conditions and agreements contained herein shall extend to and be binding upon the heirs, executors, administrators, successors or assigns of Lessee herein.

IN TESTIMONY WHEREOF, witness the signature of the Commissioner of the General Land Office of the State of Texas under the seal of the General Land Office, this 2nd day of October 19 84.


COMMISSIONER OF THE GENERAL LAND OFFICE
OF THE STATE OF TEXAS

Approved

Audit 
Legal 
Engineering 
Geology 
Execution 

②

OIL AND GAS LEASE NO. 90407

DATE 10-2-84 BY MDK

Garry Mauro
Commissioner
General Land Office



October 17, 1984

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

Attention: Mr. Win Farquhar

Re: State Lease M-90407
Section 32, Block 45, PSL
Culberson County

Dear Mr. Farquhar:

This letter will confirm that BTA Oil Producers is the owner of the captioned State lease, having made the high bid of \$100,000.00 at the State Lease Sale on October 2, 1984.

The lease is being prepared and will be mailed within one month.

Very truly yours,

A handwritten signature in cursive script that reads "Robert V. Phipps".

Robert V. Phipps, Geologist
Petroleum & Minerals
Phone: (512) 475-0727, Ext. 25

RVP:gs

③

M-90404

Ltr. to BTA Oil Producers

11-26-84 WMC

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. **42- 109-31747**

7. RRC District No.

08

8. RRC Gas ID No.

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat)

King Edward (Atoka)

2. LEASE NAME

7816 JV-P Duval 'C'

9. Well No.

1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

BTA Oil Producers

RRC Operator No.

041860

10. County of well site

Culberson

4. ADDRESS

104 South Pecos; Midland, Texas 79701

11. Purpose of filing

Initial Potential ☐

Retest ☐

Reclass ☐

Well record only ☒
(Explain in remarks)

5. Location (Section, Block, and Survey)

Sec. 32, Blk. 45, PSL Survey

5b. Distance and direction to nearest town in this county.

15 Miles Northeast to Orla

6. If operator has changed within last 60 days, name former operator

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.
FIELD & RESERVOIR

GAS ID or OIL LEASE #

Oil—O Gas—G

WELL #

13. Pipe Line Connection

14. Completion or recompletion date

2-26-85

15. Any condensate on hand at time of workover or recompletion? ☐ Yes ☒ No

16. Type of Electric or other Log Run.

CNL/LDT/DIL

Section I

GAS MEASUREMENT DATA

Date of Test		Gas Measurement Method (Check One)						Gas produced during test		
		Orifice Meter ☐	Flange Taps ☒	Pipe Taps ☐	Positive Choke ☐	Orifice Vent Meter ☐	Pitot Tube ☐	Critical-flow Prover ☐	MCF	
Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tf}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY
1										
2										
3										
4										

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)		Gravity Liquid Hydrocarbon Deg. API		Gas-Liquid Hydro Ratio CF/Bbl		Gravity of Mixture C _{mix} =		Avg. Shut-In Temp. °F		Bottom Hole Temp. °F @ (Depth)	
Defl ^{8/3} =		$\sqrt{T_f} = \sqrt{\quad} =$		$\sqrt{GL} = \sqrt{\quad} =$							
$C = \frac{1118 \times (Defl)^{8/3}}{\sqrt{T}} =$				$\frac{\sqrt{GL}}{C} =$							
Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P _w	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁		
Shut-In											
1											
2											
3											
4											
Run No.	F	K	S = $\frac{1}{z}$	E ^{ks}	P _f and P _s	P _f ² and P _s ² (thousands)	P _f ² - P _s ² (thousands)	Angle of Slope			
Shut-In											
1								θ			
2								n			
3								Absolute Open Flow			
4								 MCF/DAY			

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator's Representative

DOROTHY HOUGHTON

Regulatory Supv

Title

5/22/85

Date

Tel: **915/682-3753**

A/C Number

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☒ Deepening ☐ Plug Back ☐ Other ☐				18. Permit to Drill, Plug Back or Deepen DATE 03/05/85 PERMIT NO. 255558 Rule 37 CASE NO. Exception Water Injection PERMIT NO. Permit Salt Water Disposal PERMIT NO. Permit Other PERMIT NO.			
19. Notice of Intention to Drill this well was filed in Name of BTA Oil Producers							
20. Number of producing wells on this lease in this field (reservoir) including this well 1		21. Total number of acres in this lease 640					
22. Date Plug Back, Deepening, WorkOver or Drilling Operations: 11-11-84		Completed 2-5-85		23. Distance to nearest well, Same Lease & Reservoir None			
24. Location of well, relative to nearest lease boundaries of lease on which this well is located 1,980 Feet From North Line and 1,320 Feet from West Line of the 7806 JV-P Duval -C- Lease							
25. Elevation (DF, RKB, RT, GR, ETC.) 3,291' GR 3,311' KB				26. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No			
27. Top of Pay 14,377'		28. Total Depth 15,717'		29. P. B. Depth 15,460'			
				30. Surface Casing Determined by: Field ☐ Recommendation of T.D.W.R. ☒ Rules Railroad Commission (Special) ☒ Dt. of Letter 10-29-84 Dt. of Letter 10-29-84			
31. Is well multiple completion? ☐ Yes ☒ No		32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR			33. Intervals Drilled by: Rotary Tools ☒ Cable Tools ☐		
34. Name of Drilling Contractor Parker Drllg. Co.				35. Is Cementing Affidavit Attached? ☒ Yes ☐ No			
36. CASING RECORD (Report All Strings Set in Well)							
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13-3/8"	61#	2,485'	--	C1 -C- 2200	17-1/2"	Circ	4,215
9-5/8"	47#	10,208'	4,145'	C1 C&H 3800	12-1/4"	750'	7,241

37. LINER RECORD				
Size	TOP	Bottom	Sacks Cement	Screen
7-5/8"	9,889'	15,657'	C1 -C- 525 sx	

38. TUBING RECORD			39. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2-7/8"	14,277'	14,027'	14,377'	14,521'

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
Depth Interval	Amount and Kind of Material Used
14,377' - 14,521'	A/w 10,000 gal gelled HCl and 20,000 gal gelled pad.

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
Delaware Lime	2,525'	Atoka Lime	14,364'
Cherry Canyon	3,624'	Woodford Shale	15,518'
Bone Spring	6,040'	Fusselman	15,628'

REMARKS 11. Well is shut in pending gas contract negotiations.
G-1 Initial potential will be filed upon gas pipeline connection.
18. Original permit dated 10-24-84 in King Edward field.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

#918711

1. Operator's Name (As shown on Form P-5, Organization Report) BTA OIL PRODUCERS	2. RRC Operator No. 041860	3. RRC District No. 8	4. County of Well Site Reeves <i>culberson?</i>
5. Field Name (Wildcat or exactly as shown on RRC records) King Edward (Atoka)		6. API No. 42- 109-31747	7. Drilling Permit No. 255558
8. Lease Name 78/6 JV-P Duval "C"	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date		11/18/84					
13. •Drilled hole size		17-1/2					
•••Est. % wash or hole enlargement		N/A					
14. Size of casing (in. O.D.)		13-3/8					
15. Top of liner (ft.)		None					
16. Setting depth (ft.)		2485					
17. Number of centralizers used		21					
18. Hrs. waiting on cement before drill-out		12					
1st Slurry	19. API cement used: No. of sacks ▶	1900					
	Class ▶	HLC					
	Additives ▶	2.77# Salt; 1/4# Flocele.					
2nd Slurry	No. of sacks ▶	300					
	Class ▶	"C"					
	Additives ▶	2% Calcium Chloride.					
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶	3819					
	Height (ft.) ▶	5498					
2nd	Volume (cu. ft.) ▶	396					
	Height (ft.) ▶	570					
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶	4215					
	Height (ft.) ▶	6068					
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?		YES					
22. Remarks							

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Tommy Kute - Cementer

HALLIBURTON SERVICES

Name and title of cementer's representative

Cementing Company

Signature

Drawer Y

Monahans, Texas 79756

915/943-2721

11/18/84

Address

City

State, Zip Code

Tel.: Area Code Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Pete Welborn

Drilling Foreman

Typed or printed name of operator's representative

Title

Signature

104 South Pecos

Midland, Texas 79701

915/682-3753

02 07 85

Address

City

State, Zip Code

Tel.: Area Code Number

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. **What to file.** An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. **Where to file.** The appropriate Commission District Office for the county in which the well is located.

C. **Surface casing.** An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. **Centralizers.** Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. **Exceptions and alternative casing programs.** The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. An operator must obtain approval of any exception before beginning casing and cementing operations.

F. **Intermediate and production casing.** For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. **Plugging and abandoning.** Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementer: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

#918717

1. Operator's Name (As shown on Form P-5, Organization Report) BTA OIL PRODUCERS	2. RRC Operator No. 041860	3. RRC District No. 8	4. County of Well Site Culberson
5. Field Name (Wildcat or exactly as shown on RRC records) King Edward (Atoka)		6. API No. 42- 109-31747	7. Drilling Permit No. 255558
8. Lease Name 7816 JV-P Duval "C"	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date						12/12/84	12/12/84
13. •Drilled hole size						12-1/4	12-1/4
•• •Est. % wash or hole enlargement						NA	
14. Size of casing (in. O.D.)						9-5/8	9-5/8
15. Top of liner (ft.)						None	
16. Setting depth (ft.)						4145	10208
17. Number of centralizers used						2	8
18. Hrs. waiting on cement before drill-out						12	
1st Slurry	19. API cement used: No. of sacks ▶					1500	1600
	Class ▶					HLC	HLC
	Additives ▶					See 22B	See 22A
2nd Slurry	No. of sacks ▶					200	500
	Class ▶					"C"	"H"
	Additives ▶					Neat	.5% CFR-2.
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶					3075	3312
	Height (ft.) ▶					9818	10575
2nd	Volume (cu. ft.) ▶					264	590
	Height (ft.) ▶					843	1884
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶					3339	3902
	Height (ft.) ▶					10661	12459
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?						NO	NO
22. Remarks A) .6% Halad-9; 5# Gilsonite; 1/4# Flocele. B) 3# Salt; 5# Gilsonite; 1/4# Flocele.							

OVER

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (In.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Tommy Kute - Cementer

HALLIBURTON SERVICES

Name and title of cementer's representative

Cementing Company

Signature

Drawer Y

Monahans, Texas 79756

915/943-2721

12/12/84

Address

City,

State, Zip Code

Tel.: Area Code Number

Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Pete Welborn

Drilling Foreman

Signature

Typed or printed name of operator's representative

Title

Signature

104 South Pecos

Midland, Texas 79701

915/682-3753

02 07 85

Address

City,

State, Zip Code

Tel.: Area Code Number

Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, Form W-2 or G-1, as required by Statewide or special field rules;
- Form W-4, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- Form W-3, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

Cementor: Fill in shaded areas.
Operator: Fill in other items.

Form W-15
Cementing Report
Rev. 4/1/83
483-045

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

#973843

1. Operator's Name (As shown on Form P-5, Organization Report) BTA OIL PRODUCERS	2. RRC Operator No. 041860	3. RRC District No. 8	4. County of Well Site Reeves <i>Culberson</i>
5. Field Name (Wildcat or exactly as shown on RRC records) King Edward (Atoka)	6. API No. 42- 109-31747	7. Drilling Permit No. 255558	
8. Lease Name 7816 JV-P Duval "C"	9. Rule 37 Case No.	10. Oil Lease/Gas ID No.	11. Well No. 1

CASING CEMENTING DATA:		SURFACE CASING	INTER-MEDIATE CASING	PRODUCTION CASING		MULTI-STAGE CEMENTING PROCESS	
				Single String	Multiple Parallel Strings	Tool	Shoe
12. Cementing Date				1/24/85			
13. •Drilled hole size				8-1/2			
•Est. % wash or hole enlargement				NA			
14. Size of casing (In. O.D.)				7-5/8			
15. Top of liner (ft.)				9889'			
16. Setting depth (ft.)				15657			
17. Number of centralizers used							
18. Hrs. waiting on cement before drill-out				12			
1st Slurry	19. API cement used: No. of sacks ▶			525			
	Class ▶			"H"			
	Additives ▶			50/50 Poz; 2% Gel; 17% SSA-1; 1.71# KCL			
2nd Slurry	No. of sacks ▶				1/4# Flocele; .5% CFR-2;		
	Class ▶				.6% Halad-22A.		
	Additives ▶						
3rd Slurry	No. of sacks ▶						
	Class ▶						
	Additives ▶						
1st	20. Slurry pumped: Volume (cu. ft.) ▶			793			
	Height (ft.) ▶			10305			
2nd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
3rd	Volume (cu. ft.) ▶						
	Height (ft.) ▶						
Total	Volume (cu. ft.) ▶			793			
	Height (ft.) ▶			10305			
21. Was cement circulated to ground surface (or bottom of cellar) outside casing?				NO			
22. Remarks							

OVER

CEMENTING TO PLUG AND ABANDON	PLUG # 1	PLUG # 2	PLUG # 3	PLUG # 4	PLUG # 5	PLUG # 6	PLUG # 7	PLUG # 8
23. Cementing date								
24. Size of hole or pipe plugged (in.)								
25. Depth to bottom of tubing or drill pipe (ft.)								
26. Sacks of cement used (each plug)								
27. Slurry volume pumped (cu. ft.)								
28. Calculated top of plug (ft.)								
29. Measured top of plug, if tagged (ft.)								
30. Slurry wt. (lbs/gal)								
31. Type cement								

CEMENTER'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that the cementing of casing and/or the placing of cement plugs in this well as shown in the report was performed by me or under my supervision, and that the cementing data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers cementing data only.

Brad Belz - Cementer HALLIBURTON SERVICES Brad Belz
Name and title of cementer's representative Cementing Company Signature

Drawer Y Monahans, Texas 79756 915/943-2721 1/24/85
Address City, State, Zip Code Tel.: Area Code Number Date: mo. day yr.

OPERATOR'S CERTIFICATE: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have knowledge of the well data and information presented in this report, and that data and facts presented on both sides of this form are true, correct, and complete, to the best of my knowledge. This certification covers all well data.

Paul B. Scholl Drilling Foreman Paul B. Scholl
Typed or printed name of operator's representative Title Signature

104 South Pecos Midland, Texas 79701 915/682-3753 02 07 85
Address City, State, Zip Code Tel.: Area Code Number Date: mo. day yr.

Instructions to Form W-15, Cementing Report

IMPORTANT: Operators and cementing companies must comply with the requirements of the Commission's Statewide Rules 8 (Water Protection), 13 (Casing, Cementing, Drilling, and Completion), and 14 (Well Plugging). For offshore operations, see the requirements of Rule 13 (c).

A. What to file. An operator should file an original and one copy of the completed Form W-15 for each cementing company used on a well. The cementing of different casing strings on a well by one cementing company may be reported on one form. Form W-15 should be filed with the following:

- An initial oil or gas completion report, **Form W-2 or G-1**, as required by Statewide or special field rules;
- **Form W-4**, Application for Multiple Completion, if the well is a multiple parallel casing completion; and
- **Form W-3**, Plugging Record, unless the W-3 is signed by the cementing company representative. When reporting dry holes, operators must complete Form W-15, in addition to Form W-3, to show any casing cemented in the hole.

B. Where to file. The appropriate Commission District Office for the county in which the well is located.

C. Surface casing. An operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources, Austin. Before drilling a well in any field or area in which no field rules are in effect or in which surface casing requirements are not specified in the applicable rules, an operator must obtain a letter from the Department of Water Resources stating the protection depth. Surface casing should not be set deeper than 200 feet below the specified depth without prior approval from the Commission.

D. Centralizers. Surface casing must be centralized at the shoe, above and below a stage collar or diverting tool, if run, and through usable-quality water zones. In nondeviated holes, a centralizer must be placed every fourth joint from the cement shoe to the ground surface or to the bottom of the cellar. All centralizers must meet API specifications.

E. Exceptions and alternative casing programs. The District Director may grant an exception to the requirements of Statewide Rule 13. In a written application, an operator must state the reason for the requested exception and outline an alternate program for casing and cementing through the protection depth for strata containing usable-quality water. The District Director may approve, modify, or reject a proposed program. **An operator must obtain approval of any exception before beginning casing and cementing operations.**

F. Intermediate and production casing. For specific technical requirements, operators should consult Statewide Rule 13 (b) (3) and (4).

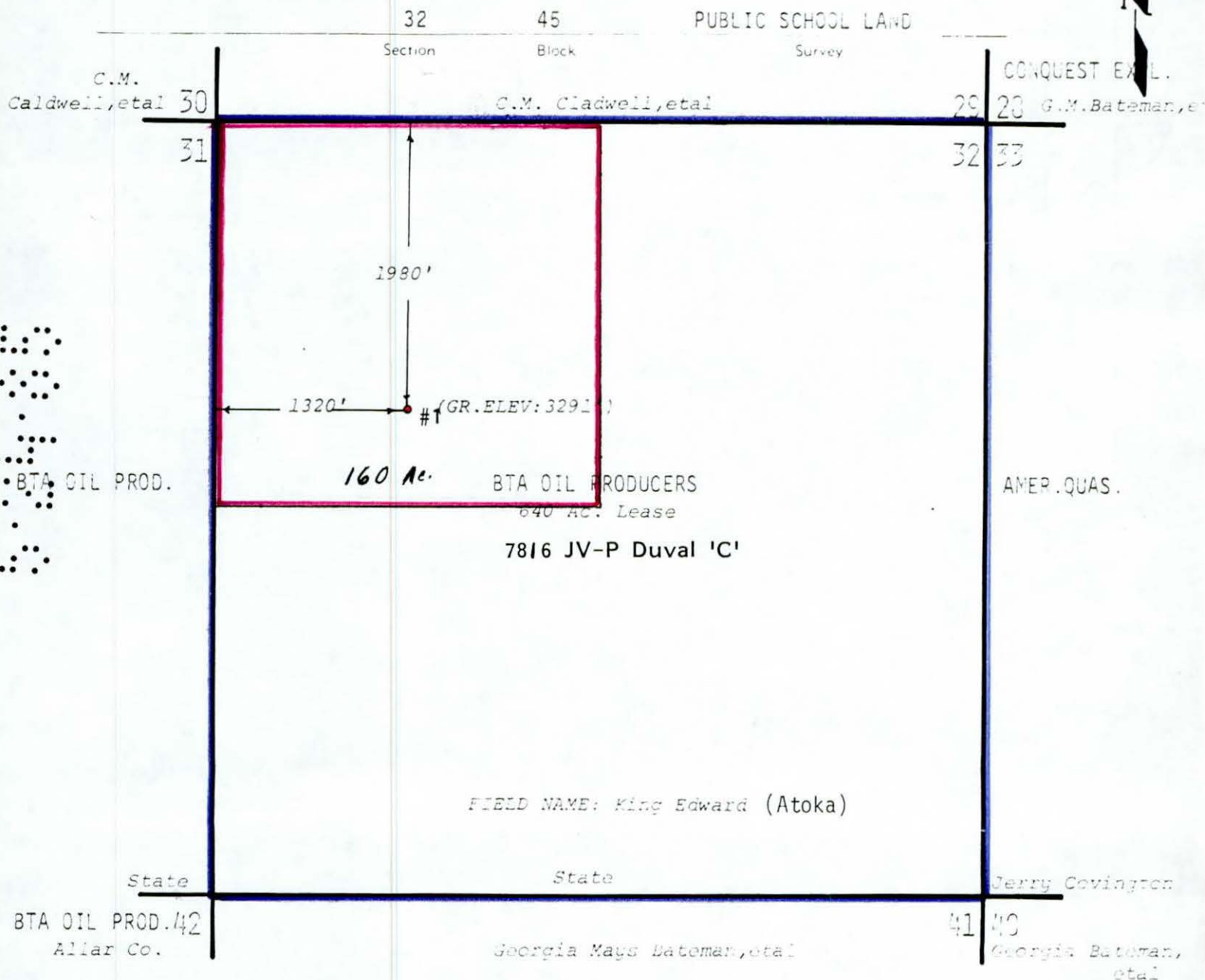
G. Plugging and abandoning. Cement plugs must be placed in the wellbore as required by Statewide Rule 14. The District Director may require additional cement plugs. For onshore or inland wells, a 10-foot cement plug must be placed in the top of the well, and the casing must be cut off three feet below the ground surface. All cement plugs, except the top plug, must have sufficient slurry volume to fill 100 feet of hole, plus ten percent for each 1,000 feet of depth from the ground surface to the bottom of the plug.

To plug and abandon a well, operators must use only cementers approved by the Director of Field Operations. Cementing companies, service companies, or operators can qualify as approved cementers by demonstrating that they are able to mix and pump cement in compliance with Commission rules and regulations.

