

BTA OIL PRODUCERS, LLC

104 S. PECOS MIDLAND, TEXAS 79701-5099 432-682-3753 FAX 432-683-0314 **GULF COAST DISTRICT** TOTAL PLAZA 1201 LOUISIANA STREET, STE. 570 HOUSTON, TEXAS77002 713-658-0077 FAX 713-655-0346

 ROCKY MOUNTAIN DISTRICT

 600 17TH STREET, STE. 2230 SOUTH

 DENVER, COLORAD080202

 303-534-4404
 FAX 303-534-4661

November 3, 2022

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

In re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Pinedale CTB located in the SE/4 of Section 9, Township 17 South, Range 35 East, Lea County, New Mexico, and to add additional wells.

To: ALL AFFECTED PARTIES

Ladies and Gentleman:

Enclosed is a copy of the above-referenced application, which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or <u>shajar@btaoil.com</u>. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

Sammy Hajar Regulatory Analyst BTA Oil Producers, LLC <u>shajar@btaoil.com</u> O: 432-682-3753

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



BTA OIL PRODUCERS, LLC

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November 3, 2022

In re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Pinedale CTB located in the SE/4 of Section 9, Township 17 South, Range 35 East, Lea County, New Mexico, and to add additional wells.

To: Adrienne Sandoval, Director, Oil Conservation Division, New Mexico Department of Energy Minerals and natural Resources

Dear Ms. Sandoval:

BTA Oil Producers, LLC (OGRID No. 260297), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (Lease Commingle diversely owned oil and gas production at the **Pinedale CTB** *in all existing and future infill wells drilled in the following spacing units:*

- (a) The 240-acre spacing unit comprised of the E/2 E/2 of Section 9 and the E/2 SE/4 of Section 4, Township 17 South, Range 35 East, Lea County, New Mexico in the Midway; Upper Penn, West; (96580). The spacing unit is currently dedicated to the following horizontal well: the Pinedale 22115 9-4 State Com #01H (API # 30-025-50752);
- (b) The 240-acre spacing unit comprised of the W/2 E/2 of Section 9 and the W/2 SE/4 of Section 4, Township 17 South, Range 35 East, Lea County, New Mexico in the Midway; Upper Penn, West; (96580). The spacing unit is currently dedicated to the following horizontal well: the Pinedale 22115 9-4 State Com #02H (API # 30-025-50753);
- (c) Pursuant to 19.15.12.10.C(4)(g), future Midway; Upper Penn, West; (96580) spacing units within the E/2 of Section 9 and the SE/4 of Section 4 Township 17 South, Range 35 East, Lea County, New Mexico, connected to the Pinedale CTB with notice provided only to the owners of interests to be added.

Oil and gas production from these spacing units will be commingled and sold at the *Pinedale CTB located in the SE/4 of Section 9*. Each well will have its own test separator and production will be separately metered with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Attached is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B that includes a statement from Sammy Hajar, Regulatory Analyst with BTA Oil Producers, LLC, identifying the facilities and the measurement devices to be utilized, a detailed schematic of

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

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Ownership is diverse between the above-described spacing units, and we have accordingly attached a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or <u>shajar@btaoil.com</u>. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

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Sammy Hajar Regulatory Analyst BTA Oil Producers, LLC <u>shajar@btaoil.com</u> O: 432-682-3753



BTA OIL PRODUCERS, LLC

104 S. PECOS MIDLAND, TEXAS 79701-5099 432-682-3753 FAX 432-683-0314 **GULF COAST DISTRICT** TOTAL PLAZA 1201 LOUISIANA STREET, STE. 570 HOUSTON, TEXAS77002 713-658-0077 FAX 713-655-0346

 ROCKY MOUNTAIN DISTRICT

 600 17TH STREET, STE, 2230 SOUTH

 DENVER, COLORAD080202

 303-534-4404
 FAX 303-534-4661

November 3, 2022

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

In re: Re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (pool lease commingle) oil and gas production from the spacing units comprised of E/2 of Section 9 and the SE/4 of Section 4, Township 17 South, Range 35 East, Lea County, New Mexico (the "Lands")"