PLAT SHOWING PROPOSED NEW WELL LOCATION

CULBERSON County, Texas

Description: 1980' FWL & 1320' FWL



Operator: BTA OIL PRODUCERS Date Stake: Oct. 10, 1984
Lease Name: 7816 JV-P Duval 'C' Well No.: 1

Topography & Vegetation: Natural Pasture-Gently Sloping Down To Northeast

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location: From Lease Road $\pm$ 1350' West Of Location

Distance and Direction: From HI. Jct. 652 and Duval Sulfer Plant road West of Orla

go South on paved road 10 miles; Thence East on BTA Lease Road 1.5 miles; Thence South .4 miles; Thence East 1 mile; Thence South 1 mile to Northwest corner of 32

Scale: 1"=1000'



CERTIFICATE:

I, Gary D. Boswell, a Registered Public Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Texas Reg. No. 1788

TOPOGRAPHIC LAND SURVEYORS

908 West Wall St.
(915) 682-1653
Midland, Texas 79701

4

90407

M.F.

WELL #

1 COMPLETION REPORT

GARRY MAURO, COMMISSIONER

FILED

6-27-85 BY

AB

2025

Garry Mauro
Commissioner
General Land Office



October 26, 1984

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

ATTN: C. R. Pearson

Gentlemen:

Thank you for your participation in the State of Texas' Oil and Gas lease sale, which was held on October 2, 1984. The sale was a tremendous success.

BTA Oil Producers was the high bidder on the marginal number listed below, that has been assigned the corresponding lease number:

MGL #13, Lease #M-90407

Lease agreements for this marginal number are enclosed. The lease will serve as your receipt for the amount of your bid. Also, your contractual and statutory responsibilities to the General Land Office are outlined in the lease agreements. Section 5 (B) requires operators to submit written notice of all drilling, production, and related activities. More specifically, when lessees file various forms with the Texas Railroad Commission and the Department of Energy, they are required to submit copies of these forms to the General Land Office. Examples of these forms are:

- ° W-1, Application to Drill, Deepen, or Plug Back with Plat;
- ° W-2, Oil Well Potential Test, Completion or Recompletion Report and Log;
- ° W-3, Plugging Record;
- ° G-1, Gas Well Back Pressure Test, Completion/Recompletion Report and Log;
- ° G-5, Gas Well Classification Report;
- ° G-10, Gas Well Status Report;
- ° W-10, Oil Well Status Report;
- ° W-12, Inclination Report;
- ° W-15, Cementing Affidavit;
- ° Electrical Logs (any scale and within fifteen days after they are made);
- ° Directional Surveys;
- ° P-12, Certificate of Pooling Authority;
- ° F-1, NGPA Supplemental Application; and
- ° FERC-121, Application for Determination.

Your cooperation in complying with the reporting requirements outlined above will be greatly appreciated, and will contribute to the General Land Office's efforts to effectively manage the State of Texas' oil and gas resources. Failure to comply with these requirements will subject your lease to possible forfeiture.

Please do not hesitate to contact my office if you need any assistance in the future, or if you have questions concerning the State leases that you operate.

Sincerely,

Garry Mauro
Garry Mauro

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

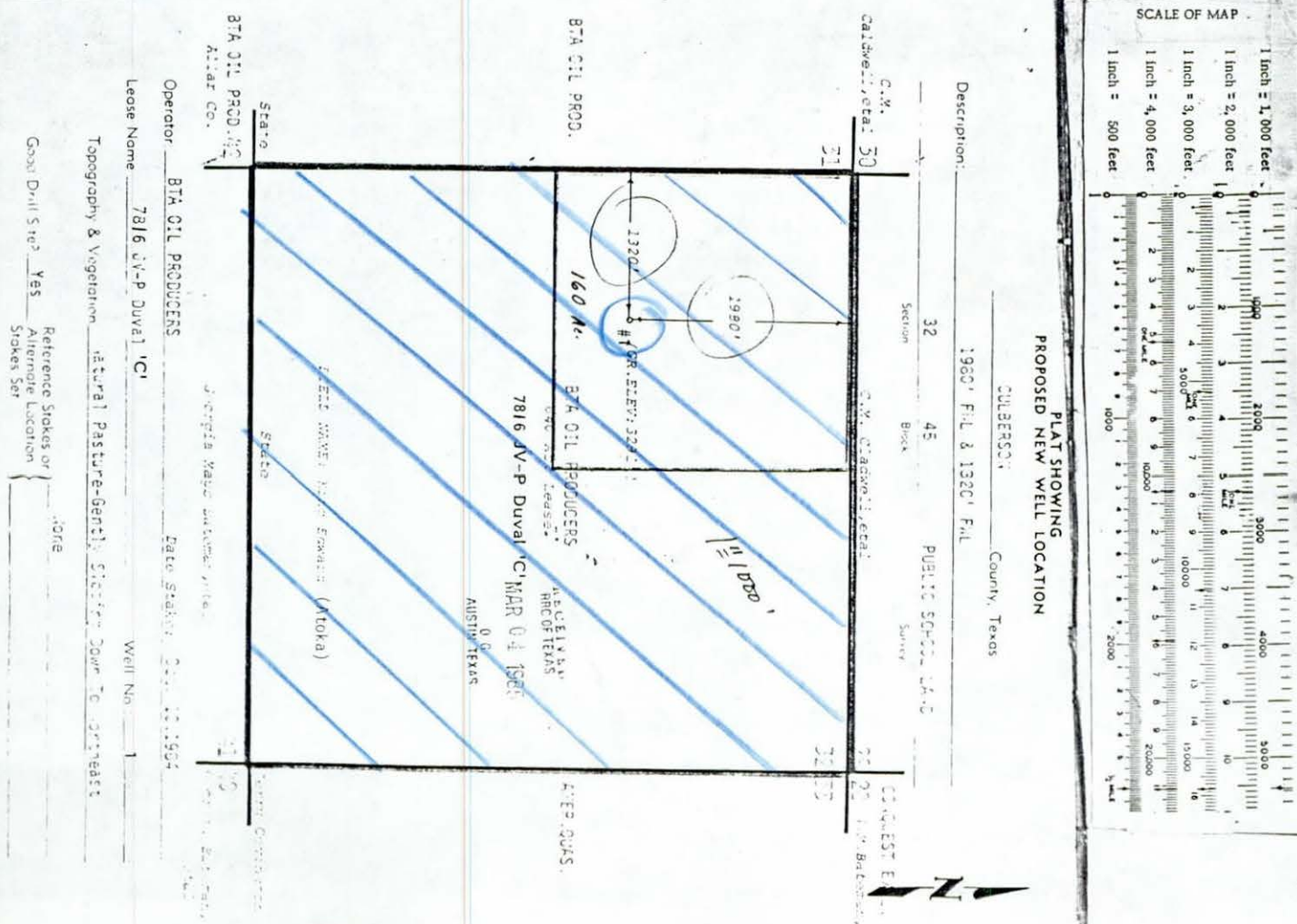
► Read Instructions on Back

► File a copy of W-1 and plat in RRC District Office

Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Directional Well ☐ Sidetrack ☒ Amended Permit (enter permit no. at right & explain fully in Remarks)										Enter here, if assigned: 42-109-31747 Permit No. 255558 Rule 37 Case No.				
1. Operator's Name (exactly as shown on Form P-5, Organization Report) ATA Oil Producers			3. RRC Operator No. 041860		4. RRC District No. 08		5. County of Well Site Culberson							
2. Address (including city and zip code) 104 South Pecos Midland, Texas 79701			6. Lease Name (32 spaces maximum) 7816 JV-P Duval -C-			7. RRC Lease/ID No.		8. Well No. 1	9. Total Depth 15,717'					
001334			10. Location • Section 32 Block 45 Survey PSL Survey Abstract No. A • This well is to be located 15 miles in a Southwest direction from Orla which is the nearest town in the county of the well site.											
			MAR 22 1985											
11. Distance from proposed location to nearest lease or unit line 1,320' ft.			12. Number of contiguous acres in lease, pooled unit, or unitized tract 640 (OUTLINE ON PLAT.)											
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcard zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. King Edward (Atoka) 49400 600			14. Completion depth 15,500'	15. Spacing pattern (ft.) 933 1,867	16. Density pattern (acres) 160	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT. 160	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. No	19. Distance from proposed location to nearest applied, permitted, or completed well, this lease & reservoir. (ft.) None	20. Oil, gas, or other type well (Specify) Gas	21. No. of applied, permitted, or completed locations (including this one) on lease in this reservoir. <table border="1" style="width: 100%;"> <tr> <th>OIL</th> <th>GAS</th> </tr> <tr> <td>0</td> <td>1</td> </tr> </table>	OIL	GAS	0	1
OIL	GAS													
0	1													
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit 1,980' FNL & 1,320' FWL • Survey/Section 1,980' FNL & 1,320' FWL														
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)					24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)									
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ If not filed, explain in Remarks.														
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes ☒ No ☐ If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.														
Remarks 6. Change lease name from 7806 JV-P Duval -C- 13. Orig. Permit dated 10-24-84 in King Edward field														
I certify that information stated in this application is true and complete, to the best of my knowledge. Dorothy Houghton Regulatory Supervisor Signature DOROTHY HOUGHTON Name and title of operator's representative 02 28 85 915/682-3753 Date: mo. day yr. Tel.: Area Code Number • RRC Use Only •														

Statewide
PLAT SERVICE

3-12-85



M-90407

► Return each W-1 with plat and \$100.00 fee.
Make a check or money order payable to the
State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-1
Rev. 9/1/83
483-060

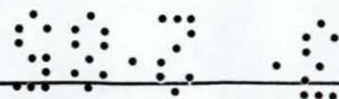
► Read Instructions on Back

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

► File a copy of W-1 and plat in RRC District Office.

Purpose of filling (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Directional Well ☐ Sidetrack ☒ Amended Permit (enter permit no. at right & explain fully in Remarks)								Enter here, if assigned:		API No. ► 42-109-31747 Permit No. ► 255558 Rule 37 Case No.	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) BTA Oil Producers		3. RRC Operator No. 041860		4. RRC District No. 08		5. County of Well Site Culberson					
2. Address (including city and zip code) 104 South Pecos Midland, Texas 79701		6. Lease Name (32 spaces maximum) 7816 JV-P Duval -C-				7. RRC Lease/ID No.		8. Well No. 1			
		10. Location • Section <u>32</u> Block <u>45</u> Survey <u>PSL Survey</u> Abstract No. <u>A-</u> • This well is to be located <u>15</u> miles in a <u>Southwest</u> direction from <u>Orla</u> which is the nearest town in the county of the well site.				9. Total Depth 15,717'					
11. Distance from proposed location to nearest lease or unit line <u>1,320</u> ft.				12. Number of contiguous acres in lease, pooled unit, or unitized tract <u>640</u> (OUTLINE ON PLAT.)							
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.			14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.	
King Edward (Atoka)			15,500'	933 1,867	160	160	No	None	Gas	0	1
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <u>1,980' FNL & 1,320' FWL</u> • Survey/Section <u>1,980' FNL & 1,320' FWL</u>						If a directional well, show also projected bottom-hole location: • Lease/Unit _____ • Survey/Section _____					
23. Is this a pooled unit? Yes ☐ (Attach Form P-12 and certified plat.) No ☒						24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ (Attach Form W-1A) No ☒					
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒						If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ If not filed, explain in Remarks.					
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes ☒ No ☐ If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.						I certify that information stated in this application is true and complete, to the best of my knowledge.					
Remarks 6. Changing lease name from 7806 JV-P Duval -C-						Signature <u>Dorothy Houghton</u> Regulatory Supervisor Date: <u>02</u> <u>28</u> <u>85</u> Name and title of operator's representative <u>915/682-3753</u> Date: mo. day yr. Tel.: Area Code Number					
13. Orig. Permit dated 10-24-84 in King Edward field						• RRC Use Only •					

191



[Handwritten signature]

Instructions to Form W-1

A. **IMPORTANT:** Do not begin drilling operations on any location until you receive a drilling permit from the Commission, and the waiting-clause period, if specified in the permit, has ended.

B. **Organization Report.** Before this application can be processed, a **Form P-5**, Organization Report, showing the exact operator name used on Form W-1, must be on file with the Commission in Austin.

C. **Fee.** With each W-1 application or materially amended W-1 application, the applicant must submit to the Commission in Austin a fee of \$100.00. A check or money order must be made payable to the State Treasurer of Texas. This fee is nonrefundable. An application will be considered materially amended if the amendment requires the issuance of a new permit. A materially amended application includes an application in which an additional field or a change in location or field is sought for a previously permitted well. However, if a new application and/or permit becomes necessary because of Commission action, the \$100.00 fee may be waived.

D. **Surface casing.** Before the Commission will assign an allowable to a well, the operator must set and cement sufficient surface casing to protect all usable-quality water strata, as defined by the Texas Department of Water Resources. Before drilling a well where Commission rules do not specify surface casing requirements, the operator must obtain a letter from the Department stating the protection depth. Write: TDWR, Surface Casing, P. O. Box 13087, Capitol Station, Austin, Texas 78711.

E. **What to file.** File Form W-1, a plat, and the \$100.00 fee in the Commission's Austin office (the address appears on the front of this form). Send a copy of the W-1 and plat to the RRC District Office that serves the county of the proposed well site.

F. **Plat.** Each W-1 must be accompanied by a neat, accurate plat of the lease or unit which clearly shows the following:

For a REGULAR location (where the proposed site conforms to Commission rules)

- Drilling unit boundary for the proposed location and proration unit boundaries for each producing well on this lease or unit which is completed in the same field. Show the acreage contained in each unit. For Commission purposes, lease or unit acreage must be contiguous unless an exception to Statewide Rule 39 is granted. If a Rule 39 exception has previously been granted for the lease or unit, **attach a copy of the RRC approval.**
- Surface location of the proposed site. If the well is to be directionally drilled, show also the projected bottom-hole location.
- Perpendicular distance to nearest intersecting: (a) lease/unit lines and (b) survey/section lines. To avoid confusion, distinguish between the two sets of lines.
- Distance to nearest applied for, permitted, or completed well on this lease or unit in the same field.
- Section, block, or lot.
- Northerly direction.
- Scale. Where the size of the lease or unit will allow, use a scale of $1'' = 1,000'$. If it is not practical to show the entire lease or unit on the plat, attach a second plat, drawn to a scale no smaller than $1'' = 2,000'$, to show the entire lease or unit in relation to the patent survey. Enter on Form W-1 (Item 12) the acreage for the entire lease or unit.
- On a pooled unit, outline the entire lease or unit as well as the individual tracts listed on Form P-12, Certificate of Pooling Authority.

For a RULE 37 or RULE 38 Exception (where spacing or acreage is less than prescribed by rule)

- A **certified** plat of the entire lease or unit which includes the information described above; and
- A list of the names and addresses of all offsetting operators or unleased mineral interest owners of each tract which is contiguous to the drill site tract. If you do not have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract, and if the well requires a Rule 37 or 38 exception, list also the name and address of the person who has this right. The list should refer to the plat clearly so as to enable the Commission to readily identify each tract and its operator or mineral owner.

NOTE: If you penetrate a Rule 37 or 38 zone in which you do not propose to complete at this time, you will not necessarily be allowed to use the existence of this wellbore as justification for an exception to complete this wellbore in such zone in the future.

G. Specific Items.

Item 13. **Field name.** Use only field designations, including reservoir, approved by the Commission (not proposed field names). Enter "Wildcat" if the reservoir has no RRC field designation and give the total projected depth under "Completion Depth." If the well is to be drilled in a multi-pay area, list all established and wildcat zones for which a completion is proposed. If necessary, attach additional Form W-1's to list these zones.

Item 15. **Spacing pattern.** If the proposed location of the well is in a field with special field rules, enter the appropriate spacing pattern. If there are no field rules in effect, Statewide Rule 37 spacing applies. Rule 37 requires wells to be spaced at least 467 feet from lease lines and 1,200 feet from other wells completed in the same reservoir and on the same lease, with one well to each 40 acres. However, if the proposed location is in RRC Districts 7B, 9, or in McCulloch County (District 7C), and in a field with no special field rules adopted, a district (or county regular) rule will apply, with special spacing and depth controls for wells drilled to 5,000 feet or above.

Item 16. **Density pattern.** If the proposed location is in a field with special field rules, enter the appropriate density pattern. If there are no field rules in effect, Statewide Rules 37 and 38 apply, allowing one well to each 40 acres. However, if the proposed location is in RRC Districts 7B, 9, or in McCulloch County (District 7C), and in a field with no special field rules adopted, the special spacing and depth controls in Rule 38(b) govern density.

Return each W-1 with plat and \$100.00 fee.
Make a check or money order payable to the
State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711

WITH IN STATE FEE M-90407

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Read Instructions on Back

Form W-1
Rev. 9/1/83
453-030

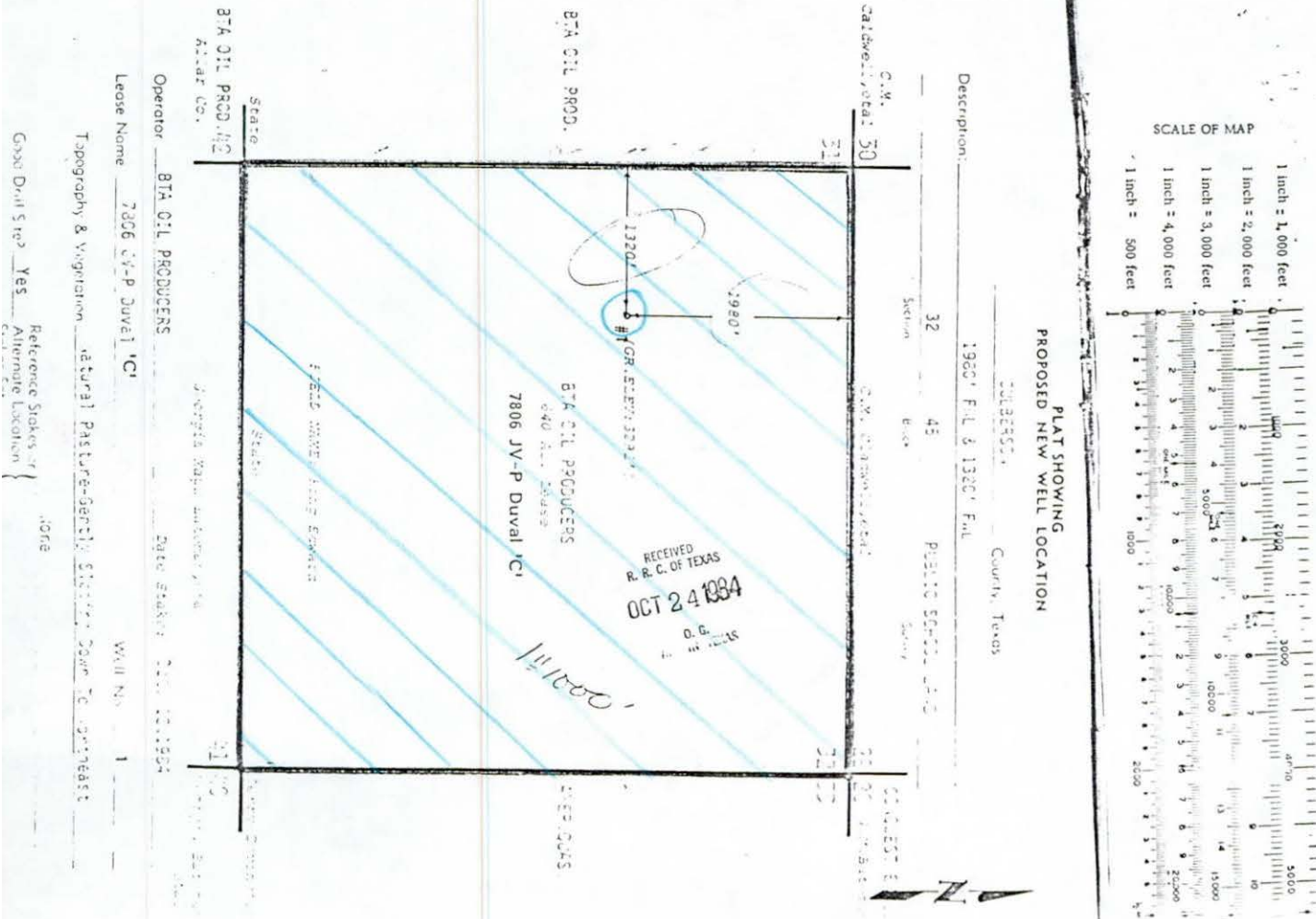
Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

Purpose of filing (mark appropriate boxes):
☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter
☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)

1. Operator's Name (exactly as shown on Form P-5, Organization Report): **BTA Oil Producers**
2. Address (including city and zip code): **104 S. Pecos Midland, Texas 79701**
3. RRC Operator No.: **041860** 4. RRC District No.: **08** 5. County of Well Site: **Culberson**
6. Lease Name (32 spaces maximum): **7806 JV-P Duval "C"** 7. RRC Lease/ID No.: **1** 8. Well No.: **1** 9. Total Depth: **15,750**
10. Location:
• Section **32** Block **45** Survey **PSL Survey** Abstract No. **A**
• This well is to be located **15** miles in **Southwest** direction from **Orla**
which is the nearest town in the county of the well site **DEC 4 1984**
11. Distance from proposed location to nearest lease or unit line **1,320** ft. 12. Number of contiguous acres in lease, pooled unit, or unitized tract **640** (OUTLINE ON PLAT.)
13. FIELD NAME (exactly as shown in RRC production schedule). List all established and wildcard zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.
King Edward **49400500**
14. Completion depth **15750** 15. Spacing pattern (ft.) **1320** 16. Density pattern (acres) **640** 17. Number of acres in drilling unit for this well. OUTLINE ON PLAT. **640** 18. Distance from proposed location to nearest applied for, permitted, or completed well, this lease or reservoir. (ft.) **None** 19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease or reservoir. (ft.) **None** 20. Oil, gas, or other type well (Specify) **Gas** 21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir.
OIL **0** GAS **1**
22. Perpendicular surface location from two nearest designated lines:
• Lease/Unit **1980' FNL and 1320' FWL**
• Survey/Section **1980' FNL and 1320' FWL of Sec. 32**
If a directional well, show also projected bottom-hole location:
• Lease/Unit _____
• Survey/Section _____
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.) 24. Is item 17 less than item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒ If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☒ If not filed, explain in Remarks.
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐
Remarks:
25. H-9 Certificate #05112 dated 8-14-78
I certify that information stated in this application is true and complete, to the best of my knowledge.
Signature: **J. B. Houghton** Regulatory Supervisor
Name and title of operator's representative
Date: **10/23/84** Tel: **915/682-3753** Area Code **10010734**
Date: **205293 OCT 24 1984** RRC Use Only
261939

Subsidence PLAT SERVICE
P. O. DRAWER 1887 AUSTIN, TEXAS 78707

10-31-84



Return each W-1 with plat and \$100.00 fee.
Make a check or money order payable to the
State Treasurer of Texas. Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711

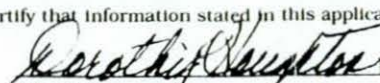
RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form W-1
Rev. 9/1/83
483-060

Read Instructions on Back

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

File a copy of W-1 and plat in RRC District Office.