To Whom This May Concern,

BTA Oil Producers, LLC, OGRID No. 260297, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter

CARLTON BEAL, JR. BARRY BEAL SPENCER BEAL KELLY BEAL BARRY BEAL, JR. STUART BEAL ROBERT DAVENPORT, JR. is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or <u>shajar@btaoil.com</u>. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

Sammy Hajar Regulatory Analyst BTA Oil Producers, LLC <u>shajar@btaoil.com</u> O: 432-682-3753

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Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD		
		CO OIL CONSERV		
		ical & Engineerin		· (
	1220 South St. Fi	rancis Drive, San	ta Fe, NM 87505	P a marray and
	ADMINIST	RATIVE APPLICAT	ION CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR A	ALL ADMINISTRATIVE APPLIC	ATIONS FOR EXCEPTIONS T	O DIVISION RULES AND
	REGULATIONS WHICH R	EQUIRE PROCESSING AT TH	E DIVISION LEVEL IN SANTA	FE
pplicant: BTA OIL	PRODUCERS, LLC		OGR	D Number: 260297
	le 22115 9-4 State Com #1H and #	≠2H	API: 30	0-025-50752 and 30-025-50753
ool: MIDWAY:UPPE	R PENNSYLVANIAN, WEST		Pool	Code: <u>96580</u>
SUBMIT ACCUR	ATE AND COMPLETE IN	FORMATION REQU		THE TYPE OF APPLICATION
	CATION: Check those			
	– Spacing Unit – Simu NSL 🛛 🗌 NSP _{(F}			SD
	ne only for [] or []			
	mingling – Storage – N	Aeasurement		
			OLS LOLM	any
[II] INJEC	ction – Disposal – Press] WFX	SWD IPI		
				FOR OCD ONLY
	N REQUIRED TO: Check		у.	Notice Complete
A. Offset	operators or lease ho	olders		
B. 🔳 Royal	ty, overriding royalty c cation requires publish	owners, revenue o bed notice	whers	Application
	cation and/or concur		LO	Content Complete
E. 🗍 Notific	cation and/or concur	rent approval by B	LM	Complete
F. 🗖 Surfac	ce owner			
	l of the above, proof o	of notification or p	ublication is attac	hed, and/or,
H. 🗌 No no	otice required			
	N: I hereby certify that	the information su	bmitted with this	application for
administrative	e approval is accurate	and complete to	the best of my kno	owledge. I also
understand th	nat no action will be to	aken on this applic	ation until the req	uired information and
notifications o	are submitted to the Di	ivision.		
N	ote: Statement must be comp	leted by an individual wi	h managerial and/or sup	pervisory capacity.
			10/26/2022	
Sammy Hajar			Date	
Print or Type Name	\sim			
			432-682-3753	
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~	11.		Phone Number	
2 an	Aire		SHAJAR@BTAC	

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District I
1625 N French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 1220 S. St Francis Drive

Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

Form C-107-B

Revised August 1, 2011

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BTA OIL	PRODUCERS, LLC				
OPERATOR ADDRESS: 104 S Pec	os Midland, TX 7970	1			
APPLICATION TYPE:					
Pool Commingling Lease Commingling	g Pool and Lease Con	nmingling Doff-Lease	Storage and Measur	rement (Only if not Surface	Commingled)
	State 🗌 Feder				
Is this an Amendment to existing Order Have the Bureau of Land Management (Yes ⊠No	? □Yes ⊠No If ' (BLM) and State Land	"Yes", please include t office (SLO) been not	he appropriate C ified in writing c	Order No of the proposed commi	ngling
		L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
				-	
 (2) Are any wells producing at top allowal (3) Has all interest owners been notified by (4) Measurement type: Metering [(5) Will commingling decrease the value of 	y certified mail of the pro		Yes No.	ing should be approved	

(B) LEASE COMMINGLING

	r lease attach sheets with the following mile	/i mation	
(1)	Pool Name and Code.		
(2)	Is all production from same source of supply? Xes INo		
(3)	Has all interest owners been notified by certified mail of the proposed commingling?	🛛 Yes	□No
(4)	Measurement type: Metering 🗌 Other (Specify)		