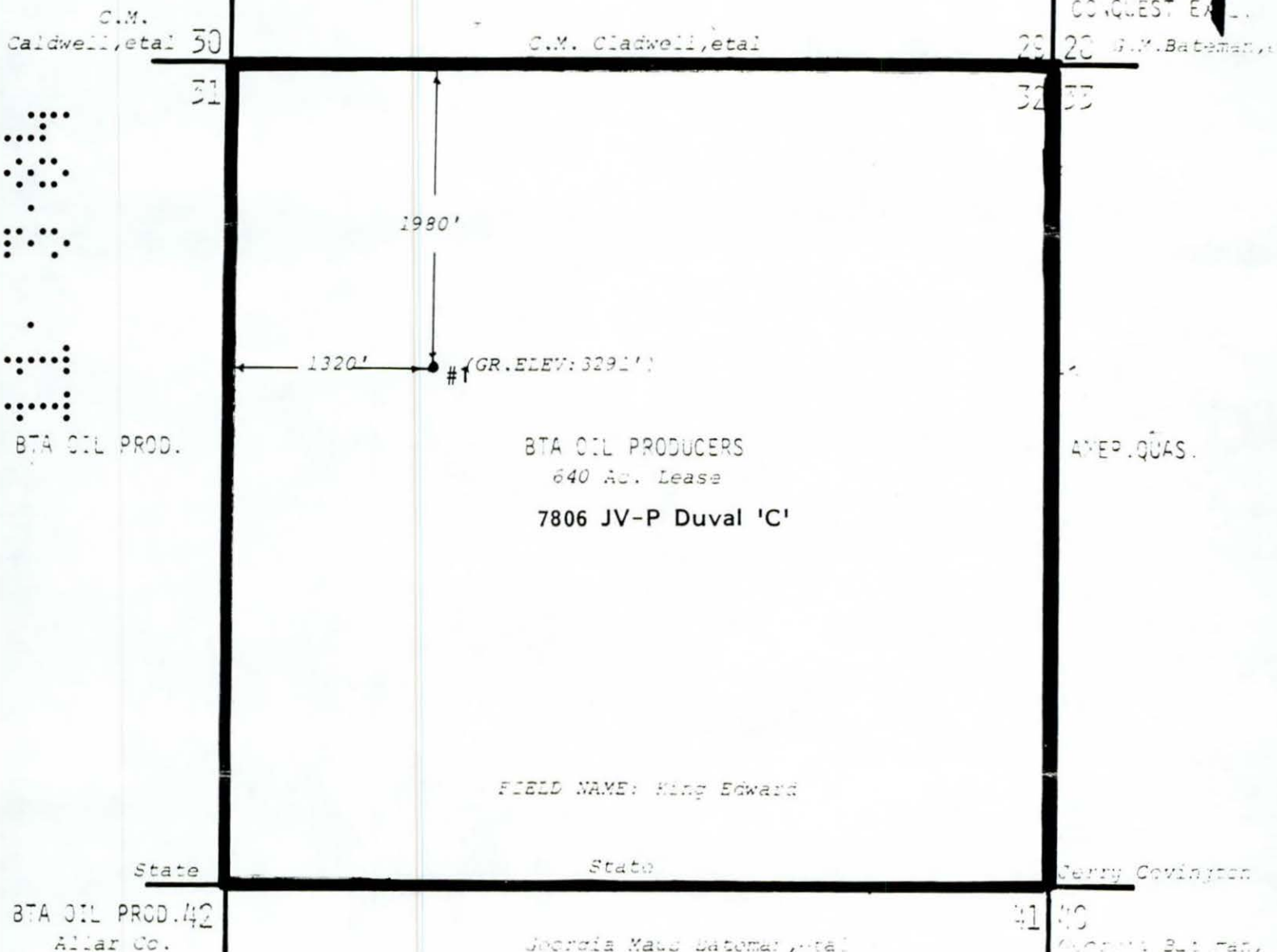
Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Directional Well ☐ Sidetrack ☐ Amended Permit (enter permit no. at right & explain fully in Remarks)				Enter here, if assigned: API No. <u>42-</u> Permit No. _____ Rule 37 Case No. _____						
1. Operator's Name (exactly as shown on Form P-5, Organization Report) BTA Oil Producers		3. RRC Operator No. 041860	4. RRC District No. 08	5. County of Well Site Culberson						
2. Address (including city and zip code) 104 S. Pecos Midland, Texas 79701		6. Lease Name (32 spaces maximum) 7806 JV-P Duval "C"		7. RRC Lease/ID No.	8. Well No. 1	9. Total Depth 15,750'				
		10. Location • Section <u>32</u> Block <u>45</u> Survey <u>PSL Survey</u> Abstract No. <u>A-</u> • This well is to be located <u>15</u> miles in a <u>Southwest</u> direction from <u>Orla</u> which is the nearest town in the county of the well site.								
11. Distance from proposed location to nearest lease or unit line <u>1,320</u> ft.				12. Number of contiguous acres in lease, pooled unit, or unitized tract <u>640</u> (OUTLINE ON PLAT.)						
13. FIELD NAME (Exactly as shown on RRC proration schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line.		14. Completion depth	15. Spacing pattern (ft.)	16. Density pattern (acres)	17. Number of acres in drilling unit for this well. OUTLINE ON PLAT.	18. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks.	19. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir. (ft.)	20. Oil, gas, or other type well (Specify)	21. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL GAS	
King Edward		15750	1320' 2640'	640	640	No	None	Gas	0	1
22. Perpendicular surface location from two nearest designated lines: • Lease/Unit <u>1980' FNL and 1320' FWL</u> • Survey/Section <u>1980' FNL and 1320' FWL of Sec. 32</u>				If a directional well, show also projected bottom-hole location: • Lease/Unit _____ • Survey/Section _____						
23. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)				24. Is Item 17 less than Item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)						
25. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☒ No ☐				If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ If not filed, explain in Remarks.						
26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? Yes ☒ No ☐ If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37.				I certify that information stated in this application is true and complete, to the best of my knowledge.  Signature <u>Dorothy Houghton</u> Name and title of operator's representative <u>Regulatory Supervisor</u> <u>10</u> <u>23</u> <u>84</u> <u>915/682-3753</u> Date: mo. day yr. Tel.: Area Code Number						
Remarks 25. H-9 Certificate #05112 dated 8-14-78										

PLAT SHOWING PROPOSED NEW WELL LOCATION

CULBERSON County, Texas

Description: 1980' FHL & 1320' FWL

Section 32 Block 45 Survey PUBLIC SCHOOL LAND



Operator: BTA OIL PRODUCERS Date Staked: Oct. 10, 1984

Lease Name: 7806 JV-P Duval 'C' Well No.: 1

Topography & Vegetation: Natural Pasture-Gently Sloping Down To Northeast

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set

Best Accessibility to Location: From Lease Road $\pm$ 1350' West Of Location

Distance and Direction from Hwy Jct. or Town: From HI Jct. 652 and Duval Sulfer Plant road west of Oria

go South on paved road 10 miles; Thence East on BTA Lease Road 1.5 miles; Thence South .4 miles; Thence East 1 mile; Thence South 1 mile to Northwest corner of 32

Scale: 1"=1000'



CERTIFICATE:

I, Gary D. Boswell, a Registered Public Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Texas Reg. No. 1788

TOPOGRAPHIC LAND SURVEYORS

908 West Wall St
(915) 682-1653
Midland, Texas 79701

161

RAILROAD COMMISSION OF TEX.
OIL & GAS DIVISION
PERMIT TO DRILL, DEEPEN OR PLUG BACK
ON REGULAR LOCATION

MIT NUMBER 255558	DATE OF PERMIT 10/24/84	DISTRICT 08
NUMBER 42 109 31747	FORM W-1 (dated) 10/23/84	COUNTY CULBERSON
TYPE OF OPERATION DRILL		ACRES 640
OPERATOR 041860 BTA OIL PRODUCERS 104 S. PECOS MIDLAND TX 79701		NOTICE NO ALLOWABLE WILL BE ASSIGNED unless well protects all fresh water sands with sufficient surface casing. Where Commission rules do not specify surface casing requirements, contact the Texas Department of Water Resources for depth to which fresh water sands must be protected. District Office Telephone No.: 915 684-5581
WELL NAME 7806 JV-P DUVAL "C"		WELL NUMBER 1
LOCATION 15 MILES SW FROM ORLA		TOTAL DEPTH 15,750
SECTION, BLOCK and/or SURVEY SEC 32 BLK 45 SVY PSL AB 8		
LEASE LINES 980 FNL - 1320 FWL	SURVEY LINES 1980 FNL - 1320 FWL	NEAREST WELL ON LEASE NONE

NOTE THE CONDITIONS ON THE REVERSE SIDE, PARTICULARLY CONCERNING SPACING RULE CHANGE. IT IS THE OPERATOR'S RESPONSIBILITY TO INSURE THAT THE PERMITTED LOCATION COMPLIES WITH THE DENSITY AS WELL AS THE SPACING RULES IN EFFECT ON THE SPUD DATE. A RULE 37 AND/OR RULE 38 EXCEPTION WILL BE REQUIRED IF, BECAUSE OF A FIELD RULE CHANGE, THE LOCATION IS NOT IN COMPLIANCE WITH THE COMMISSION FIELD RULES ON THE SPUD DATE.

(D(S)

THIS PERMIT AND ANY ALLOWABLE ASSIGNED MAY BE REVOKED IF A CHECK TENDERED TO THE COMMISSION IS NOT HONORED. *

KING EDWARD

**** LIMITATIONS ****

DATE STAMPED 10/24/84.
 REGULAR PROVIDED THIS WELL IS NEVER COMPLETED IN VIOLATION OF
 APPLICABLE SPECIAL FIELD OR STATEWIDE SPACING RULES.

THIS PERMIT SUBJECT TO THE CONDITIONS ON THE BACK OF THIS FORM.

THE OPERATOR SHOULD CONSIDER THE REQUIREMENTS OF THE NATURAL GAS POLICY ACT OF 1978, AS AMENDED, (NGPA), AND APPLICABLE STATE OR FEDERAL REGULATIONS.

Based upon the representations made on the FORM W-1 and those made on any plat or plats filed therewith, it is believed that the location indicated, when carried out at that point which you have represented to be the location of the above designated Well, complies as of the date thereof, with the provisions of the applicable spacing rule SUBJECT TO THE LIMITATIONS, IF ANY, SET OUT ABOVE. Compliance with the applicable Commission spacing rule renders it unnecessary that you secure a special Commission permit to cover this indicated location at the location shown, the same being classed as regular.

PHONE:
 (512) 445-1314

DIRECT INQUIRIES TO: DRILLING PERMIT SECTION, OIL AND GAS DIVISION

MAIL:
 Capitol Station-P. O. Drawer 12967
 Austin, Texas 78711

82

LOG TRANSMITTAL FORM

TO: General Land Office
Stephen F. Austin Bldg.
1700 N. Congress

ATTN: Austin, Tx. 78701

FROM: BTA Oil Producers
104 S. Pecos
Midland, Tx. 79701
Angela Schoffmann

SHIPPED VIA: Mail DATE: 2-25-85

QUANTITY .	DESCRIPTION
1	Duval C #1 CNL
1	" " " DI

Please acknowledge receipt of data by signing and returning this form.
A copy is attached for your records. Thank you!

RECEIVED BY: _____ DATE: _____

RECEIVED
FEB 26 1985
General Land Office

M.F.

90407
APPLICATION TO DRILL

WELL #

FILED

1
6-27 19 85

GARRY MAURO, COMMISSIONER

BY:

W. Bright

5

WITHIN STATE FEE 111-40407

State Treasurer of Texas, Address to:
Railroad Commission of Texas
Oil and Gas Division, Drilling Permits
P. O. Drawer 12967, Capitol Station
Austin, Texas 78711

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Read Instructions on Back

Form W-1
Rev. 9/1/83
483-000

Application for Permit to Drill, Deepen, Plug Back, or Re-Enter

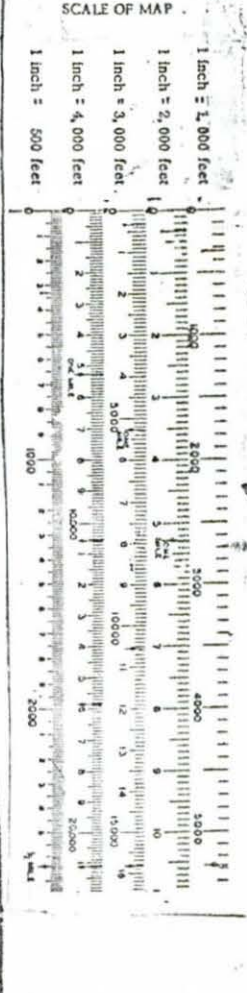
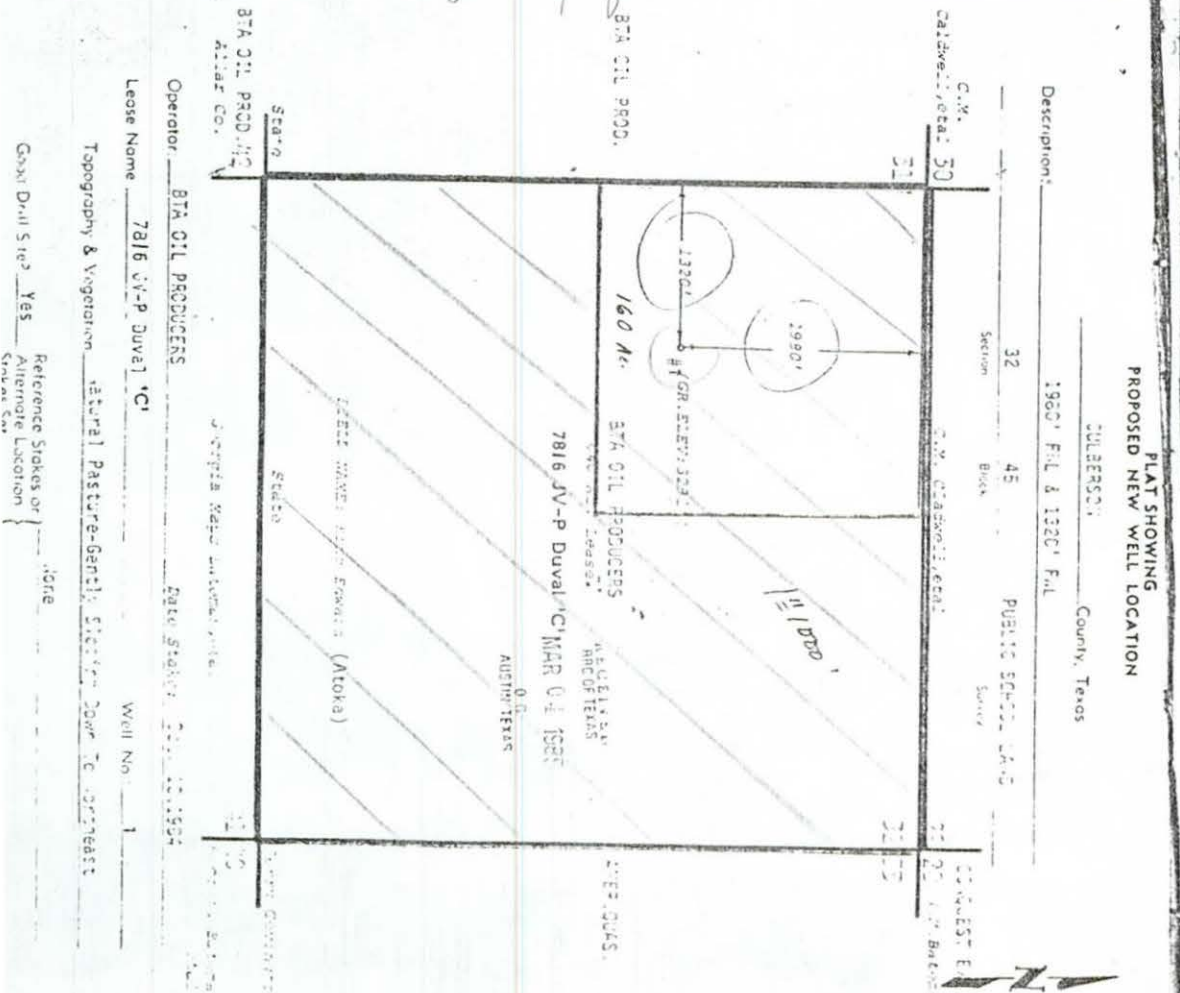
File a copy of W-1 and plat in RRC District Office.

Purpose of filing (mark appropriate boxes): ☒ Drill ☐ Deepen (below casing) ☐ Deepen (within casing) ☐ Plug Back ☐ Re-Enter ☐ Directional Well ☐ Sidetrack ☒ Amended Permit (enter permit no. at right & explain fully in Remarks)		Enter here, if assigned: 42-109-31747 255558	
1. Operator's Name (exactly as shown on Form P-5, Organization Report) BTA Oil Producers		3. RRC Operator No. 041860	4. RRC District No. 08
2. Address (including city and zip code) 104 South Pecos Midland, Texas 79701		5. County of Well Site Culberson	
6. Lease Name (32 spaces maximum) 7816 JV-P Duval -C-		7. RRC Lease/ID No. 1	8. Well No. 1
9. Total Depth 15,717'		10. Location Section 32 Block 45 Survey PSL Survey Abstract No. A-	
11. Distance from proposed location to nearest lease or unit line 1,320'		12. Number of contiguous acres in lease, pooled unit, or unitized tract 640 (OUTLINE ON PLAT.)	
13. FIELD NAME (exactly as shown on RRC promotion schedule). List all established and wildcat zones of anticipated completion. Attach additional Form W-1's as needed to list these zones. One zone per line. King Edward (Atoka) 19400 600		15. Completion depth 15,500'	16. Spacing pattern (ft.) 933 1,867
17. Density pattern (acres) 160		18. Number of acres in drilling unit for this well. OUTLINE ON PLAT. 160	19. Is this acreage assigned to another well on this lease & in this reservoir? If so, explain in Remarks. No
20. Distance from proposed location to nearest applied for, permitted, or completed well, this lease & reservoir (ft.) None		21. Oil, gas, or other type well (Specify) Gas	22. No. of applied for, permitted, or completed locations (including this one) on lease in this reservoir. OIL 0 GAS 1
23. Perpendicular surface location from two nearest designated lines: Lease/Unit 1,980' FNL & 1,320' FWL Survey/Section 1,980' FNL & 1,320' FWL		24. Is item 17 less than item 16 (substandard acreage for any field applied for)? Yes ☐ No ☒ (Attach Form W-1A)	
25. Is this a pooled unit? Yes ☐ No ☒ (Attach Form P-12 and certified plat.)		26. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐	
27. Is this wellbore subject to Statewide Rule 36 (hydrogen sulfide area)? Yes ☐ No ☒		28. If subject to Rule 36, is Form H-9 filed? Yes ☐ No ☐ If not filed, explain in Remarks.	
29. Do you have the right to develop the minerals under any right-of-way that crosses, or is contiguous to, this tract? If not, and if the well requires a Rule 37 or 38 exception, see Instructions for Rule 37. Yes ☒ No ☐		30. I certify that information stated in this application is true and complete, to the best of my knowledge. Signature DOROTHY HOUGHTON Date: mo. day yr. 02 28 85 Name and title of operator's representative Regulatory Supervisor 915/682-3753 Area Code Number 276431	
Remarks: 6. Changing lease name from 7806 JV-P Duval -C- 13. Orig. Permit dated 10-24-84 in King Edward field		• RRC Use Only • 216677 MAR 14 85 276431	

Statewide PLAY SERVICE

3-12-85

COMPLETION: 2-26-85
TD-15717' PB 15460'



(6)

M.F.

90407
APPLICATION TO DRILL

WELL # 1

FILED

7-12

19

85

GARRY MAURO, COMMISSIONER

BY:

A. J.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. **42- 109-31747**

7. RRC District No.

08

8. RRC Gas ID No.

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat)

King Edward (Atoka)

2. LEASE NAME

7816 JV-P Duval 'C'

9. Well No.

1

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

BTA Oil Producers

RRC Operator No.

041860

10. County of well site

Culberson

4. ADDRESS

104 South Pecos; Midland, Texas 79701

11. Purpose of filing

Initial Potential ☐

Retest ☐

Reclass ☐

Well record only ☒

(Explain in remarks)

5. Location (Section, Block, and Survey)

Sec. 32, Blk. 45, PSL Survey

5b. Distance and direction to nearest town in this county.

15 Miles Northeast to Orla

6. If operator has changed within last 60 days, name former operator

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.
FIELD & RESERVOIR

GAS ID or OIL LEASE #

Oil-O Gas-G

WELL #

13. Pipe Line Connection

14. Completion or recompletion date

2-26-85

15. Any condensate on hand at time of workover or recompletion? ☐ Yes ☒ No

16. Type of Electric or other Log Run.

CNL/LDT/DIL

GAS MEASUREMENT DATA

Date of Test

Gas Measurement Method (Check One)

Orifice Meter ☐

Flange Taps ☐

Pipe Taps ☐

Positive Choke ☐

Orifice Vent Meter ☐

Pitot Tube ☐

Critical-flow Prover ☐

Gas produced during test

MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tf}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY
1										
2										
3										
4										

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)

Gravity Liquid Hydrocarbon

Deg. API

Gas-Liquid Hydro Ratio

CF/Bbl

Gravity of Mixture

G_{mix} =

Avg. Shut-in Temp.

°F

Bottom Hole Temp.

°F @

(Depth)

Defl^{8/3} =

$\sqrt{T_f} = \sqrt{\quad} =$

$\sqrt{GL} = \sqrt{\quad} =$

$C = \frac{1118 \times (D_{eff})^{8/3}}{\sqrt{T}} =$

$=$

$\frac{\sqrt{GL}}{C} = \quad =$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P _w	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-In									
1									
2									
3									
4									

Run No.	F	K	S = $\frac{1}{z}$	E ^{ks}	P _f and P _s	P _f ² and P _s ² (thousands)	P _f ² - P _s ² (thousands)	Angle of Slope
Shut-In								
1								θ
2								n
3								Absolute Open Flow
4								 MCF/DAY

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

Signature: Well Tester

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Signature: Operator Representative **DOROTHY HOUGHTON**

Regulatory Supv
Title

5/22/85
Date

Tel: 915/682-3753
A/C Number

SECTION III DATA ON WELL COMPLETION AND LOG (Not Required on Retest)									
17. Type of Completion:					18. Permit to Drill, Plug Back or Deepen				
New Well ☒ Deepening ☐ Plug Back ☐ Other ☐					DATE 03/05/85 PERMIT NO. 255558				
19. Notice of Intention to Drill this well was filed in Name of					Rule 37 Exception				
BTA Oil Producers					PERMIT NO.				
20. Number of producing wells on this lease in this field (reservoir) including this well			21. Total number of acres in this lease		Water Injection Permit				
1			640		PERMIT NO.				
22. Date Plug Back, Deepening, WorkOver or Drilling Operations:		Commenced		Completed		23. Distance to nearest well. Same Lease & Reservoir			
		11-11-84		2-5-85		None			
24. Location of well, relative to nearest lease boundaries of lease on which this well is located					1,980 Feet From North Line and 1,320 Feet from West Line of the 7806 JV-P Duval -C- Lease				
25. Elevation (DF, RKB, RT, GR, ETC.)					26. Was directional survey made other than inclination (Form W-12)?				
3,291' GR 3,311' KB					☐ Yes ☒ No				
27. Top of Pay		28. Total Depth		29. P. B. Depth		30. Surface Casing Determined by: Field ☐ Rules ☐			
14,377'		15,717'		15,460'		Recommendation of T.D.W.R. Railroad Commission (Special) ☒			
31. Is well multiple completion?		32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No.					33. Intervals Drilled by:		
☐ Yes ☒ No		FIELD & RESERVOIR					Rotary Tools ☒ Cable Tools ☐		
34. Name of Drilling Contractor					35. Is Cementing Affidavit Attached?				
Parker Drilg. Co.					☒ Yes ☐ No				
36. CASING RECORD (Report All Strings Set in Well)									
CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.		
13-3/8"	61#	2,485'	--	C1 -C- 2200	17-1/2"	Circ	4,215		
9-5/8"	47#	10,208'	4,145'	C1 C&H 3800	12-1/4"	750'	7,241		

37. LINER RECORD				
Size	TOP	Bottom	Sacks Cement	Screen
7-5/8"	9,889'	15,657'	C1 -C- 525 sx	

38. TUBING RECORD			39. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2-7/8"	14,277'	14,027'	14,377'	14,521'
			From	To
			From	To

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
Depth Interval	Amount and Kind of Material Used
14,377' - 14,521'	A/w 10,000 gal gelled HCl and 20,000 gal gelled pad.

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
Delaware Lime	2,525'	Atoka Lime	14,364'
Cherry Canyon	3,624'	Woodford Shale	15,518'
Bone Spring	6,040'	Fusselman	15,628'

REMARKS 11. Well is shut in pending gas contract negotiations.
 G-1 Initial potential will be filed upon gas pipeline connection.
 18. Original permit dated 10-24-84 in King Edward field.

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

[PRINTED FORM]

[DISTRICT 08]

[] RETEST []

FORM G-10
Rev. 11/1/83
GAS WELL STATUS REPORTOperator BTA Oil Producers
Address 104 South Pecos
Midland, Texas 79701

041860

Test Period

Due Date

Page
Effective Date

FIELD NAME LEASE NAME	RRC IDENT. NO. WELL NUMBER	DATE TESTED Mo/Day/Yr	PRODUCING WELLS				PRESSURE PSIA#	POTENTIAL BHP	NON-PRODUCING WELLS				
			DAILY PRODUCING RATE			SHUT IN @ (Date Required)			EXCEPTION SWR 14B (Expiration Date)	INJECTION	SALT WATER DISPOSAL	PLUGGED & ABANDONED	
			GAS	CONDEN- SATE	WATER GAS/COND.								
King Edward (Atoka)	116618	5/31/85	MCF	BBLS	BBLS	SIWH		MCF/DAY	2-26-85				
7816 JV-P Duval -C-	1		Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
			MCF	BBLS	BBLS	SIWH		MCF/DAY					
			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
			MCF	BBLS	BBLS	SIWH		MCF/DAY					
			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
			MCF	BBLS	BBLS	SIWH		MCF/DAY					
			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
			MCF	BBLS	BBLS	SIWH		MCF/DAY					
			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
PURCHASER'S STATEMENT DATE _____			MCF	BBLS	BBLS	SIWH		MCF/DAY					
PURCHASER: _____			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				
SIGNATURE _____			MCF	BBLS	BBLS	SIWH		MCF/DAY					
AS PURCHASER'S REPRESENTATIVE, I AGREE THAT EACH TEST VOLUME SHOWN ABOVE IS A TRUE TEST REPRESENTATIVE OF EACH WELL(S) CAPABILITY.			Spec.Grav.	Grav. ° API	MCF/Bbl	Flowing		PSIA	SIWH PSIA				

* COMMINGLING TEST REQUIREMENT
(Gas Specific Gravity, Condensate Gravity and
Gas Condensate Ratio Required)

X ADDITIONAL SPECIAL TEST REQUIREMENT

@ Wells with an exception to SWR 14 (B) (2) must insert the date (MO/Yr) the well was last produced or utilized.

Shut-in well head pressures are to be reported in pounds per square inch gauge pressure (PSIG) for wells in the West Panhandle, West Panhandle (Red Cave), and Texas-Hugoton Fields.

CERTIFICATE

I declare under penalties prescribed in Article 6036c, R.C.S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Dorothy Houghton
Signature DOROTHY HOUGHTON
Regulatory Supervisor
Title

6-10-85

Date

915/682-3753

Telephone

000 7

(4)

90407

M. F. _____
WELL # 1 COMPLETION REPORT
GARRY MAURO, COMMISSIONER
FILED 7-12-85 BY G.J.

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

Form G-1
Rev. 4/1/83

Type or print only

483-047

API No. **42- 109-31747**

7. RRC District No.

08

8. RRC Gas ID No.

116618

9. Well No.

1

Gas Well Back Pressure Test, Completion or Recompletion Report, and Log

1. FIELD NAME (as per RRC Records or Wildcat)

King Edward (Atoka)

2. LEASE NAME

7816 JV-P Duval -C-

3. OPERATOR'S NAME (Exactly as shown on Form P-5, Organization Report)

BTA Oil Producers

RRC Operator No.

041860

10. County of well site

Culberson

4. ADDRESS

104 South Pecos; Midland, Texas 79701

11. Purpose of filing

Initial Potential ☒

Retest ☐

Reclass ☐

Well record only ☐
(Explain in remarks)

5. Location (Section, Block, and Survey)

Sec. 32, Blk. 45, PSL Survey

5b. Distance and direction to nearest town in this county.

15 Miles Northeast to Orla

6. If operator has changed within last 60 days, name former operator

12. If workover or reclass, give former field (with reservoir) & Gas ID or oil lease no.
FIELD & RESERVOIR

GAS ID or
OIL LEASE #

Oil-O
Gas-G

WELL #

13. Pipe Line Connection

Westar Transmission Co.

14. Completion or recompletion date

2/26/85

15. Any condensate on hand at time of workover or recompletion? ☐ Yes ☒ No

16. Type of Electric or other Log Run.

CNL/LDT/DIL

Section I

GAS MEASUREMENT DATA

Date of Test
8/30/85

Gas Measurement Method (Check One)

Orifice Meter ☒ Flange Taps ☒ Positive Choke ☐

Orifice Vent Meter ☐ Pitot Tube ☐ Critical-flow Prover ☐

Gas produced during test

191 MCF

Run No.	Line Size	Orif. or Choke Size	24 Hr. Coeff. Orif. or Choke	Static P _m or Choke Press	Diff. h _w	Flow Temp. °F	Temp. Factor F _{tf}	Gravity Factor F _g	Compress Factor F _{pv}	Volume MCF/DAY
1	4.026	1.250	9889.97	730	36	78	0.9831	1.0076	1.049	1,681
2	4.026	1.250	9889.97	720	25	81	0.9804	1.0076	1.049	1,387
3	4.026	1.250	9889.97	697	13	84	0.9777	1.0076	1.044	977
4	4.026	1.250	9889.97	675	4	86	0.9759	1.0076	1.044	533

Section II

FIELD DATA AND PRESSURE CALCULATIONS

Gravity (Dry Gas)	Gravity Liquid Hydrocarbon	Gas-Liquid Hydro Ratio	Gravity of Mixture	Avg. Shut-in Temp.	Bottom Hole Temp.
0.591	dry Deg. API	CF/Bbl	G _{mix} =	142 °F	203 °F @ 14,449 (Depth)

$$D_{eff}^{8/3} = 10.806 \quad \sqrt{T_f} = \sqrt{602} = 24.536 \quad \sqrt{G_L} = \sqrt{8497} = 92.179$$

$$C = \frac{1118 \times D_{eff}^{8/3}}{\sqrt{T}} = \frac{1118 \times 10.806}{\sqrt{10.806}} = 492 \quad \frac{\sqrt{G_L}}{C} = \frac{92.179}{492} = 0.1874$$

Run No.	Time of Run Min.	Choke Size	Wellhead Press. PSIA P _w	Wellhead Flow Temp. °F	P _w ² (Thousands)	R	R ² (Thousands)	P ₁	P _w /P ₁
Shut-In			4424.2						
1	60	adj	3737.2	80	13,967	315	99	3750	0.996
2	60	adj	3956.2	80	15,652	260	68	3964	0.997
3	60	adj	4153.2	80	17,249	183	33	4157	0.998
4	60	adj	4387.2	80	19,248	100	10	4388	0.999

Run No.	F	K	S = $\frac{1}{z}$	E _{ks}	P _f and P _s	P _f ² and P _s ² (thousands)	P _f ² - P _s ² (thousands)	Angle of Slope
Shut-In								
1	0.998	0.2641	1.0262	1.3113	4921	24,218	9005	θ 58.6° n 0.61
2	0.998	0.2641	1.080	1.30847	5190	26,936	6288	
3	0.999	0.2644	1.0120	1.3067	5433	29,520	3703	Absolute Open Flow 3,728 MCF/DAY
4	1.000	0.2646	1.000	1.3029	5717	32,686	538	

WELL TESTER'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I conducted or supervised this test and that data and facts shown in Sections I and II above are true, correct, and complete, to the best of my knowledge. Bottomhole temperature and the diameter and length of flow string were furnished by the operator of the well.

O. V. SIVAGE
Signature: Well Tester **O. V. SIVAGE**

BTA Oil Producers

Name of Company

RRC Representative

OPERATOR'S CERTIFICATION: I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this report, that I prepared or supervised and directed this report, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Dorothy Houghton
Signature: Operator's representative **DOROTHY HOUGHTON**

Regulatory Supv.

Title

9/4/85

Date

Tel: 915/682-3753

A/C Number

SECTION III

DATA ON WELL COMPLETION AND LOG (Not Required on Retest)

17. Type of Completion: New Well ☒ Deepening ☐ Plug Back ☐ Other ☐				18. Permit to Drill, Plug Back or Deepen DATE 03/05/85 PERMIT NO. 255558 Rule 37 CASE NO. Exception Water Injection PERMIT NO. Permit Salt Water Disposal PERMIT NO. Permit Other PERMIT NO.	
19. Notice of Intention to Drill this well was filed in Name of BTA Oil Producers				20. Number of producing wells on this lease in this field (reservoir) including this well 1	
21. Total number of acres in this lease 640				22. Date Plug Back, Deepening, WorkOver or Drilling Operations: Commenced 11-11-84 Completed 2-5-85	
23. Distance to nearest well. Same Lease & Reservoir None				24. Location of well, relative to nearest lease boundaries of lease on which this well is located 1,980 Feet From North Line and 1,320 Feet from West Line of the 7816 JV-P Duval -C- Lease	
25. Elevation (DF, RKB, RT, GR, ETC.) 3,291' GR 3,311' KB				26. Was directional survey made other than inclination (Form W-12)? ☐ Yes ☒ No	
27. Top of Pay 14,377'		28. Total Depth 15,717'		29. P. B. Depth 15,460'	
30. Surface Casing Determined by: Field ☐ Rules ☐ Recommendation of T.D.W.R. Railroad Commission (Special) ☒		Dt. of Letter 10/29/84		31. Is well multiple completion? ☐ Yes ☒ No	
32. If multiple completion, list all reservoir names (completions in this well) and Oil Lease or Gas ID No. FIELD & RESERVOIR		33. Intervals Drilled by: Rotary Tools ☒ Cable Tools ☐		34. Name of Drilling Contractor Parker Drllg. Co.	
35. Is Cementing Affidavit Attached? ☐ Yes ☒ No					

CASING RECORD (Report All Strings Set in Well)

CASING SIZE	WT #/FT.	DEPTH SET	MULTISTAGE TOOL DEPTH	TYPE & AMOUNT CEMENT (sacks)	HOLE SIZE	TOP OF CEMENT	SLURRY VOL. cu. ft.
13-3/8"	61#	2,485'		C1 -C- 2200	17-1/2"	Circ	4,215
9-5/8"	47#	10,208'	4,145'	C1 C&H 3800	12-1/4"	750'	7,241

LINER RECORD				
Size	TOP	Bottom	Sacks Cement	Screen
7-5/8"	9,889'	15,657'	C1 -C- 525 sx	

TUBING RECORD			39. Producing Interval (this completion) Indicate depth of perforation or open hole	
Size	Depth Set	Packer Set	From	To
2-7/8"	14,277'	14,027'	14,377'	14,521'

40. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
Depth Interval	Amount and Kind of Material Used
14,377' - 14,521'	A/w 10,000 gal gelled HCl & 20,000 Gal gelled pad

41. FORMATION RECORD (LIST DEPTHS OF PRINCIPAL GEOLOGICAL MARKERS AND FORMATION TOPS)			
Formations	Depth	Formations	Depth
Delaware Lime	2,525'	Atoka Lime	14,364'
Cherry Canyon	3,624'	Woodford Shale	15,518'
Bone Spring	6,040'	Fusselman	15,628'

REMARKS 35. previously furnished w/G-1 filed 5/22/85 for well record only.

BTA OIL PRODUCERS

7816 JV-P Dural 2" #1

King Edwards (Atoka) Field

Culberson County, Texas

P_r

AOF = 3,728 MCF/D

$\theta = 58.6^\circ$

$n = 0.61$

10,000

1,000

$(P_r - P_s) 10^3$

1,000

10,000

Rate (MCF/D)

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form G-5
Rev. 12/11/75

GAS WELL CLASSIFICATION REPORT

1. FIELD NAME (as per RRC Records) King Edward (Atoka)	2. LEASE NAME 7816 JV-P Duval -C-	7. RRC District 08
3. OPERATOR BTA Oil Producers		8. RRC Identification Number 116618
4. ADDRESS 104 South Pecos; Midland, Texas 79701		9. Well Number 1
5. LOCATION (Section, Block, and Survey) Sec. 32, Blk. 45, PSL Survey		10. County Culberson
6. Pipeline Connection or Use of Gas Westar Transmission Co.		11. Utilized for
		12. Acres Allocated to this Well 160

Section I	PRODUCTION TEST AT RATE ELECTED BY OPERATOR		(Data on 24-hour basis)
A. Gas Volume	1279	(MCF)	E. Casing Pressure pkr (PSI)
B. Oil or Condensate Volume	dry	(BBLs.)	F. Color of Liquid
C. Gas/Liquid-Hydrocarbon Ratio	---	(CF/BBL.)	G. Gravity of Liquid --- *API
D. Flowing Tubing Pressure	3750	(PSI)	H. Specific Gravity of the Gas (AIR = 1) 0.591

Section II	POTENTIAL TEST DATA	
A. Absolute Open Flow	3,728	(MCF/DAY) C. Shut-In Wellhead Pressure 4111 (PSI)
B. Date of Test	8/30/85	D. Length of Time Well Shut-In Prior to Test 142 days

Section III	A.S.T.M. DISTILLATION OF LIQUID SAMPLE
Distillation Test is required only on Gas Wells producing with a Gas-Liquid Ratio of less than 100,000 Cubic Feet per Barrel.	

DATE LIQUID SAMPLE OBTAINED:

PER CENT OVER	TEMPERATURE (DEG. F.)
I.B.R.	
10	
20	
30	
40	
50	
60	
70	
80	
90	
95	
E.P.	

I declare under penalties prescribed in Article 6036c, R. C. S., that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Dorothy Houghton
SIGNATURE DOROTHY HOUGHTON

9/4/85
DATE

Regulatory Supervisor
TITLE

AREA CODE AND
TELEPHONE NUMBER 915 682/3753

INSTRUCTIONS

This report shall be filed in duplicate in the appropriate Railroad Commission District Office; (a) Upon completion of a gas well; (b) Upon reclassification of any well from oil to gas, or gas to oil; (c) And upon subsequent requests by the Railroad Commission.