(C) POOL and LEASE COMMINGLING Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

Is all production from same source of supply? Yes No
 Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE

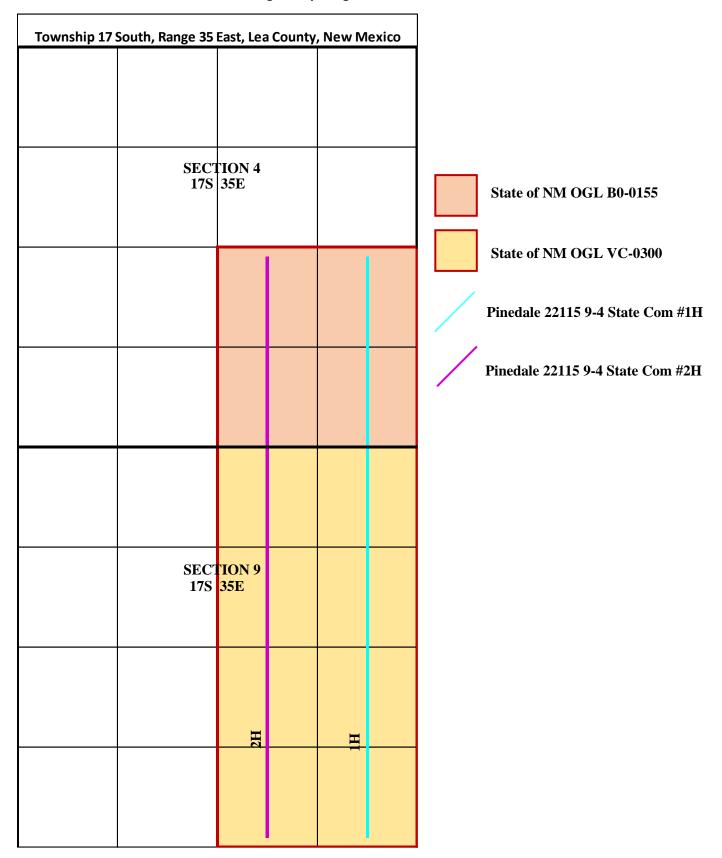
TITLE: Regulatory Analyst

DATE: 10/26/2022

TELEPHONE NO .: 432-682-3753

E-MAIL ADDRESS: SHAJAR@BTAOIL.COM

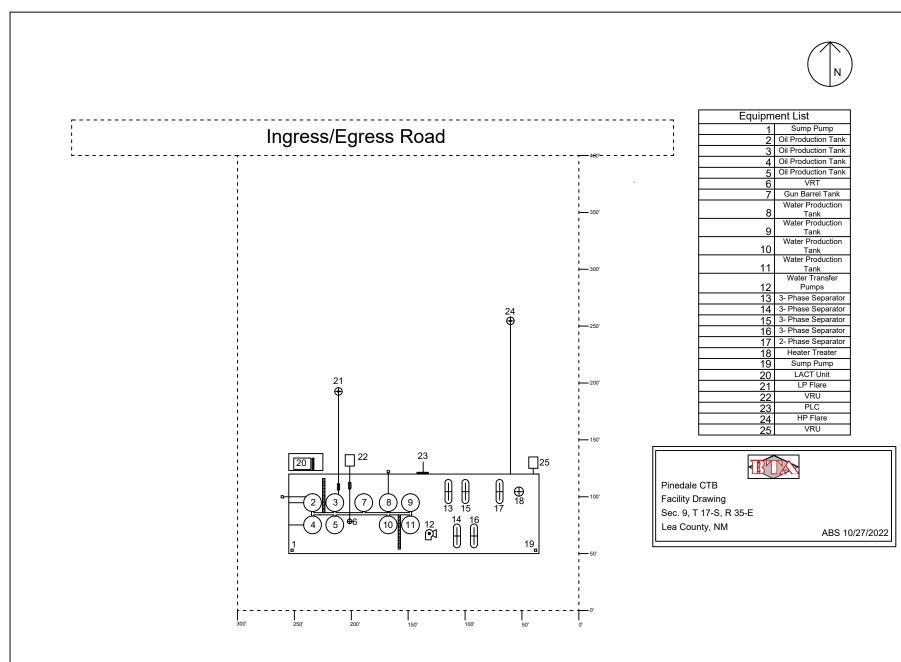
BTA Pinedale 22115 9-4 State Com Drilling and Spacing Units