NOTICE:

NO CONDENSATE OR CRUDE PETROLEUM WILL BE CLEARED
FROM A GAS WELL UNTIL THIS REPORT HAS BEEN PROPER-
LY PREPARED, EXECUTED AND FILED.

Potential Test: The potential test data shown shall be that taken from a Railroad Commission test made during the latest semi-annual survey; or, if no test was made during such survey, data shall be taken from a test made by the operator not more than 30 days prior to the date on which this report is filed.

RAILROAD COMMISSION OF TEXAS

Oil and Gas Division

Please Read Instructions**ELECTRIC LOG
STATUS REPORT****FORM L-1**

(Temporary)

Eff. 09/01/85

Rev. 8/17/85

As required by statute (T.N.R.C. Chapter 91, Subchapter M) and defined by Statewide Rule 16 (see copy on reverse side), a copy of a basic electric log run on a well must be filed with the completion reports (Form W-2 and Form G-1) and plugging reports for dry holes (Form W-3). These will become a part of the public record.

You may, however, request a one-year period of confidentiality during which the logs will be kept in your possession. Prior to the expiration of the initial period of confidentiality, you may request a renewal for a two-year period. Logs of offshore wells in State waters may be granted an additional two-year extension. At the end of the period(s) of confidentiality, a copy of a basic electric log must be filed with the Commission.

INSTRUCTIONSWhen to file the L-1

- with ALL completion reports and with plugging reports on dry holes

Where to file the L-1

- with the appropriate Commission district office

Filling out the L-1

- Section I and the signature section must be filled out for all wells.
Complete only the appropriate part of Section II.

SECTION I. IDENTIFICATION

OPERATOR NAME exactly as on Form P-5

COUNTY NAME

DISTRICT NO.

BTA Oil Producers

Culberson

08

LEASE NAME

DRILLING PERMIT NO. WELL NO.

API NO.

7816 JV-P Duval -C-

255558

1

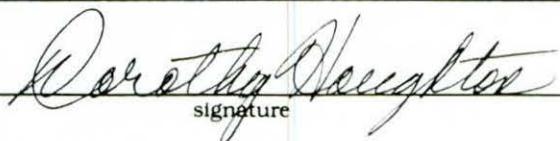
42-109-31747

SECTION II. LOG STATUSA. ☐ Log(s) Attached

Log type(s) as shown on header:

Company/lease name on log, if different
from that in Section I:

B. ☒ Log(s) Not AttachedConfidentiality requested. If confidentiality not requested,
please explain:


signatureRegulatory Supervisor
titleDorothy Houghton
name (print)(915) 682-3753
phone9/4/85
date

EMERGENCY RULE ADOPTED AUGUST 19, 1985

§3.16 RULE 16. Log and Completion or Plugging Report

(a) The owner or operator of an oil, gas or geothermal resource well, within thirty (30) days after the completion of such well or the plugging of such well, if the well is a dry hole, shall file with the Commission the appropriate completion or plugging report, and as an attachment to such report, a legible, unaltered final copy of a basic electric log obtained from such well as provided by the person who logged the well. A "basic electric log" means a lithology, porosity, or resistivity log run over the entire wellbore or in the alternative, if no such log is run over the entire wellbore, the log which is the most complete of such logs run. Amended completion reports, and as an attachment to such report, a copy of a basic electric log obtained after September 1, 1985, must be filed for any change in perforations, or openhole or casing records within thirty (30) days after recompleting the well.

(b) Each log filed with the Commission shall be considered public information and shall be available to the public during normal business hours. If the owner or operator of such well described in subsection (a) of this section desires log(s) to be confidential, the owner or operator must submit a written request for a delayed filing of the log(s). When filing such a request, the owner or operator must retain the log(s) and may delay filing such log(s) for one (1) year beginning from the date the completion or plugging report is required to be filed with the Commission. The owner or operator of such well may request an additional filing delay of two (2) years, provided the written request is filed prior to the expiration date of the initial confidentiality period. If a well is drilled on land submerged in state water, the owner or operator may request an additional filing delay of two (2) years so that a possible total filing delay of five (5) years may be obtained. A request for the additional two (2) year filing delay period must be in writing and be received prior to the expiration of the first two (2) year filing delay. Logs must be filed with the Commission within thirty (30) days after the expiration of the final confidentiality period.

(c) If the logs are not filed in accordance with the provisions of this section, the Commission may refuse to assign an allowable to a well or may set the allowable for such well at zero. If the well is a dry hole and the logs are not filed in accordance with the provisions of this section, the Commission may initiate penalty action pursuant to Title 3 of the Texas Natural Resources Code.

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-5-71)

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BTA Oil Producers OPERATOR,
7816 JV-P Duval -C- LEASE, No. 1 WELL; that such well is
completed in the King Edward (Atoka) Field, Culberson County,
Texas and that the acreage claimed, and assigned to such well for proration purposes as
authorized by special rule and as shown on the attached certified plat embraces _____
160 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Article 6036c, R. C. S., that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date 9/4/85

Signature

Dorothy Houghton
DOROTHY HOUGHTON

Telephone

915
AREA CODE

682-3753

Title Regulatory Supervisor

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISIONForm P-4
Rev. 6/80

Producer's Certificate of Compliance and Authorization to Transport Oil and/or Casinghead Gas From an Oil Lease or Gas and/or Condensate from a Gas Well.		RRC District 08
		RRC Oil Lease No.
Field Name (as per RRC records) King Edward (Atoka)	Lease Name 7816 JV-P Duval -C-	RRC Gas Well Ident. No. 116618
Operator Name BTA Oil Producers		Gas Well No. 1
Address 104 South Pecos		Effective Date Immediately
City, State, Zip Code Midland, Texas 79701		County Culberson
Location (Section, Block, and Survey) Sec. 32, Btk. 45, PSL Survey		Distance and Direction to nearest town in this county. 15 Miles Northeast to Orla

GAS GATHERER, PURCHASER, AND NOMINATOR
NOTE: The names of all three of the above must be furnished for all gas sold.

Name Westar Transmission Co.	RRC USE ONLY _ _ _ _	INDICATE MARKET ☒ Gas Well Gas ☒ Full Well Stream ☐ Casinghead Gas	☐ Interstate ☒ Intrastate
Address Box 90	100 % of the		☒ Gatherer ☒ Purchaser ☒ Nominator
City, State, Zip Code Amarillo, TX 79189			
Name	RRC USE ONLY _ _ _ _	INDICATE MARKET ☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Interstate ☐ Intrastate
Address	% of the		☐ Gatherer ☐ Purchaser ☐ Nominator
City, State, Zip Code			
Name	RRC USE ONLY _ _ _ _	INDICATE MARKET ☐ Gas Well Gas ☐ Full Well Stream ☐ Casinghead Gas	☐ Interstate ☐ Intrastate
Address	% of the		☐ Gatherer ☐ Purchaser ☐ Nominator
Zip Code			

OIL OR CONDENSATE GATHERER

Name	RRC USE ONLY _ _ _ _	
Address	% of the	☐ Oil ☐ Condensate
City, State, Zip Code		
Name	RRC USE ONLY _ _ _ _	
Address	% of the	☐ Oil ☐ Condensate
City, State, Zip Code		

INDICATE PURPOSE OF FILING

☒ New Oil Lease or Gas Well. Form W-1 (Application for Permit to Drill, Deepen or Plug Back) filed in the name of: BTA Oil Producers 7816 JV-P Duval -C-		
Operator	Lease	
☐ Change of Gatherer	☐ Change of Purchaser	☐ Change of Nominator
☐ Change field name from _____		
☐ Change operator name from _____		
☐ Change lease name from _____		
☐ Consolidation or subdivision of lease (Attachments required - - See instructions.)		
Previous Form P-4 approval date if filed (or prior SW-1 number) _____ mo. day yr. / SW-1 Number or Date		
REMARKS: Initial P-4		

AUTHORIZATION BY CURRENT OPERATOR

The undersigned certifies that the above agent is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property in accordance with the regulations of the Railroad Commission of Texas, and that this authorization will be valid until further notice or until cancelled by the Railroad Commission of Texas, and the undersigned further certifies that the conservation laws of the State of Texas and all rules, regulations, and orders of the Railroad Commission of Texas have been complied with in respect to the property covered by this report.

9-4-85 Date Dorothy Houghton Signature Regulatory Supervisor Title 915/682-3753 Area Code & Telephone No.

OPERATOR NAME CHANGE (Acknowledgment required on changes of operator.)
The undersigned, being the previous operator, has transferred operating responsibility on the above property.

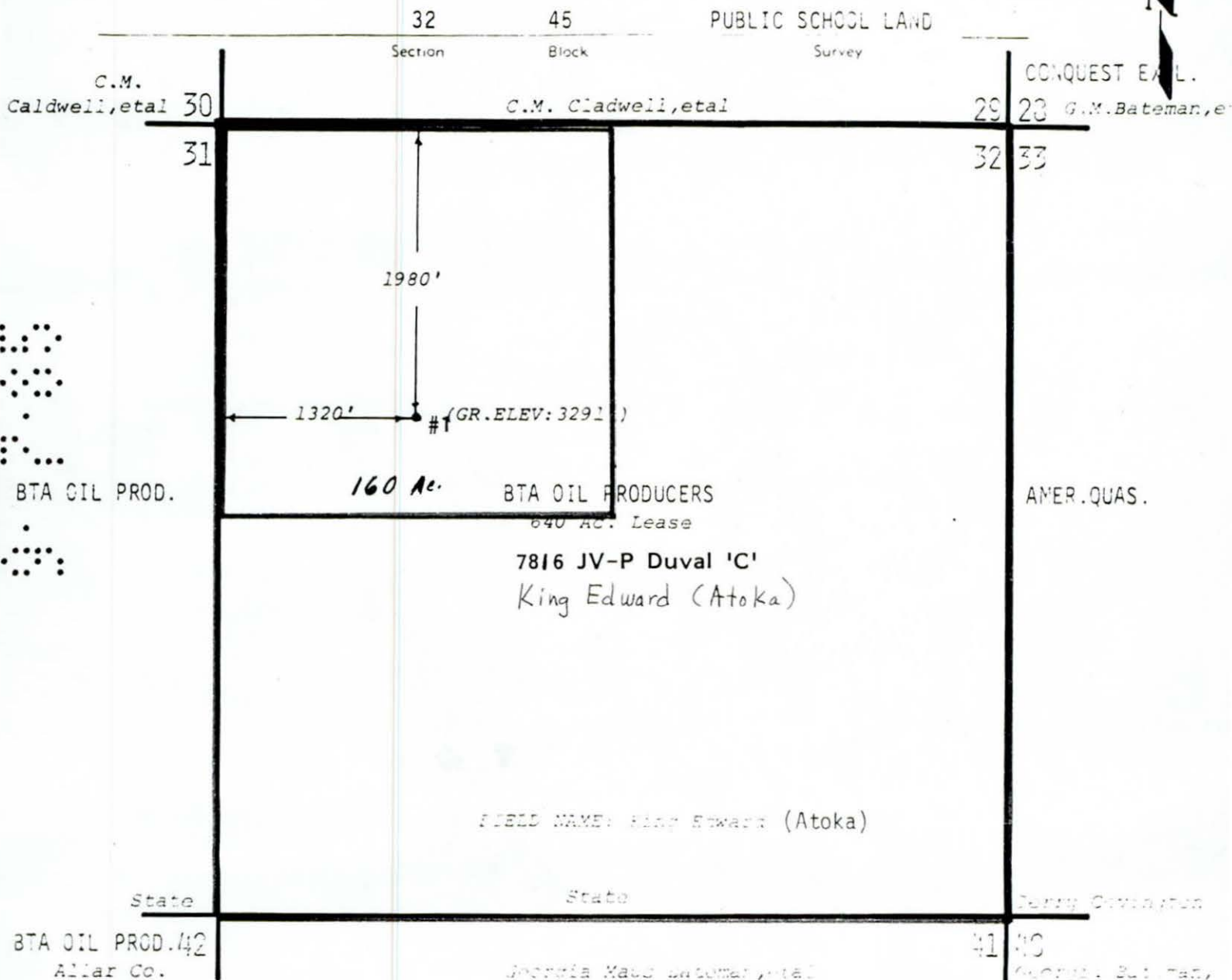
Previous Operator _____ Signature _____
Address _____ Title _____
City, State & Zip Code _____ Date _____ Area Code & Telephone No. _____

If there are additional gatherers, purchasers, or nominators, check here ☐ and use reverse side of this form.

PLAT SHOWING PROPOSED NEW WELL LOCATION

CULBERSON County, Texas

Description: 1980' FNL & 1320' FWL



Operator: BTA OIL PRODUCERS Date Staked: Oct. 10, 1984

Lease Name: 7816 JV-P Duval 'C' Well No: 1

Topography & Vegetation: Natural Pasture-Gently Sloping Down To Northeast

Good Drill Site? Yes Reference Stakes or Alternate Location Stakes Set None

Best Accessibility to Location From Lease Road $\pm$ 1350' West Of Location

Distance and Direction From Hwy Jct. or Town From HI. Jct. 652 and Duval Sulfer Plant road West of Inla

go South on paved road 10 miles; Thence East on BTA Lease Road 1.5 miles; Thence South .4 miles; Thence East 1 mile; Thence South 1 mile to Northwest corner of 32

Scale: 1"=1000'



CERTIFICATE:

I, Gary D. Boswell a Registered Public Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein.

Texas Reg. No. 1788

TOPOGRAPHIC LAND SURVEYORS

908 West Wall St.
(915) 682-1653
Midland, Texas 79701

8

M.F. 90407
WELL # 1 COMPLETION REPORT
GARRY MAUDY COMMISSIONER
FILED 9-16-85 BY LB

3. 1.02

MINERAL ACCOUNTING
MEMORANDUM

(File in "B" File)

RE: M- 90407

Operator BTA Oil Producers

Lease _____

County _____

Split from M- _____
which is

☐

Producing

☐

Nonproducing

	<u>Date</u>	<u>Name</u>
FROM: Mineral Accounting	<u>10-7-85</u>	<u>Ray Waggoner</u>
TO: Exploration & Development	<u>10-9-85</u>	<u>Marie Hight</u>
TO: Legal	_____	_____

NONPRODUCING

____ Delay Rental Due On _____ Not Received

____ Primary Term Expired _____

PRODUCING STATUS

OIL: No production reported from _____ through _____
mo./year mo./year

Oil Royalty Status: ☐ Due \$ _____ ☐ Royalty paid in full

Name _____

GAS: No production reported from _____ through _____
mo./year mo./year

Gas Royalty Status: ☐ Due \$ _____ ☐ Royalty paid in full

Name _____

RENTAL: PLEASE give STATUS OF LEASE

MAPS: HBP- BTA #1 Gas Well - 2/26/85 - CA

④ M-90407
Aust. Mon.
10-7-85

730
BTA OIL PRODUCERS

†

10

I

LLOYD ALPERN TRUST, ET AL

I

36229

BTA 7816 JV-P DUVAL
7816-01 Duval "C" #1

THE STATE OF TEXAS }
 }
COUNTY OF CULBERSON }

ASSIGNMENT

For a valuable consideration, the receipt of which is hereby acknowledged, **BTA OIL PRODUCERS**, a Texas General Partnership, hereinafter called "Assignor", does hereby bargain, sell, transfer, assign and convey unto the following Assignees, whose address is c/o BTA Oil Producers, 104 South Pecos, Midland, Texas, 79701, in the respective percentage interests shown:

Lloyd Alpern Trust -----	0.571428%
Bernard E. Alpern Trust -----	4.571427%
Bardamar Partnership -----	1.142857%
Barnes-Linnett - O.V. -----	0.571428%
Carlton Beal -----	1.454739%
Carlton Beal Jr. -----	0.924111%
Barry Beal -----	0.924111%
Spencer Beal -----	0.753597%
Kelly Beal -----	0.674282%
Barry Beal, Jr. -----	0.391443%
Blank Living Investment Trust dated July 24, 1989 -----	1.714285%
Norman Braman -----	0.571428%
Brown II, Ltd. -----	1.142857%
Beth Burnam Trust #2 -----	3.428542%
Bruce Burnam Trust #2 -----	3.428570%
Constance B. Cartwright -----	1.142857%
Jesse Glimenko -----	1.142857%
Pearl Climenko Non-Marital Trust -----	0.571428%
Daniel Clyman Associates -----	0.571428%
Trust U/W/O Paul A. Cohen Article THIRD A -----	0.571428%
Trust #1 F/B/O Eleanor Couri under the terms of the Last Will And Testament of George J. Couri, 9/9/85 (Credit Shelter Trust) -----	0.571428%
James R. Currie -----	1.142857%
Robert M. Davenport -----	0.571428%
Diamond Head Investments-78 -----	1.142885%
Peter Dix, Ltd. -----	0.571428%
Ecoff & Gisler II -----	1.142857%
Arthur Emil-1978 -----	1.142857%
Herbert Feinberg -----	0.571428%
First City National Bank, Trustee for Trust #0417-02-03-04 -----	2.285714%
Forman Energy Corporation -----	3.428542%
Gerald N. Frank -----	3.428570%
Frank Friedheim -----	0.571428%
Ann M. Gallop -----	0.571428%
M. Robert Gallop -----	2.285714%
Barbara G. Gilbert -----	0.571428%
Karlene Beal Garber -----	0.571428%
Joseph H. Gardner -----	0.571428%
Joseph Giordano -----	0.571428%
Salvatore Giordano, Jr. -----	0.571428%
Salvatore Giordano, Sr. -----	1.142857%
The Glickman Revocable Living Trust Dated 10/25/91 -----	2.285714%
Charles Goldschmidt -----	0.571428%
Edward Goldschmidt -----	0.571428%
Henry J. Goldschmidt, Esquire -----	0.571428%
Milton S. Gould -----	1.714285%
Industrial Raw Materials Corporation -----	0.571428%
Abdul-Jabbar Family Trust -----	1.142857%
Louis Jackson -----	0.285714%
Sylvia F. Jackson -----	0.285714%
Jasdec Oil Partners -----	3.428570%
Fred C. Jennings Trust Under Inter Vivos Trust Agreement dated December 12, 1980 -----	0.380951%
Mark C. Jennings or Theresa F. Jennings -----	0.380951%
Susan K. Jennings -----	0.380954%
Lewis G. Johnson -----	0.002857%

FEB 18 1992 022832

RECEIVED FEB 21 1992

BTA 7816 JV-P DUVAL
Assignment

Robert S. King -----	0.003429%
Kramer Family Joint Venture -----	1.142857%
Joseph N. Leff -----	0.571428%
Estate of Daniel E. Lyons -----	1.142857%
George W. Murphy -----	1.142857%
Leonard Newman -----	0.571428%
Edgar B. Nye -----	0.571428%
Chase Lincoln First Bank, N/A, Trustee of Trust U/W/O Guido P. Palma F/B/O Ellen Palma -----	2.285714%
Lawrence Phillips -----	0.571428%
Saul Poliak Revocable Management Trust -----	3.142856%
NCNB Texas National Bank, Trustee for Trust #1430-1-09 -----	0.514286%
NCNB Texas National Bank, Trustee for Trust #1430-2-09 -----	0.514286%
NCNB Texas National Bank, Trustee for Trust #1430-3-09 -----	0.514314%
NCNB Texas National Bank, Trustee for Trust #1430-4-09 -----	0.514286%
NCNB Texas National Bank, Trustee for Trust #1430-5-09 -----	0.514286%
NCNB Texas National Bank, Trustee for Trust #1431-09 -----	1.142857%
NCNB Texas National Bank, Trustee for Trust #1432-09 -----	1.142828%
NCNB Texas National Bank, Trustee for K.S. Beal Trust #351 -----	1.142857%
Raymond H. Rice, Deceased's Trust Created Under Declaration of The Rice Family Trust Dated August 14, 1981 -----	0.571428%
San Miguel Oil Co. -----	0.571428%
George T. Scharffenberger -----	1.714285%
William A. Shea -----	1.142857%
Martin I. Shelton -----	0.571428%
Fred P. Sheridan -----	0.571428%
Ralph E. Stark -----	0.005714%
James R. Stimmel -----	0.005714%
J. Ralph & Lois Stone Trust -----	0.571428%
Robert J. Strassenburgh, II -----	0.571428%
Estate of Harold O. Toor -----	1.714285%
Henry F. Trione -----	0.571428%
Vimark -----	0.571428%
Janet A. Waterfield -----	0.571428%
Alan Weinberg and Irene Weinberg as Community Property -----	1.142885%
Peter B. Wilkinson -----	0.002857%
Carole Winter -----	0.571429%
Nancy Winter -----	0.571428%
Elizabeth Wolff -----	2.285714%
Ilsa B. Wolff Estate -----	3.999999%
Patricia Ann Wolff Trust -----	0.571428%
Patricia Ann Wolff -----	1.714328%
	100.000000%

an undivided 35.00% interest in all of the right, title and interest of BTA Oil Producers in and to the Oil and Gas Lease described in Exhibit "A" hereto covering the tracts of land described therein, each Assignee herein to acquire a like interest in the personal property used or obtained in connection therewith.

Also, for a valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby bargain, sell, transfer, assign and convey unto the following Assignees in the respective percentage interests shown:

BTA Profit Sharing Plan -----	0.234200%
Bernard E. Alpern Trust -----	0.666668%
Carlton Beal -----	18.702359%
Carlton Beal, Jr. -----	18.702359%
Barry Beal -----	18.702359%
Spencer Beal -----	18.702359%
Kelly Beal -----	18.702359%
Barry Beal, Jr. -----	0.015867%
Gerald N. Frank -----	3.333338%

FEB 18 1992

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RECEIVED FEB 21 1992

BTA 7816 JV-P DUVAL
Assignment

HRK Equity Corporation -----	0.642901%
Trust U/W/O Samuel Klau -----	0.642901%
Roger P. Palma -----	0.952330%
	<u>100.000000%</u>

a 15.00% interest in the interest of BTA Oil Producers in and to the Oil and Gas Lease described in Exhibit "A" attached hereto insofar as each lease covers the land specified in Exhibit "A", said interest shall bear no portion of the drilling, completion or equipping costs on any wells drilled on said lease, but is subject to 15.00% of all operating expenses attributable to the operation of any such wells.

Further, for a valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby bargain, sell, transfer, assign and convey unto the following Assignees in the respective percentage interests shown:

Lorece Avery -----	0.031000%
Carlton Beal -----	51.950620%
Carlton Beal, Jr. -----	18.582226%
Barry Beal -----	18.582226%
Spencer Beal -----	3.729889%
Kelly Beal -----	0.024190%
Barry Beal, Jr. -----	0.016550%
Keleen H. Beal -----	1.250000%
Lewis G. Johnson -----	0.030980%
Chessley McKenzie -----	0.012400%
O. V. Savage -----	0.080720%
Ralph E. Stark -----	0.248000%
James R. Stimmel -----	0.161199%
NCNB Texas National Bank, Trustee for Trust #1430-1-09 -----	0.560000%
NCNB Texas National Bank, Trustee for Trust #1430-2-09 -----	0.560000%
NCNB Texas National Bank, Trustee for Trust #1430-3-09 -----	0.560000%
NCNB Texas National Bank, Trustee for Trust #1430-4-09 -----	0.560000%
NCNB Texas National Bank, Trustee for Trust #1430-5-09 -----	0.560000%
NCNB Texas National Bank, Trustee for Trust #1431-09 -----	1.250000%
NCNB Texas National Bank, Trustee for Trust #1432-09 -----	1.250000%
	<u>100.000000%</u>

a 50.00% interest in the interest of BTA Oil Producers in the Oil and Gas Lease and lands described in Exhibit "A", insofar as each lease covers the land specified in Exhibit "A", and a like interest in the personal property used or obtained in connection therewith, such interest shall bear 50.00% of all drilling, completion and operating costs on any well drilled on said lease.

All of the interests herein assigned are subject to the lands and leases described in Exhibit "A", and said interests being further subject to the following: (a) the royalty burdens payable under said lease and the overriding royalty burdens, if any, payable under said lease which are of record as of the date of this assignment, (b) that certain Joint Operating Agreement dated November 22, 1977, by and between BTA Oil Producers, as Operator, and Bernard E. Alpern Trust, et al, as Non-Operators.

Should any Assignee fail to join in the drilling of any additional well drilled upon the above described lands pursuant to the terms and provisions of the herein described leases and agreements, then the interest of such Assignee in said leases and lands shall automatically terminate as to any and all undrilled proration units as allocated to said lands by proper governmental authority and such interest shall automatically revert to and vest in the other Assignees herein pursuant to the terms and provisions of the Joint Operating Agreement described above or to Assignor herein. Any such Assignee shall be obligated to execute a recordable assignment recognizing the termination of said Assignee's interest in said undrilled proration units and reassigning all of said interest to the other Assignees herein or to Assignor herein.

FEB 18 1992

022832

RECEIVED FEB 21 1992

BTA 7816 JV-P DUVAL
Assignment

Should Assignor be required under the terms and provisions of any assignment or agreement under and by virtue of which Assignor holds title to reassign all or any portion of the leases described in Exhibit "A" in order to avoid the necessity of conducting drilling or other operations, then any such reassignment from Assignor shall be effective to extinguish the interests of Assignee herein and Assignees shall no longer have any interest whatsoever in the leases or portions thereof covered by such reassignment.

DATED this 1st day of October, 1991, to be effective as of the date of first production from the lands described herein.

BTA OIL PRODUCERS

BY:

Barry Beal
BARRY BEAL, Partner

THE STATE OF TEXAS }

COUNTY OF MIDLAND }

The foregoing instrument was acknowledged before me on this 1st day of October, 1991, by BARRY BEAL, Partner, on behalf of BTA OIL PRODUCERS, a partnership.



Georgia Pruitt
Notary Public in and for
The State of Texas

FEB 18 1992

022832

RECEIVED FEB 21 1992

LEASE SCHEDULE

EXHIBIT "A" Page 1 of 1

ATTACHED TO AND MADE A PART OF ASSIGNMENT

STATE OF TEXAS

COUNTY OF CULBERSON

DATED October 1, 1991, Effective Date Of First Production, EXECUTED BY BTA OIL PRODUCERS
IN FAVOR OF LLOYD ALPERN TRUST, ET AL

<u>LEASE NO.</u>	<u>LESSOR</u>	<u>LESSEE</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>BOOK</u>	<u>PAGE</u>
6404	State of Texas Lease No. M-90407	BTA Oil Producers	10/02/84	Survey 32, Block 45, PSL Survey, containing 640 acres, more or less	66	422

The above lease is a part of the BTA 7816 JV-P Duval Venture (Tract III).

Filed for record on the 22nd day of January A.D. 1992 at 10:00 o'clock
A.M. Recorded on the 5th day of February A.D. 1992 at 1:15 o'clock
P.M. By *Frank Antares* Deputy.
LINDA URIAS, COUNTY CLERK
CULBERSON COUNTY, TEXAS.

FEB 18 1992

RECEIVED FEB 21 1992

022832

10

MF 90407
Item _____
To _____
From _____
Date 2-29-92



THE STATE OF TEXAS *
COUNTY OF CULBERSON *

I, Linda Urias, Clerk of the County Court in and for
Culberson County, Texas, do hereby certify that

The foregoing is a true and correct copy of ASSIGNMENT
from BTA OIL PRODUCERS to LLOYD ALPERN TRUST, ET AL
as the same appears of record in my office in Book 73 Page s 758-762
Oil & Gas Records, Culberson County, Texas.

TO CERTIFY WHICH, Witness my hand and seal of office on

this the 12th day of February 19 92.

Linda Urias, County Clerk
Culberson County, Texas

By Frank Ontiveros Jr. Deputy

SEP 18 1993



Texas General Land Office
Garry Mauro, Commissioner

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

March 4, 1992

Cheryl Bentley
BTA Oil Producers
104 South Pecos
Midland, Texas 79701-5099

RE: ASSIGNMENT FILING

Dear Ms. Bentley:

The General Land Office received the following instrument on February 29, 1992, and has filed it in Mineral File No. M-90407.

An Assignment of Oil and Gas Lease dated October 1, 1991, from BTA Oil Producers to Lloyd Alpern Trust, et al, recorded in Culberson County, Texas.

Filing Fee: \$25.00
Late Fee : \$25.00
Total Fee : \$50.00

The total amount of the fees received for the filing of the instrument listed above is \$50.00, the receipt of which is acknowledged by the General Land Office.

Sincerely,

Joe Shannon, Landman
Lease Administration
Energy Resources
(512) 475-1533

JMS/tbs

11

MF 90407
Item _____
To _____
From _____
Date 3-4-92



Texas General Land Office
Garry Mauro, Commissioner

FILE COPY

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495
(512) 463-5001

Certified Mail No. P-795-980-404
Return Receipt Requested

July 13, 1995

Ms. MELODY O'BRIAN
BTA OIL PRODUCERS
104 S. PECOS
MIDLAND, TEXAS 79701-5099

RE: Notice of Underpayment on State Lease M-77035, 77523, 90407.

Dear Ms. O'BRIAN

The Royalty Management Division of the Texas General Land Office has completed a review of the above referenced leases operated by BTA Oil Producers. Through this review, it was determined that \$6,878.23 has been underpaid to the State for the reporting periods September 1990 through November 1994. This amount comprises \$2,430.67 in additional royalty, \$3,725.00 in penalty and \$722.56 in interest, which has been computed through August 8, 1995, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of our review (Attachment I);
- Schedule supporting our royalty, penalty and interest calculations (Attachment II), and;
- Procedures used for assessment of penalties and interest (Attachment III);
- A copy of Oil and Gas Lease Agreements. (Attachment IV).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. We will prepare the GLO-2 Reports for correction of the delinquent amounts reflected in this notice. In order to ensure proper credit, your payment should be mailed to my attention in the enclosed envelope, along with a copy of this letter.

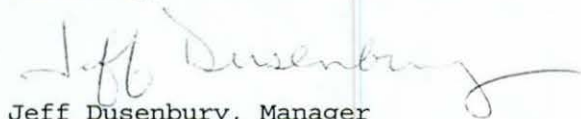
BTA OIL PRODUCERS
July 12, 1995

Page 2

This notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by BTA Oil Producers or from examining these or other issues and time periods in a future inspection of your books, accounts, reports or other records.

If you have any questions, please call Joshua Sanchez at (512) 475-1494.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jeff Dusenbury", with a long, sweeping horizontal stroke extending to the right.

Jeff Dusenbury, Manager
Royalty Management/Energy Resources

Enclosures
Attachments

ATTACHMENT I

REVIEW SUMMARY

State Lease M-77035, 77523, 90407.

We have reviewed our records for the period of September 1990 through November 1994, to determine whether or not royalty for Lease Fuel, etc., has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review, it was determined that Lease Fuel volumes were reported but no royalty was paid as required by the lease agreement in paragraph 3 (B). Therefore, we have concluded that additional royalty revenue is due in the following amount.

Lease	Royalty	Penalty	Interest	Total
M-77035	\$1,067.82	\$1,175.00	\$326.37	\$2,569.19
M-77523	\$ 449.91	\$1,275.00	\$130.31	\$1,855.22
M-90407	\$ 912.94	\$1,275.00	\$265.88	\$2,453.82
TOTALS	\$2,430.67	\$3,725.00	\$722.56	\$6,878.23

(See Attachment II for supporting calculations)

BTA OIL PRODUCERS
STATE LEASE M-77035
8001 JV-P HOWE LEASE
HOWE (ATOKA) FIELD
WARD COUNTY TEXAS
RRC GAS WELL ID # 089729

ATTACHMENT II
=====

AUDITOR: GJS
FILE: C:\BTA77035.WK3
DATE: 07/12/95

DECIMAL: 0.200

PENALTY DATE
08/08/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH	R R C LEASE USE (A)	TRACT PART.	UNIT LEASE USE VOLUMES	PRICE (B)	BTU (B)	GROSS VALUE (3)X(4)X(5)	DUE (6)X(.200)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (7)+(9)+(10)
Sep-90	285	0.1581	45	1.774	1.000	79.93	15.99	1727	25.00	8.77	49.76
Oct-90	285	0.1581	45	1.940	1.000	87.41	17.48	1697	25.00	9.41	51.89
Nov-90	285	0.1581	45	1.770	1.000	79.75	15.95	1666	25.00	8.43	49.38
Dec-90	285	0.1581	45	3.318	1.000	149.50	29.90	1635	25.00	15.49	70.39
Jan-91	285	0.1581	45	2.695	1.000	121.43	24.29	1607	25.00	12.36	61.65
Feb-91	285	0.1581	45	3.263	1.000	147.03	29.41	1576	25.00	14.67	69.08
Mar-91	285	0.1581	45	1.693	1.000	76.28	15.26	1546	25.00	7.46	47.72
Apr-91	285	0.1581	45	2.695	1.000	121.43	24.29	1515	25.00	11.63	60.92
May-91	285	0.1581	45	3.310	1.000	149.14	29.83	1485	25.00	13.98	68.81
Jun-91	285	0.1581	45	1.612	1.000	72.63	14.53	1454	25.00	6.66	46.19
Jul-91	285	0.1581	45	1.395	1.000	62.86	12.57	1423	25.00	5.64	43.21
Aug-91	285	0.1581	45	1.534	1.000	69.12	13.82	1393	25.00	6.06	44.88
Sep-91	285	0.1581	45	2.285	1.000	102.96	20.59	1362	25.00	8.82	54.41
Oct-91	285	0.1581	45	2.076	1.000	93.54	18.71	1332	25.00	7.83	51.54
Nov-91	285	0.1581	45	3.920	1.000	176.63	35.33	1301	25.00	14.43	74.76
Dec-91	285	0.1581	45	3.952	1.000	178.07	35.61	1270	25.00	14.18	74.79
Jan-92	285	0.1581	45	3.135	1.000	141.26	28.25	1241	25.00	10.98	64.23
Feb-92	285	0.1581	45	3.118	1.000	140.49	28.10	1210	25.00	10.63	63.73
Mar-92	285	0.1581	45	3.118	1.000	140.49	28.10	1180	25.00	10.36	63.46
Apr-92	285	0.1581	45	3.118	1.000	140.49	28.10	1149	25.00	10.07	63.17
May-92	285	0.1581	45	3.103	1.000	139.82	27.96	1119	25.00	9.74	62.70
Jun-92	285	0.1581	45	3.103	1.000	139.82	27.96	1088	25.00	9.46	62.42
Jul-92	285	0.1581	45	3.105	1.000	139.91	27.98	1057	25.00	9.18	62.16
Aug-92	285	0.1581	45	3.105	1.000	139.91	27.98	1027	25.00	8.90	61.88
Sep-92	285	0.1581	45	2.382	1.000	107.33	21.47	996	25.00	6.61	53.08
Oct-92	0	0.1581	0	0.000	0.000	0.00	0.00	966	0.00	0.00	0.00
Nov-92	0	0.1581	0	0.000	0.000	0.00	0.00	935	0.00	0.00	0.00
Dec-92	0	0.1581	0	0.000	0.000	0.00	0.00	904	0.00	0.00	0.00
Jan-93	285	0.1581	45	3.067	1.000	138.19	27.64	876	25.00	7.42	60.06
Feb-93	285	0.1581	45	3.060	1.000	137.88	27.58	845	25.00	7.13	59.71
Mar-93	285	0.1581	45	3.141	1.000	141.53	28.31	815	25.00	7.04	60.35
Apr-93	0	0.1581	0	0.000	0.000	0.00	0.00	784	0.00	0.00	0.00
May-93	285	0.1581	45	2.228	1.000	100.39	20.08	754	25.00	4.59	49.67
Jun-93	285	0.1581	45	2.244	1.000	101.11	20.22	723	25.00	4.41	49.63
Jul-93	285	0.1581	45	2.236	1.000	100.75	20.15	692	25.00	4.19	49.34
Aug-93	285	0.1581	45	2.259	1.000	101.79	20.36	662	25.00	4.04	49.40
Sep-93	285	0.1581	45	2.227	1.000	100.35	20.07	631	25.00	3.77	48.84

BTA OIL PRODUCERS
 STATE LEASE M-77035
 8001 JV-P HOWE LEASE
 HOWE (ATOKA) FIELD
 WARD COUNTY TEXAS
 RRC GAS WELL ID # 089729

ATTACHMENT II
 =====

AUDITOR: GJS
 FILE: C:\BTA77035.WK3
 DATE: 07/12/95

DECIMAL: 0.200

PENALTY DATE
 08/08/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
MONTH	R R C VOLUMES	TRACT PART.	UNIT LEASE USE VOLUMES	PRICE	BTU	GROSS VALUE	DUE	NUMBER OF DAYS LATE	PENALTY DUE	INTEREST DUE	TOTAL DUE
	(A)			(B)	(B)	(3)X(4)X(5)	(6)X(.200)		(C)	(C)	(7)+(9)+(10)
Oct-93	285	0.1581	45	2.220	1.000	100.03	20.01	601	25.00	3.57	48.58
Nov-93	285	0.1581	45	2.221	1.000	100.07	20.01	570	25.00	3.36	48.37
Dec-93	285	0.1581	45	2.220	1.000	100.03	20.01	539	25.00	3.16	48.17
Jan-94	285	0.1581	45	2.215	1.000	99.80	19.96	511	25.00	2.97	47.93
Feb-94	285	0.1581	45	2.213	1.000	99.71	19.94	480	25.00	2.76	47.70
Mar-94	285	0.1581	45	2.237	1.000	100.80	20.16	450	25.00	2.59	47.75
Apr-94	285	0.1581	45	2.237	1.000	100.80	20.16	419	25.00	2.39	47.55
May-94	285	0.1581	45	2.214	1.000	99.76	19.95	389	25.00	2.16	47.11
Jun-94	285	0.1581	45	2.224	1.000	100.21	20.04	358	25.00	1.97	47.01
Jul-94	285	0.1581	45	2.510	1.000	113.10	22.62	327	25.00	1.99	49.61
Aug-94	285	0.1581	45	2.246	1.000	101.20	20.24	297	25.00	1.58	46.82
Sep-94	285	0.1581	45	2.246	1.000	101.20	20.24	266	25.00	1.38	46.62
Oct-94	285	0.1581	45	2.255	1.000	101.61	20.32	236	25.00	1.18	46.50
Nov-94	285	0.1581	45	2.251	1.000	101.43	20.29	205	25.00	0.97	46.26
TOTALS							<u>\$1,067.82</u>		<u>\$1,175.00</u>	<u>\$326.37</u>	<u>\$2,569.19</u>

COMMENTS:

(A) VOLUMES ARE OBTAINED FROM FORMS GLO-2'S.