APPLICATION FOR ADDITION OF WELLS TO COMMINGLE, STORAGE AND

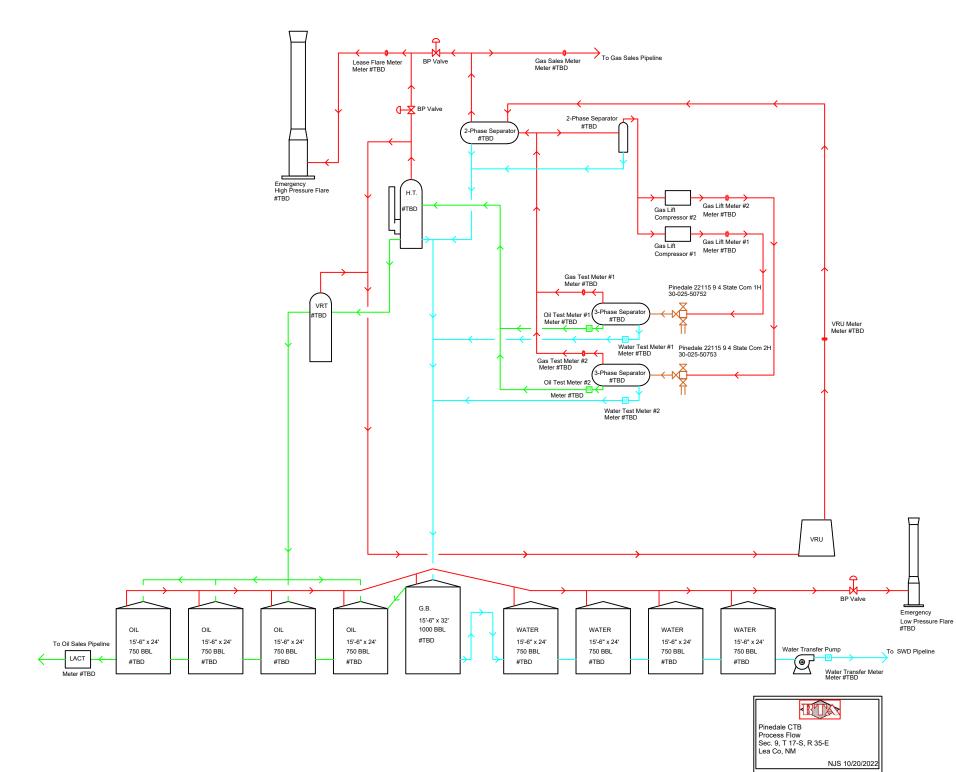
SALES FOR OIL AND GAS PRODUCTION AT VILLAGE VENTURE 22115 CTB

Pool	API	Well Name	Well Number	OCD Unit Letter	Section	Township	Range	Date Online	Oil (MBOD)	GAS (MCFD)	GRAVITY	BTU/cf
[96580] MIDWAY;UPPPER PENN, WEST	30-025-50752	PINEDALE 22115 9-4 STATE COM	1H	Р	9	17S	35E	New Drill	900	1100	48	1200
[96580] MIDWAY;UPPPER PENN, WEST	30-025-50753	PINEDALE 22115 9-4 STATE COM	2H	0	9	17S	35E	New Drill	900	1100	48	1200