(B) PRICE AND BTU ARE OBTAINED FROM GLO-2'S.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES",
 FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

BTA OIL PRODUCERS
 STATE LEASE M-77523
 7806 JV-P DUVAL LEASE
 KING EDWARD (ATOKA) FIELD
 CULBERSON COUNTY TEXAS
 RRC GAS WELL ID # 080476

ATTACHMENT II
 =====

DECIMAL: 0.125

PENALTY DATE
 08/08/95

AUDITOR: GJS
 FILE: C:\BTA77523.WK3
 DATE: 07/13/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MONTH	R R C VOLUMES LEASE USE (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	DUE (4)X(.125)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Sep-90	50	1.242	1.000	62.10	7.76	1727	25.00	4.26	37.02
Oct-90	50	1.388	1.000	69.40	8.68	1697	25.00	4.67	38.35
Nov-90	50	1.707	1.000	85.35	10.67	1666	25.00	5.64	41.31
Dec-90	50	1.714	1.000	85.70	10.71	1635	25.00	5.55	41.26
Jan-91	50	1.596	1.000	79.80	9.98	1607	25.00	5.08	40.06
Feb-91	50	1.128	1.000	56.40	7.05	1576	25.00	3.52	35.57
Mar-91	50	1.090	1.000	54.50	6.81	1546	25.00	3.33	35.14
Apr-91	50	1.126	1.000	56.30	7.04	1515	25.00	3.37	35.41
May-91	50	1.105	1.000	55.25	6.91	1485	25.00	3.24	35.15
Jun-91	50	1.039	1.000	51.95	6.49	1454	25.00	2.98	34.47
Jul-91	50	0.908	1.000	45.40	5.68	1423	25.00	2.55	33.23
Aug-91	50	1.063	1.000	53.15	6.64	1393	25.00	2.91	34.55
Sep-91	50	1.229	1.000	61.45	7.68	1362	25.00	3.29	35.97
Oct-91	50	1.425	1.000	71.25	8.91	1332	25.00	3.73	37.64
Nov-91	50	1.460	1.000	73.00	9.13	1301	25.00	3.73	37.86
Dec-91	50	1.560	1.000	78.00	9.75	1270	25.00	3.88	38.63
Jan-92	50	1.317	1.000	65.85	8.23	1241	25.00	3.20	36.43
Feb-92	50	0.901	1.000	45.05	5.63	1210	25.00	2.13	32.76
Mar-92	50	1.048	1.000	52.40	6.55	1180	25.00	2.41	33.96
Apr-92	50	1.102	1.000	55.10	6.89	1149	25.00	2.47	34.36
May-92	50	1.205	1.000	60.25	7.53	1119	25.00	2.62	35.15
Jun-92	50	1.200	1.000	60.00	7.50	1088	25.00	2.54	35.04
Jul-92	50	1.232	1.000	61.60	7.70	1057	25.00	2.53	35.23
Aug-92	50	1.591	1.000	79.55	9.94	1027	25.00	3.16	38.10
Sep-92	50	1.580	1.000	79.00	9.88	996	25.00	3.04	37.92
Oct-92	50	1.500	1.000	75.00	9.38	966	25.00	2.80	37.18
Nov-92	50	1.500	1.000	75.00	9.38	935	25.00	2.70	37.08
Dec-92	50	1.724	1.000	86.20	10.78	904	25.00	2.99	38.77
Jan-93	50	1.542	1.000	77.10	9.64	876	25.00	2.59	37.23
Feb-93	50	1.230	1.000	61.50	7.69	845	25.00	1.99	34.68
Mar-93	50	1.493	1.000	74.65	9.33	815	25.00	2.32	36.65
Apr-93	50	1.493	1.000	74.65	9.33	784	25.00	2.22	36.55
May-93	50	2.103	1.000	105.15	13.14	754	25.00	3.00	41.14
Jun-93	50	1.487	1.000	74.35	9.29	723	25.00	2.03	36.32
Jul-93	50	1.524	1.000	76.20	9.53	692	25.00	1.98	36.51
Aug-93	50	1.723	1.000	86.15	10.77	662	25.00	2.14	37.91
Sep-93	50	1.900	1.000	95.00	11.88	631	25.00	2.23	39.11

BTA OIL PRODUCERS
 STATE LEASE M-77523
 7806 JV-P DUVAL LEASE
 KING EDWARD (ATOKA) FIELD
 CULBERSON COUNTY TEXAS
 RRC GAS WELL ID # 080476

ATTACHMENT II
 =====

DECIMAL: 0.125

PENALTY DATE
 08/08/95

AUDITOR: GJS
 FILE: C:\BTA77523.WK3
 DATE: 07/13/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MONTH	R R C VOLUMES LEASE USE (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	DUE (4)X(.125)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Oct-93	50	1.597	1,000	79.85	9.98	601	25.00	1.78	36.76
Nov-93	50	1.678	1,000	83.90	10.49	570	25.00	1.76	37.25
Dec-93	50	1.939	1,000	96.95	12.12	539	25.00	1.91	39.03
Jan-94	50	1.589	1,000	79.45	9.93	511	25.00	1.48	36.41
Feb-94	50	1.708	1,000	85.40	10.68	480	25.00	1.48	37.16
Mar-94	50	1.770	1,000	88.50	11.06	450	25.00	1.42	37.48
Apr-94	50	1.516	1,000	75.80	9.48	419	25.00	1.12	35.60
May-94	50	1.577	1,000	78.85	9.86	389	25.00	1.07	35.93
Jun-94	50	1.323	1,000	66.15	8.27	358	25.00	0.81	34.08
Jul-94	50	1.521	1,000	76.05	9.51	327	25.00	0.84	35.35
Aug-94	50	1.346	1,000	67.30	8.41	297	25.00	0.66	34.07
Sep-94	50	1.065	1,000	53.25	6.66	266	25.00	0.45	32.11
Oct-94	50	0.963	1,000	48.15	6.02	236	25.00	0.35	31.37
Nov-94	50	1.210	1,000	60.50	7.56	205	25.00	0.36	32.92
TOTALS					449.91		1,275.00	130.31	1,855.22

COMMENTS:

(A) VOLUMES ARE OBTAINED FROM FORM GLO-2.

(B) PRICE AND BTU ARE OBTAINED FROM FORM GLO-2.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES",
 FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

BTA OIL PRODUCERS
STATE LEASE M-90407
7816 JV-P DUVAL "C" LEASE
KING EDWARD (ATOKA) FIELD
CULBERSON COUNTY TEXAS
RRC GAS WELL ID # 116618

ATTACHMENT II
=====

DECIMAL: 0.250

PENALTY DATE
08/08/95

AUDITOR: GJS
FILE: C:\BTA90407.WK3
DATE: 07/11/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MONTH	R R C VOLUMES LEASE USE (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	DUE (4)X(.250)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Sep-90	50	1.388	1.000	69.40	17.35	1727	25.00	9.51	51.86
Oct-90	50	1.707	1.000	85.35	21.34	1697	25.00	11.49	57.83
Nov-90	50	1.707	1.000	85.35	21.34	1666	25.00	11.27	57.61
Dec-90	50	1.714	1.000	85.70	21.43	1635	25.00	11.10	57.53
Jan-91	50	1.596	1.000	79.80	19.95	1607	25.00	10.15	55.10
Feb-91	50	1.128	1.000	56.40	14.10	1576	25.00	7.03	46.13
Mar-91	50	1.090	1.000	54.50	13.63	1546	25.00	6.66	45.29
Apr-91	50	1.126	1.000	56.30	14.08	1515	25.00	6.74	45.82
May-91	50	1.105	1.000	55.25	13.81	1485	25.00	6.47	45.28
Jun-91	50	1.039	1.000	51.95	12.99	1454	25.00	5.96	43.95
Jul-91	50	0.908	1.000	45.40	11.35	1423	25.00	5.09	41.44
Aug-91	50	1.063	1.000	53.15	13.29	1393	25.00	5.83	44.12
Sep-91	50	1.229	1.000	61.45	15.36	1362	25.00	6.58	46.94
Oct-91	50	1.425	1.000	71.25	17.81	1332	25.00	7.45	50.26
Nov-91	50	1.460	1.000	73.00	18.25	1301	25.00	7.45	50.70
Dec-91	50	1.560	1.000	78.00	19.50	1270	25.00	7.76	52.26
Jan-92	50	1.317	1.000	65.85	16.46	1241	25.00	6.40	47.86
Feb-92	50	0.901	1.000	45.05	11.26	1210	25.00	4.26	40.52
Mar-92	50	1.048	1.000	52.40	13.10	1180	25.00	4.83	42.93
Apr-92	50	1.102	1.000	55.10	13.78	1149	25.00	4.94	43.72
May-92	50	1.205	1.000	60.25	15.06	1119	25.00	5.25	45.31
Jun-92	50	1.325	1.000	66.25	16.56	1088	25.00	5.60	47.16
Jul-92	50	1.232	1.000	61.60	15.40	1057	25.00	5.05	45.45
Aug-92	50	1.591	1.000	79.55	19.89	1027	25.00	6.33	51.22
Sep-92	50	1.580	1.000	79.00	19.75	996	25.00	6.08	50.83
Oct-92	50	1.500	1.000	75.00	18.75	966	25.00	5.59	49.34
Nov-92	50	1.500	1.000	75.00	18.75	935	25.00	5.40	49.15
Dec-92	50	2.189	1.000	109.45	27.36	904	25.00	7.60	59.96
Jan-93	50	1.542	1.000	77.10	19.28	876	25.00	5.18	49.46
Feb-93	50	1.230	1.000	61.50	15.38	845	25.00	3.97	44.35
Mar-93	50	1.493	1.000	74.65	18.66	815	25.00	4.64	48.30
Apr-93	50	1.493	1.000	74.65	18.66	784	25.00	4.45	48.11
May-93	50	2.103	1.000	105.15	26.29	754	25.00	6.01	57.30
Jun-93	50	1.487	1.000	74.35	18.59	723	25.00	4.06	47.65
Jul-93	50	1.524	1.000	76.20	19.05	692	25.00	3.96	48.01
Aug-93	50	1.723	1.000	86.15	21.54	662	25.00	4.27	50.81
Sep-93	50	1.900	1.000	95.00	23.75	631	25.00	4.47	53.22

BTA OIL PRODUCERS
 STATE LEASE M-90407
 7816 JV-P DUVAL "C" LEASE
 KING EDWARD (ATOKA) FIELD
 CULBERSON COUNTY TEXAS
 RRC GAS WELL ID # 116618

ATTACHMENT II
 =====

DECIMAL: 0.250

PENALTY DATE
 08/08/95

AUDITOR: GJS
 FILE: C:\BTA90407.WK3
 DATE: 07/11/95

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
MONTH	R R C VOLUMES LEASE USE (A)	PRICE (B)	BTU (B)	GROSS VALUE (1)X(2)X(3)	DUE (4)X(.250)	NUMBER OF DAYS LATE	PENALTY DUE (C)	INTEREST DUE (C)	TOTAL DUE (5)+(7)+(8)
Oct-93	50	1.597	1.000	79.85	19.96	601	25.00	3.56	48.52
Nov-93	50	1.678	1.000	83.90	20.98	570	25.00	3.52	49.50
Dec-93	50	1.939	1.000	96.95	24.24	539	25.00	3.83	53.07
Jan-94	50	1.589	1.000	79.45	19.86	511	25.00	2.95	47.81
Feb-94	50	1.708	1.000	85.40	21.35	480	25.00	2.96	49.31
Mar-94	50	1.770	1.000	88.50	22.13	450	25.00	2.84	49.97
Apr-94	50	1.516	1.000	75.80	18.95	419	25.00	2.24	46.19
May-94	50	1.577	1.000	78.85	19.71	389	25.00	2.14	46.85
Jun-94	50	1.323	1.000	66.15	16.54	358	25.00	1.63	43.17
Jul-94	50	1.521	1.000	76.05	19.01	327	25.00	1.67	45.68
Aug-94	50	1.346	1.000	67.30	16.83	297	25.00	1.32	43.15
Sep-94	50	1.065	1.000	53.25	13.31	266	25.00	0.91	39.22
Oct-94	50	0.963	1.000	48.15	12.04	236	25.00	0.70	37.74
Nov-94	50	1.210	1.000	60.50	15.13	205	25.00	0.73	40.86
TOTALS					\$912.94		\$1,275.00	\$265.88	\$2,453.82

COMMENTS:

(A) VOLUMES ARE OBTAINED FROM FORM GLO-2.

(B) PRICE AND BTU ARE OBTAINED FROM FORM GLO-2.

(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULE",
 FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

ATTACHMENT III

SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES FOR DELINQUENT ROYALTIES AND DELINQUENT REQUIRED REPORTS OR DOCUMENTS

	DUE BEFORE 10-1-75 (Production Prior to 8-1-75)	DUE AFTER 10-1-75 AND BEFORE 9-1-85 (Production 8-1-75 thru 6-30-85)	DUE AFTER 9-1-85 (Production 7-1-85 Forward)
<u>PENALTY (3)</u> • For delinquent royalty	NONE	The greater of 1% of the delinquent amount or \$5.00 for each 30-day delinquency	For delinquencies of 30 days or less, the greater of 5% of the delinquent amount or \$25.00 For delinquencies of more than 30 days, the greater of 10% of the delinquent amount or \$25.00
• For delinquent report, affidavit, or other document	NONE	\$5.00 per document for each 30-day period of delinquency	\$10.00 per document for each 30-day period of delinquency
<u>INTEREST</u> • For delinquent royalty	6% per year, compounded annually; accrual begins 30 days after due date (1)	6% per year, compounded annually; accrual begins 30 days after due date (1)	12% per year, simple; accrual begins 60 days after due date (2)

(1) Tex. Rev. Civ. Stat. Ann., Article 5069-1.03 and related case law.

(2) Tex. Nat. Res. Code Ann. § 52.131 (g).

(3) Penalties are not assessed in cases of title dispute as to the state's portion of the royalty or to royalty in dispute as to fair market value except when fraud is involved, in which case the fraud penalty is applicable. Penalty provisions are found at Tex. Nat. Res. Code Ann. § 52.131 (e), (f), & (h).

A royalty payment that is not accompanied by the required royalty affidavit identifying the GLO lease number is delinquent.

The State's power to forfeit a lease shall not be affected by the assessment or payment of any delinquency, penalty, or interest.

**Texas General
Land Office**



**David Dewhurst
Commissioner**

December 19, 2002

CERTIFIED MAIL 70000520002287123890

BTA OIL PRODUCERS
104 S PECOS ST
MIDLAND, TX 79701-5021

RE: Notice of underpayment on State Lease(s) 090407

Dear Ms. O'Brian:

The Royalty Audit Division of the Texas General Land Office has completed a limited review of the above-referenced lease operated by BTA OIL PRODUCERS. Through this review, it was determined that \$2,171.42 has been underpaid to the State for the reporting period 6/2001 through 7/2001. This amount is comprised of \$1,742.46 in additional royalty, \$174.24 in penalty, and \$254.72 in interest, which has been computed through 1/4/2003, in accordance with Section 52.131 of the Texas Natural Resources Code.

The following documents are attached in support of our findings:

- A brief summary of our review (Attachment I);
- Schedule supporting our royalty, penalty, and interest calculation (Attachment II); and
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Mailing

Post Office Box 12873
Austin, Texas
78711-2873

Street

Stephen F. Austin Building
1700 North Congress Avenue
Austin, Texas 78701-1495

512.463.5001
1.800.998.4GLO
www.glo.state.tx.us

BTA OIL PRODUCERS

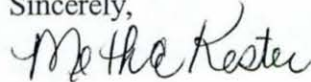
December 19, 2002

Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by BTA OIL PRODUCERS or from examining these or other issues and time periods in a future inspection of your books, accounts, reports, or other records.

If you have any questions, please call me at (512) 475-2317.

Sincerely,

A handwritten signature in cursive script that reads "Metha Kester".

Metha Kester, Accounts Examiner
Royalty Management
Energy Resources Division

ATTACHMENT I
REVIEW SUMMARY

State Lease: 090407

We have reviewed our records for the period of 9/1998 through 8/2001 to determine whether or not royalty for oil and gas has been reported and paid correctly with respect to volume and price. Volumes reported to the Texas General Land Office (TGLO) were compared to volumes reported to the Texas Railroad Commission (TRRC) with any differences being noted. We also reviewed the lease agreement to determine if payment for the aforementioned is due.

As a result of this review it was found that gas had been underpaid for the months of June and July 2001.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$0.00	\$0.00	\$0.00	\$0.00

Gas Summary

Royalty	Penalty	Interest	Total
\$1,742.46	\$174.24	\$254.72	\$2,171.42

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$1,742.46	\$174.24	\$254.72	\$2,171.42

(See attachment II for supporting calculations)

BTA OIL PRODUCERS
STATE LEASE M-090407
KING EDWARD (ATOKA)
7816 JV-P DUVAL "C"
CULBERSON COUNTY, TEXAS
RRC OIL WELL ID # 08-116618
ROYALTY DECIMAL .25

ATTACHMENT II

AUDITOR: M KESTER
FILE NAME: M-090407
DATE: 12/16/02

PENALTY/
INTEREST DATE:

01/14/03

(1)	(2)	(3)	(4)	(5)	(6)	(7)					
MONTH/ YEAR	P1 SALES/LEASE USE (A)	PRICE (B)	BTU	GROSS	ROYALTY DUE (3) X (.25)	ROYALTY PAID (C)	ADDIT. ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (D)	INTEREST DUE (D)	TOTAL DUE (4) + (5) + (6)
Jun-01	3,874	3.4262	1.000	13273.23	3318.31	2,327.27	991.04	517	99.10	149.23	1,239.37
Jul-01	4,927	2.8530	1.000	14056.73	3514.18	2,762.76	751.42	486	75.14	105.49	932.05
						1,742.46			\$174.24	\$254.72	\$2,171.42

- COMMENTS
- (A) RRC VOLUME - REPRESENTS SALES REPORTED TO THE RAILROAD COMMISSION.
- (B) PRICE - REPRESENTS PRICE TAKEN FROM THE MONTHLY GLO2 REPORT.
- (C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

File No. 90407 (12)
ltr to BTA dir

Date Filed: 12.19.02
Jerry E. Patterson, Commissioner
By _____

**Texas General
Land Office**



**David Dewhurst
Commissioner**

1/6/03 Billing Voided.
Correct P2 reports had been
sent to the RRC and RRC
misposted. MK.

December 19, 2002

CERTIFIED MAIL 70000520002287123890

BTA OIL PRODUCERS
104 S PECOS ST
MIDLAND, TX 79701-5021

RE: Notice of underpayment on State Lease(s) 090407

Dear Ms. O'Brian:

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The following documents are attached in support of our findings:

- A brief summary of our review (Attachment I);
- Schedule supporting our royalty, penalty, and interest calculation (Attachment II); and
- Procedures used for assessment of penalties and interest (Attachment III).

To ensure your company remains in good standing with the General Land Office, please respond to this notice within 25 days of the above date. If your records reflect this royalty has been paid, please provide us with documentation of payments made and remittance dates. Payment of this notice should be submitted separately from monthly royalty payments you may be remitting. In order to ensure proper credit, your payment should be mailed to my attention along with a copy of this letter.

Mailing

Post Office Box 12873
Austin, Texas
78711-2873

Street

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Austin, Texas 78701-1495

512.463.5001
1.800.998.4GLO
www.glo.state.tx.us

BTA OIL PRODUCERS

December 19, 2002

Page 2

This notice in no way precludes the General Land Office from pursuing any claim or remedy related to this royalty payment. Additionally, this notice does not constitute an Audit Billing Notice as defined in Section 52.135 of the Natural Resources Code and, consequently, does not preclude the General Land Office from conducting further examinations of this or other leases operated and/or reported by BTA OIL PRODUCERS or from examining these or other issues and time periods in a future inspection of your books, accounts, reports, or other records.

If you have any questions, please call me at (512) 475-2317.

Sincerely,

A handwritten signature in cursive script that reads "Metha Kester".

Metha Kester, Accounts Examiner
Royalty Management
Energy Resources Division

ATTACHMENT I
REVIEW SUMMARY

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As a result of this review it was found that gas had been underpaid for the months of June and July 2001.

We have concluded that additional royalty is due in the following amount.

Oil Summary

Royalty	Penalty	Interest	Total
\$0.00	\$0.00	\$0.00	\$0.00

Gas Summary

Royalty	Penalty	Interest	Total
\$1,742.46	\$174.24	\$254.72	\$2,171.42

Oil & Gas Summary

Royalty	Penalty	Interest	Total
\$1,742.46	\$174.24	\$254.72	\$2,171.42

(See attachment II for supporting calculations)

BTA OIL PRODUCTERS
STATE LEASE M-090407
KING EDWARD (ATOKA)
7816 JV-P DUVAL "C"
CULBERSON COUNTY, TEXAS
RRC OIL WELL ID # 08-116618
ROYALTY DECIMAL .25

ATTACHMENT II

AUDITOR: M KESTER
FILE NAME: M-090407
DATE: 12/16/02

PENALTY/
INTEREST DATE:

01/14/03

(1)		(2)		(3)		(4)		(5)		(6)		(7)	
MONTH/ YEAR	P1 SALES/LEASE USE (A)	PRICE (B)	BTU	GROSS	ROYALTY DUE (3) X (.25)	ROYALTY PAID (C)	ADDIT. ROYALTY DUE	NUMBER OF DAYS LATE	PENALTY DUE (D)	INTEREST DUE (D)	TOTAL DUE (4) + (5) + (6)		
Jun-01	2717 3,874	3.4262	1.000	13273.23	3318.31	2,327.27	991.04	517	99.10	149.23	1,239.37		
Jul-01	3894 4,927	2.8530	1.000	14056.73	3514.18	2,762.76	751.42	486	75.14	105.49	932.05		
1,742.46									\$174.24	\$254.72	\$2,171.42		

COMMENTS (A) RRC VOLUME - REPRESENTS SALES REPORTED TO THE RAILROAD COMMISSION.

(B) PRICE - REPRESENTS PRICE TAKEN FROM THE MONTHLY GLO2 REPORT.