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 District1

 1625 N. French Dr., Hobbs, NM 88240

 Phone (575) 393-6161 Fax: (575) 393-0720

 District11

 811 S. First SL, Artesia, NM 88210

 Phone (575) 748-1283 Fax: (575) 748-9720

 District111

 1000 Rio Brazos Road, Aztec, NM 87410

 Phone (505) 334-6178 Fax: (505) 334-6170

 District1V

 1220 S. St. Francis Dr., Santa Fe, NM 87505

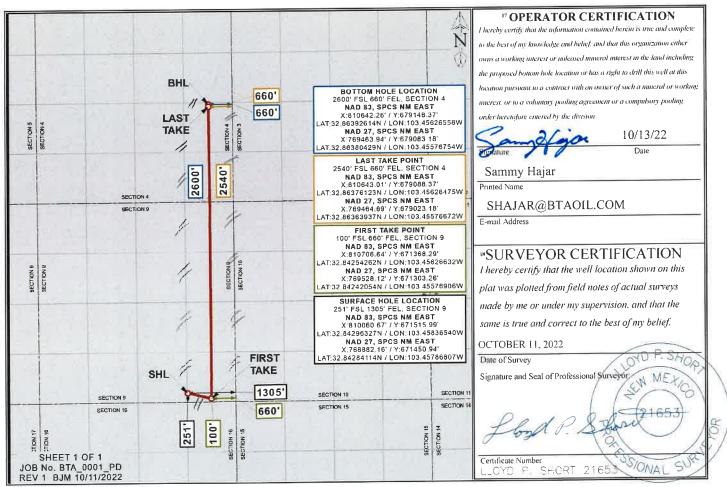
 Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

Phone (50.7) 470-5400			ELL LO	CATION	N AND AC	REAGE DEDIC	ATION PLA	Τ		
	API Number2 Pool Code3 Pool Name30-025-5075296580MIDWAY : UPPER PENN, WEST						EST			
⁴ Property (33344	Code)2		^{\$} Property Name PINEDALE 22115 9-4 STATE COM					⁶ Well Number 01 H	
[· · ·	* OGRID No. * Operator Name * E							[°] Elevation 3965'		
					Surface	Location			j	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East/West line	County	
Р	9	17S	35E		251	SOUTH	1305	EAST	LEA	
			" Bo	ttom Hol	e Location	If Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East/West line	County	
Ι	4	17S	35E		2600	SOUTH	660	EAST	LEA	
¹² Dedicated Acres 240	¹³ Joint of	r Infill ¹⁴ C	onsolidation (Code ¹⁵ Or	der No.			2		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0°30'16.800000"

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax. (575) 393-0720 District II 811 S. Furst SL., Artesia, NM 88210 Phone (575) 748-1283 Fax. (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax. (505) 334-6170 District IV 1220 S. SL. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax. (505) 476-3462

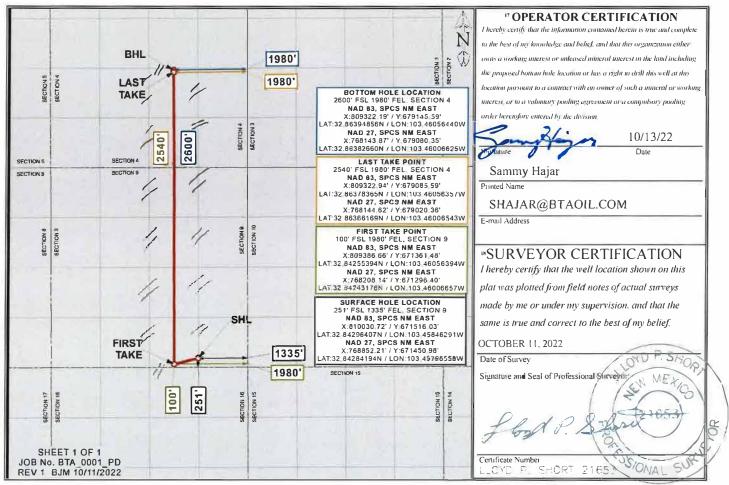
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1. 2011 Submit one copy to appropriate District Office