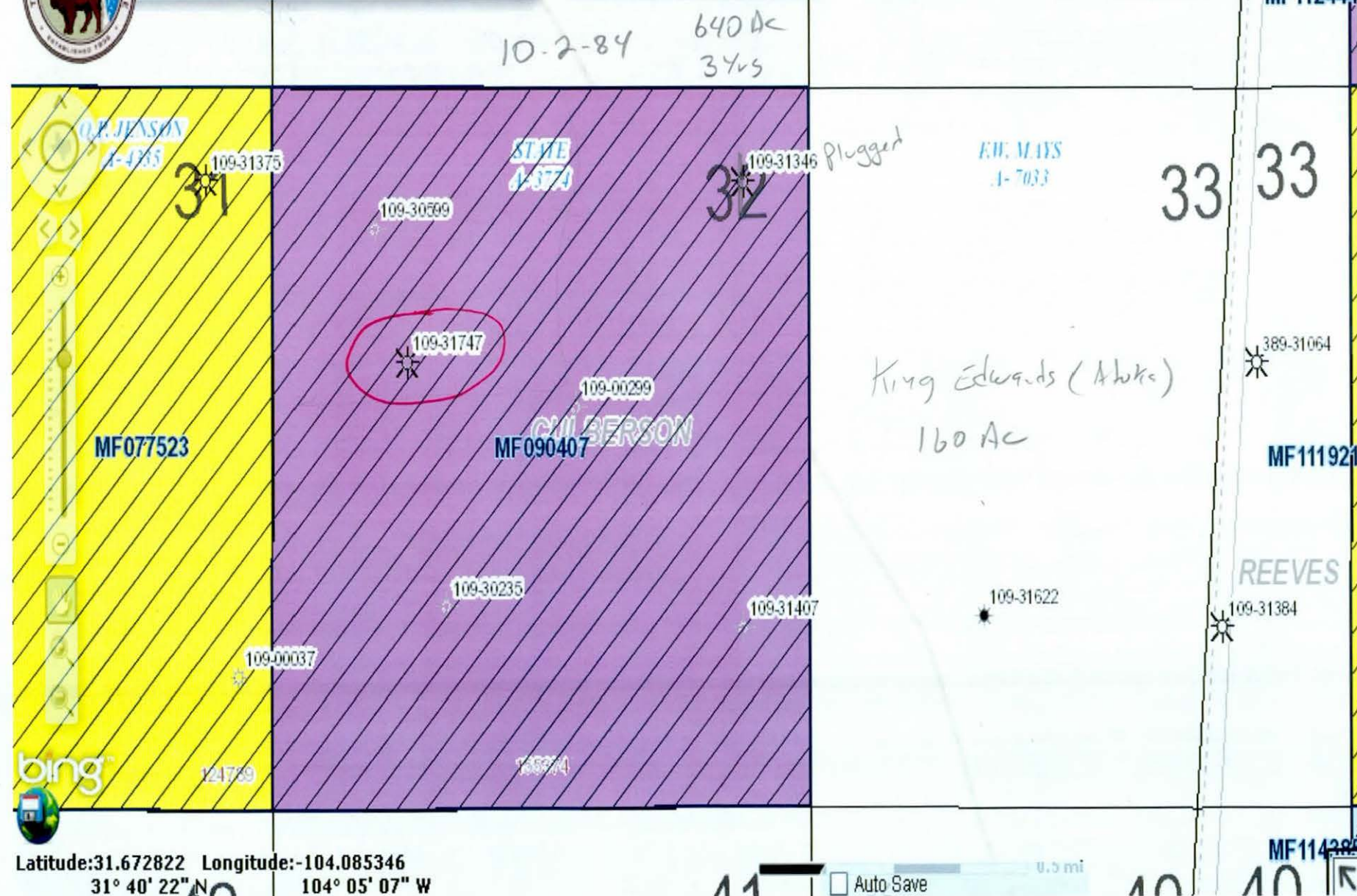
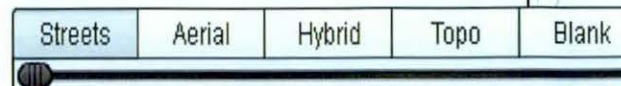
(C) SEE ATTACHMENT III, "SUMMARY OF PENALTY/INTEREST ASSESSMENT RULES", FOR EXPLANATION OF PENALTY AND INTEREST CALCULATIONS.

File No. 90407 (14)
Voided billing
Date Filed: 12.19.00
Jerry E. Patterson, Commissioner
By _____



Texas General Land Office

Interactive Land Lease Mapping Program



File No. MF090407

(16)

Plat

Date Filed: 05/16/2014

Jerry E. Patterson, Commissioner

By JEP



ONLINE SYSTEM

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: to

[O&G](#)
[O&G](#)
[Offs](#)

[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: 7816 JV-P DUVAL "C" , Lease No.: 116618 , Well No.: 1

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Apr 2013 - Mar 2014

1 - 10 of 12 results

[<<First] [<Previous] [Next>] [Last>>] | Page: 1 2 of 2

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	F
	Production	Disposition	Production	Disposition			
Apr 2013	2,132	2,132	0	0	BTA OIL PRODUCERS, LLC	041867	KING E
May 2013	1,530	1,530	0	0			
Jun 2013	1,513	1,513	0	0			
Jul 2013	1,550	1,550	0	0			
Aug 2013	8,010	8,010	0	0			
Sep 2013	4,595	4,595	0	0			
Oct 2013	5,794	5,794	0	0			
Nov 2013	4,360	4,360	0	0			
Dec 2013	3,998	3,998	0	0			
Jan 2014	5,705	5,705	0	0			

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ONLINE SYSTEM

Oil & Gas Data Query

[Query Menu](#) [Help](#)

Specific Lease Query Results

Query Path: [Search Criteria](#) > District: 08

Date Range: Apr 2013 to Mar 2014

[O&C](#)
[O&C](#)
[Offs](#)

[Production and Total Disposition](#) [Disposition Details](#) [County Production](#)

Search Criteria:

Lease Name: 7816 JV-P DUVAL "C" , **Lease No.:** 116618 , **Well No.:** 1

Well Type: Gas

District: 08

Lease Production and Disposition

Date Range: Apr 2013 - Mar 2014

11 - 12 of 12 results

[<<First] [<Previous] [Next>] [Last>>] | Page: 1 2 of 2

Date	GW Gas (MCF)		Condensate (BBL)		Operator Name	Operator No.	Fi
	Production	Disposition	Production	Disposition			
Feb 2014	3,780	3,780	0	0	BTA OIL PRODUCERS, LLC	041867	KING EI
Mar 2014	3,981	3,981	0	0			
Total	46,948	46,948	0	0			

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File No. MF090407

(17)

Production Report

Date Filed: 05/19/2014

Jerry E. Patterson, Commissioner

By JEP

** CURRENT GAS FIELD RULES INQUIRY **

FIELD NUMBER

FIELD NAME

DISTRICT

49400 600

KING EDWARD (ATOKA)

08

DOCKET NUMBER ==>

EFFECTIVE DATE ==> 12/01/1985

PRORATION DATE ==> 12/01/1985

SUSPENSION DATE ==> 09/01/1996

SPACING TO LEASE > 933

SPACING TO WELL ==> 1867

ACRES PER UNIT ==> 160 . 00

TOLERANCE ACRES ==> 16 . 00

CASING BASIS ==> DEPTH BASED ON TDWR LETTER

CASING DEPTH ==> 0

CASING REMARKS ==> TDWR LTR.

TYPE DIAGONAL ==> CORNER TO CORNER

DIAGONAL (FEET) ==> 4500

DIAGONAL REMARKS ==> 4500

INJECTION CREDIT ==> NO

ALLOWABLE TRANSFER > NO

FIELD REMARKS ==>

ALLOCATION FORMULA> 100% % DELIVERABILITY

PF1=MENU PF2=REMARKS PF3=FLD INQ PF7=SCHEDULE

PF5=PRIOR HISTORY

*** OIL AND GAS W-2/G-1 RECORD ***

INQUIRY

API #: 109 31747 SOURCE: RRC
DIST: 08 LSE/ID: 116618 WELL#: 1 TYPE: GAS CNTY: CULBERSON
FLD: KING EDWARD (ATOKA) LSE: 7816 JV-P DUVAL "C"
OPER: BTA OIL PRODUCERS, LLC

COMPLETION: 02 26 1985 DRILLING PERMIT #: 255558
W2-G1: 09 12 1985 BUILT: 10 01 1985 R-37 EXCEP CASE #:
ATTACHMENTS: ON FILE WATER INJECT PERM #:
KEY 'S' TO VIEW ATTACH: _ SALT WATER DISP #:
DOCKET NUMBER:
DRILL COMPLETED: 02 05 1985 DIST W3 APPR DATE: MM DD YYYY
ELEVATION: 3291 GR WELLBORE PLUGGED:
TOTAL DEPTH: 15717
PLUGBACK DEPTH: 15460

LOCATION SEC: 32 BLK: 45 ABST:
SUR: PSL

SUR/SECT: 001980 FT FROM NL AND 001320 FT FROM WL

NOTE=> REMARKS ON FILE FOR THIS DATE

* SCREEN OPTIONS: 12=FORM/SQZE 13=REMARKS 14=WATER 19=PERMITS/WELLIDS

* SELECT OPTION: (01=WTM, 00=HELP, 21=DIST PLUG)

PRESS 'ENTER' FOR NEXT SCREEN

MF 090407

*** OIL AND GAS DIVISION ***
FORMATION/SQUEEZE DATA

INQUIRY

API #: 109 31747 WELL ID: 08 116618 1 GAS BUILT: 10/01/1985

SQUEEZE RECORD:

DEPTH:

KIND AND AMOUNT OF MATERIAL USED:

UPR:

LWR:

> 14377	> 14521	< A/W 10,000 GAL GELLED HCL & 20,000 GAL GELLED PAD	>
>	>	<	>
>	>	<	>
>	>	<	>

FORMATION RECORD:

FORMATIONS:

DEPTH:

< DELAWARE LIME	>	> 2525
< CHERRY CANYON	>	> 3624
< BONE SPRING	>	> 6040
< ATOKA LIME	>	> 14364
< WOODFORD SHALE	>	> 15518
< FUSSELMAN	>	> 15628

* SCREEN OPTIONS: 10=W2/G1, 11=CAS/LIN/TUB/PERFS, 13=REMARKS *

* SELECT OPTION: ____ (01= RETURN TO MENU, 00= HELP AND OTHER OPTIONS) *
PRESS 'ENTER' FOR REMARKS

MF090407

File No. MF090409

(18)

Field Rules

Date Filed: 05/19/2014

Jerry E. Patterson, Commissioner

By JEP



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Welcome

BTA Oil Producers, based in Midland, Texas, is a privately held independent oil producer with over 50 years experience in exploration, development and production of crude oil and natural gas. Specializing in drilling, acquisition, development and operation of oil and gas properties for four generations.

BTA Oil Producers, LLC

104 South Pecos
Midland, TX 79701
Telephone: 432-682-3753
Fax: 432-683-0314

Trisha

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Willis Price
Land manager

File No. MF090407

(19)

Company Info

Date Filed: 05/19/2014

Jerry E. Patterson, Commissioner

By JEP

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LAND MANAGER
BTA OIL PRODUCERS LLC
104 SOUTH PECOS
MIDLAND TEXAS 79701

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PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

WILLIS PRICE
LAND MANAGER
BTA OIL PRODUCERS LLC
104 SOUTH PECOS
MIDI AND TEXAS 79701

2. Article Number

(Transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

LUIS SOSA

C. Date of Delivery

5-22-14

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

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4. Restricted Delivery? (Extra Fee)

☐ Yes

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MF 090407

LINDA PRICE, 845-E

TEXAS GENERAL LAND OFFICE

PO BOX 12873

AUSTIN TX 78711-2873

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

May 19, 2014

Willis Price
Land Manager
BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701
(Via CMRRR #: 7011 1150 0001 2416 4103)

RE: **State Lease MF090407**

Uplands Lease dated October 2, 1984
Primary term: 3 years
640 acres, described as all of PSL Survey No. 32, Block 45,
Culberson County, Texas
7816 JV-P Duval "C" #1 (API #: 42-109-31747)

Dear Mr. Price:

Paragraph 6 of the subject lease provides that three years after the expiration of the primary term, the lease terminates as to all lands outside of producing proration units located on the lease tract. Our review indicates that the retained acreage provision of MF090407 became effective on October 2, 1990.

Pursuant to the Texas Administrative Code, a certified, recorded copy of a Partial Release of State Oil and Gas Lease of all acreage outside of the proration unit of the referenced lease, along with the filing fee of \$25, must be filed with our office and sent to my attention.

According to the RRC records, the 7816 JV-P Duval "C" #1 (API #: 42-109-31747) was completed as a gas well and is producing in the King Edward (Atoka) Field. The RRC field rules for the King Edward (Atoka) Field allow for 160 acres per producing proration unit. Therefore, the GLO requests a release of all acreage of the referenced lease except for the 160 acres of the NW/4 of Section 32.

Please be specific in the description of the land being retained or excepted in the partial release. Describe the land in actual number of acres, as well as the section number, block, township, survey name, abstract, county, etc., where it is located. List the well by well name, number and API number. Reference the lease by its State Lease Mineral File number and the recording information of the lease by volume and page or file number and county recorded.

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

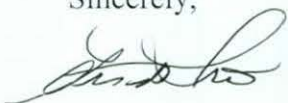
www.glo.state.tx.us

Willis Price
BTA Oil Producers, LLC
MF090407
May 19, 2014
Page 2

If you disagree with this assessment, you have 30 days from the receipt of this letter in which to present evidence and convince the General Land Office that the acreage outside of the proration unit has not terminated. If such evidence has not been presented by the expiration of the 30-day period, the lease, insofar as it covers all acreage outside of the proration unit, shall be endorsed "terminated".

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Price", with a stylized flourish at the end.

Linda Price, RL
Energy Resources, Mineral Leasing
512-463-5118
512-475-1543 (fax)
linda.price@glo.texas.gov

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May 22, 2014 , 6:25 am	Arrival at Unit	MIDLAND, TX 79701
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May 22, 2014 , 1:44 am	Processed through USPS Sort Facility	MIDLAND, TX 79711
May 20, 2014 , 9:42 pm	Processed through USPS Sort Facility	AUSTIN, TX 78710

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File No. MF090407 (20)
Partial Termination Letter

Date Filed: 05/19/2014

Jerry E. Patterson, Commissioner

By JEP

Linda Price - Section 32, Block 45, PSL, Culberson, State Lease MF090407

From: Linda Price
To: joellyn.martin@att.net
Date: 7/9/2014 8:01 AM
Subject: Section 32, Block 45, PSL, Culberson, State Lease MF090407
CC: George.Martin@glo.texas.gov; Harriet Dunne; Ronald Widmayer

Hello Joellyn:

You had previously contacted the GLO inquiring about Section 32, Block 45, PSL, Culberson County, State Lease MF090407.

The GLO has now partially terminated State Lease MF090407. Of the original 640 gross acres, only the 160-acre proration unit of the 7816 JV-P Duval "C" #1, located in the NW/4, as to all depths, remains.

As stated in Harriet Dunne's email to you dated 05/16/2014, if you are interested in leasing the open acreage, you will have to nominate it for a sealed bid sale. George Martin, copied on this email, handles the nominations and bid sale. His phone number is 512-475-1512.

Thank you.
Linda

Linda Price, RL
Texas General Land Office
Energy Resources, Mineral Leasing
Phone: (512) 463-5118
Fax: (512) 475-1543
Linda.Price@glo.texas.gov

File No. ME090407

(21)

Email notice of partial termination

Date Filed: 07/09/2014

Jerry E. Patterson, Commissioner

By JEP

STATEMENT OF PRODUCTIVITY OF ACREAGE
ASSIGNED TO PRORATION UNITS

Form P-15
(5-5-71)

The undersigned states that he is authorized to make this statement; that he has knowledge of the facts concerning the BTA Oil Producers,
7816 JV-P Duval -C-, No. 1; that such well is
LEASE WELL
completed in the King Edward (Atoka) Field, Culberson County,
Texas and that the acreage claimed, and assigned to such well for proration purposes as
authorized by special rule and as shown on the attached certified plat embraces _____
160 acres which can reasonably be considered to be productive of hydrocarbons.

- CERTIFICATE -

I declare under penalties prescribed in Article 6036c, R. C. S., that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

Date 9/4/85

Signature

Dorothy Houghton
DOROTHY HOUGHTON

Telephone

915

AREA CODE

682-3753

Title

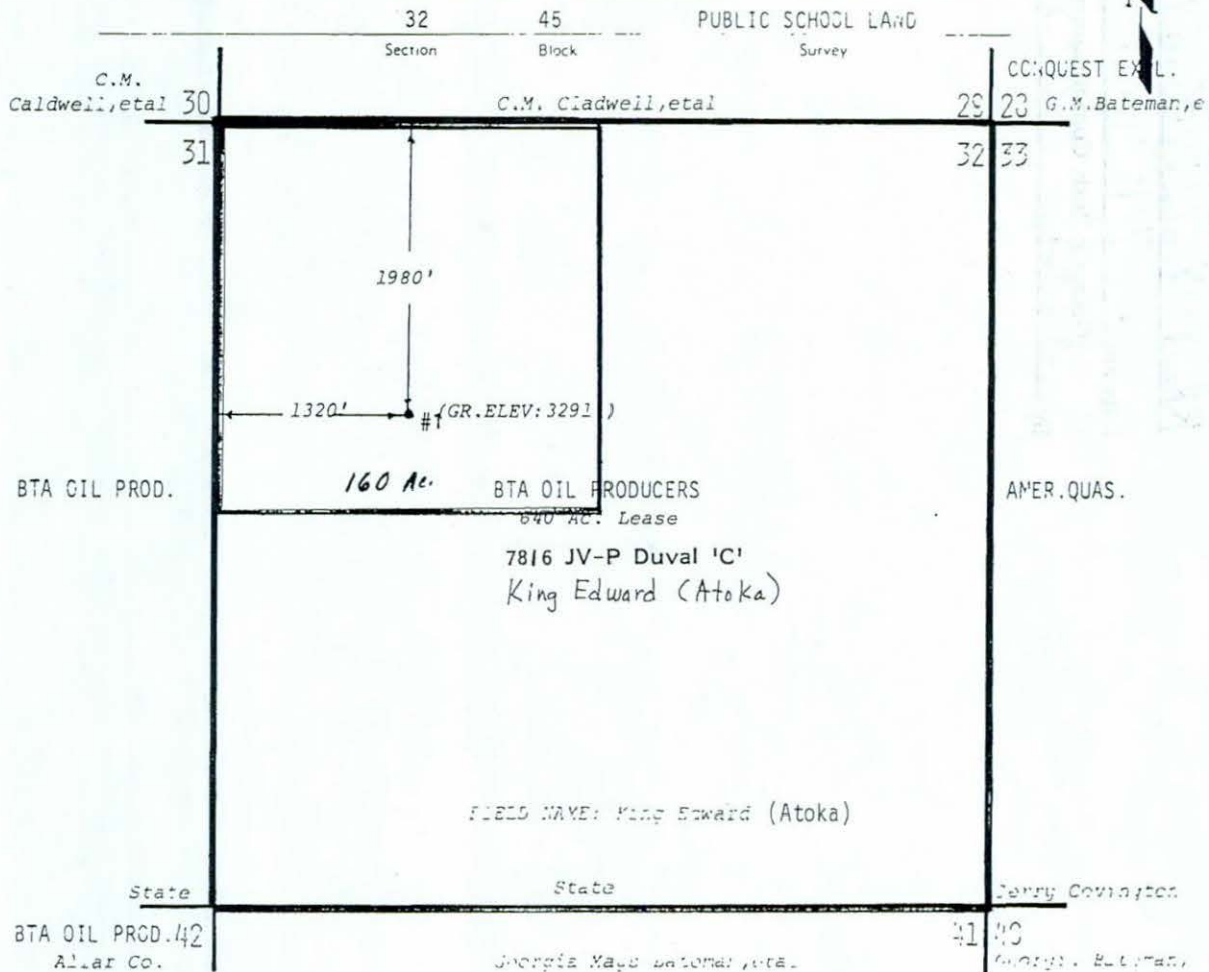
Regulatory Supervisor

RECEIVED
R. R. C. OF TEXAS
SEP 12 1985
O. G.
ATLANTA, TEXAS

PLAT SHOWING
PROPOSED NEW WELL LOCATION

CULBERSON County, Texas

Description: 1980' FWL & 1320' FWL



Operator BTA OIL PRODUCERS Date Staked: Oct. 12, 1984

Lease Name 7816 JV-P Duval 'C' Well No 1

Topography & Vegetation Natural Pasture-Gently Sloping Down To Northeast

Good Drill Site? Yes Reference Stakes or None
Alternate Location Stakes Set

Best Accessibility to Location From Lease Road ± 1350' West of Location

Distance and Direction From Hwy Jct. 652 and Duval Sulfur Plant road West of Cria

go South on paved road 10 miles; Thence East on BTA Lease Road 1.5 miles; Thence

South .4 miles; Thence East 1 mile; Thence South 1 mile to Northwest corner of 32

Scale: 1"=1000'



CERTIFICATE:

I, Gary D. Boswell, a Registered Public Surveyor and an authorized agent of Topographic Land Surveyors, do hereby certify that the above described well location was surveyed and staked on the ground as shown herein

Texas Reg No 1788

TOPOGRAPHIC LAND SURVEYORS

908 West Wall St
(915) 682-1653
Midland, Texas 79701

(22)

File No. M-90407
Culberson County
RRC P-15 and Proration Plat
Date Filed: 7/16/15
By George P. Bush, Commissioner
George Martin