AMENDED REPORT

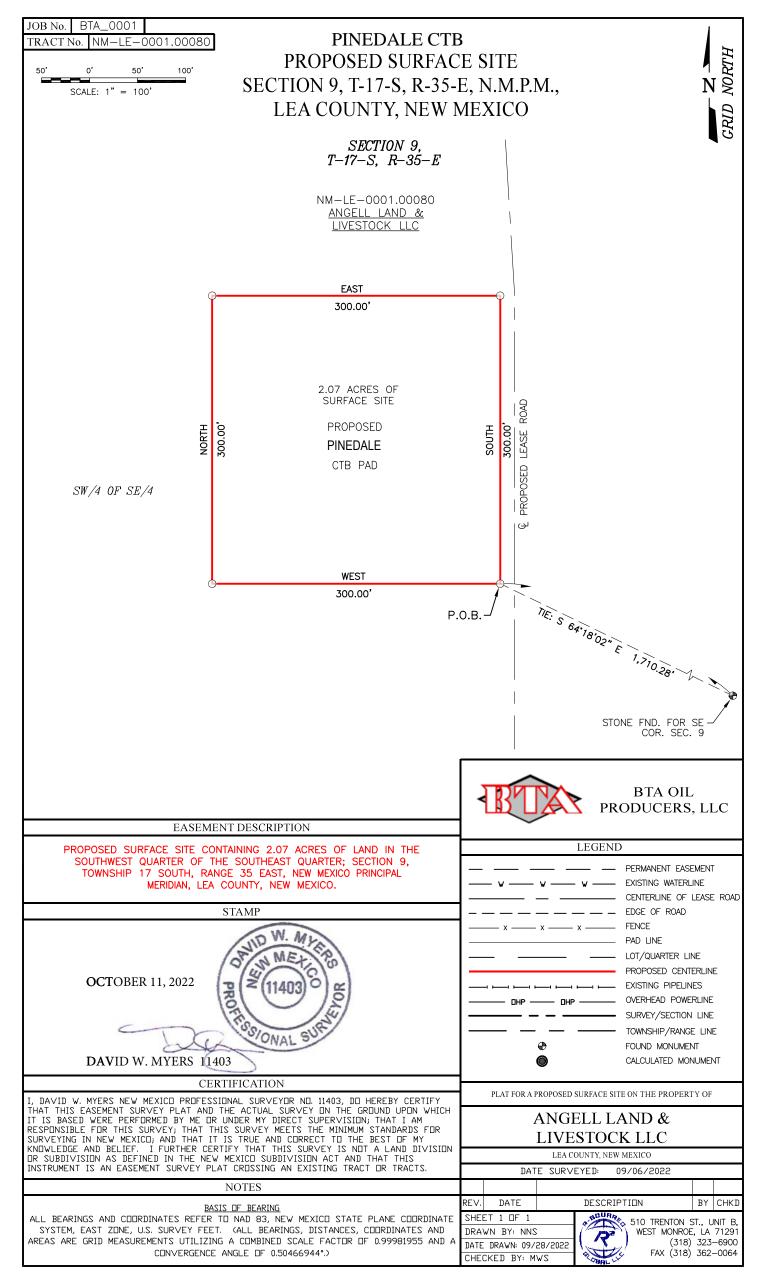
WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe			² Pool Code		³ Pool Name						
30-02	5-50753	5	9	6580		MIDWAY;UPPPER PENN, WI						
⁴ Property	Code				5 Property 1	Name			6	Well Number		
333444				PINEDA	ALE 22115 9-4 STATE COM 02H					02H		
⁷ OGRID	No.				⁸ Operator	Name				⁹ Elevation		
26029	97			BTA	OIL PROD	UCERS, LLC				3965'		
					" Surface I	Location						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	West line	County		
0	9	175	35E		251	SOUTH	1335	EAS	Т	LEA		
			" Bo	ttom Hol	e Location If	Different From	n Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	West line	County		
J	4	17S	35E		2600	SOUTH	1980	EAS	Т	LEA		
13 Dedicated Acres	¹³ Joint o	r Infill ¹⁴ C	onsolidation	Code IF Or	der No.							
240												

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0°30'16.800000"



Affected Parties Requiring Notification

Yates Energy Corporation

P.O. Box 2323

Roswell, New Mexico 88203

Worrall Investment Corporation

P.O. Box 1834

Roswell, New Mexico 88202

Scott-Winn, LLC

P.O. Box 1834

Roswell, New Mexico 88202

801, LLC

P.O. Box 900

Artesia, New Mexico 88211

Hat Mesa Oil Company

P.O. Box 1216

Albuquerque, New Mexico 87103

Hutchings Oil company

P.O. Box 1216

Albuquerque, New Mexico 87103

SCW Interiors, Inc.

P.O. Box 1216

Albuquerque, New Mexico 87104

New Mexico State Land Office

ATTN: Scott Dawson

P.O. Box 1148

Santa Fe, NM 87504

Received by OCD: 11/3/2022 1:18:41 PM

Name	Address	City	State	Zip	Mail Class	Tracking No
Yates Energy Corporation	P.O. Box 2323	Roswell	NM	88203	Certified W/ Return Receipt (Signature)	92148969009997901819021214
Worrall Investment Corporation	P.O. Box 1834	Roswell	NM	88202	Certified W/ Return Receipt (Signature)	92148969009997901819021221
Scott-Winn, LLC	P.O. Box 1834	Roswell	NM	88202	Certified W/ Return Receipt (Signature)	92148969009997901819021542
801, LLC	P.O. Box 900	Artesia	NM	88211	Certified W/ Return Receipt (Signature)	92148969009997901819021238
Hat Mesa Oil Company	P.O. Box 1216	Albuquerque	NM	87103	Certified W/ Return Receipt (Signature)	92148969009997901819021252
Hutchings Oil company	P.O. Box 1216	Albuquerque	NM	87103	Certified W/ Return Receipt (Signature)	92148969009997901819021269
SCW Interiors, Inc.	P.O. Box 1216	Albuquerque	NM	87103	Certified W/ Return Receipt (Signature)	92148969009997901819021245
New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504	Certified W/ Return Receipt (Signature)	92148969009997901819021344

From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Sammy Hajar
Cc:	McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Dawson, Scott; Lamkin, Baylen L.
Subject:	Approved Administrative Order CTB-1068
Date:	Friday, May 19, 2023 8:43:21 AM
Attachments:	CTB1068 Order.pdf

NMOCD has issued Administrative Order CTB-1068 which authorizes BTA Oil Producers, LLC (260297) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50752	Pinedale 22115 9 4 State Com #1H	E/2 SE/4	4-17S-35E	96580
30-023-30732	rinedale 22115 9 4 State Com #1H	E/2 E/2	9-17S-35E	90380
20 025 50752	Directed a 22115 0 4 State Come #211	W/2 SE/4	4-17S-35E	0(500
30-025-50753	Pinedale 22115 9 4 State Com #2H	W/2 E/2	9-17S-35E	96580

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLINGSUBMITTED BY BTA OIL PRODUCERS, LLCORDER NO. CTB-1068

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. BTA Oil Producers, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

Order No. CTB-1068

- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

Order No. CTB-1068

regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: 5/14/2023

DYLAMM. FUGE DIRECTOR

Order No. CTB-1068

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1068 Operator: BTA Oil Producers, LLC (260297) Central Tank Battery: Pinedale Central Tank Battery Central Tank Battery Location: SE/4 Section 9, Township 17 South, Range 35 East Gas Title Transfer Meter Location: SE/4 Section 9, Township 17 South, Range 35 East

	Pools Po MIDWAY;UPPER PENNSYL	ol Name VANIAN, WEST	Pool Code 96580		
	Leases as defined in 19.15.1	12.7(C) NMAC			
	Lease	UL or Q/Q	S-T-R		
	Democration NMSL () DUN 120924(E/2 SE/4	4-17S-35E		
CA Pennsylvanian NMSLO PUN 1398246		E/2 E/2	9-17 S-35 E		
	Departmention NMSL O DUN 1209257	W/2 SE/4	4-17 S-35 E		
CA	Pennsylvanian NMSLO PUN 1398257	W/2 E/2	9-178-35E		
	Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-50752	Pinedale 22115 9 4 State Com #1H	E/2 SE/4	4-17 S-35 E	96580	
30-023-30/32	r meuaie 22115 9 4 State Com #1H	E/2 E/2	9-17 S-35 E		
20 025 50752	Binadala 22115 0 4 State Com #211	W/2 SE/4	4-17S-35E	0(500	
30-025-50753	Pinedale 22115 9 4 State Com #2H	W/2 E/2	9-17S-35E	96580	

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources **Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	156101
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS Created By Condition Condition Date Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions 5/19/2023 dmcclure regarding this matter, please contact me.

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Action 156101