

**BTA OIL PRODUCERS, LLC**

104 S. PECOS
MIDLAND, TEXAS 79701-5099
432-682-3753
FAX 432-683-0314

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

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

September 26, 2024

CERTIFIED MAIL
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 Capitan Charlie CTB located in the NW/4 of Section 34, Township 16 South, Range 36 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 shajar@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

A handwritten signature in blue ink that reads "Sammy Hajar".

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



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

Dear Mr. Razatos:

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 **Capitan Charlie CTB** in all existing and future infill wells drilled in the following spacing units:

- (a) The 319.42-acre spacing unit comprised of the E/2 W/2 of Section 34, Township 16 South, Range 36 East and the E/2 W/2 of Section 3, Township 17 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 34-3 State Com 14H** (API # 30-025-53067);
- (b) The 320-acre spacing unit comprised of the E/2 W/2 of Section 27 and the E/2 W/2 of Section 22, Township 16 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 27-22 State Com 20H** (API # 30-025-53066);
- (c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S173615C; Upper Penn; (98333) spacing units within the E/2 W/2 of Section 34, Township 16 South, Range 36 East, the E/2 W/2 of Section 3, Township 17 South, Range 36 East and the E/2 W/2 of Sections 27 & 22, Township 16 South, Range 36 East, Lea County, New Mexico, connected to the Capitan Charlie 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 *Capitan Charlie CTB located in the NW/4 of Section 34*. 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 the surface facilities, and C-102s for each of the wells currently permitted or drilled within the existing spacing units.

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 shajar@btaoil.com. 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
shajar@btaoil.com
O: 432-682-3753

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DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

September 26, 2024

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 the E/2 W/2 of Sections 22, 27, 34, Township 16 South, Range 36 East and E/2 W/2 of Section 3, Township 17 South, Range 36 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 1**, 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 1** 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

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 shajar@btaoil.com. 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
shajar@btaoil.com
O: 432-682-3753

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ OGRID Number: _____
 Well Name: _____ API: _____
 Pool: _____ Pool Code: _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Print or Type Name

Sammy Hajar

 Signature

 Date

 Phone Number

 e-mail Address

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

Form C-107-B
Revised August 1, 2011

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BTA OIL PRODUCERS, LLC

OPERATOR ADDRESS: 104 S Pecos Midland, TX 79701

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☐ Yes ☒ No (STATE WELLS, SLO WILL BE NOTIFIED, SEE NEXT PAGE)

(A) POOL COMMINGLING

Please attach sheets with the following information

(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 allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(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

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) 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: 9/26/2024

TYPE OR PRINT NAME: Samina Hajar

TELEPHONE NO.: 432-682-3753

E-MAIL ADDRESS: SHAJAR@BTAOIL.COM

**NEW MEXICO
STATE
LAND OFFICE**

**APPLICATION FOR
COMMINGLING AND OFF-LEASE STORAGE
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: _____

OGRID #: _____

Well Name: _____

API #: 30-025-53067 & 30-025-53066

Pool: _____

OPERATOR NAME: _____

OPERATOR ADDRESS: _____

APPLICATION REQUIREMENTS – SUBMIT:

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

CERTIFICATION: To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Sammy Hajar

Signature

Phone Number

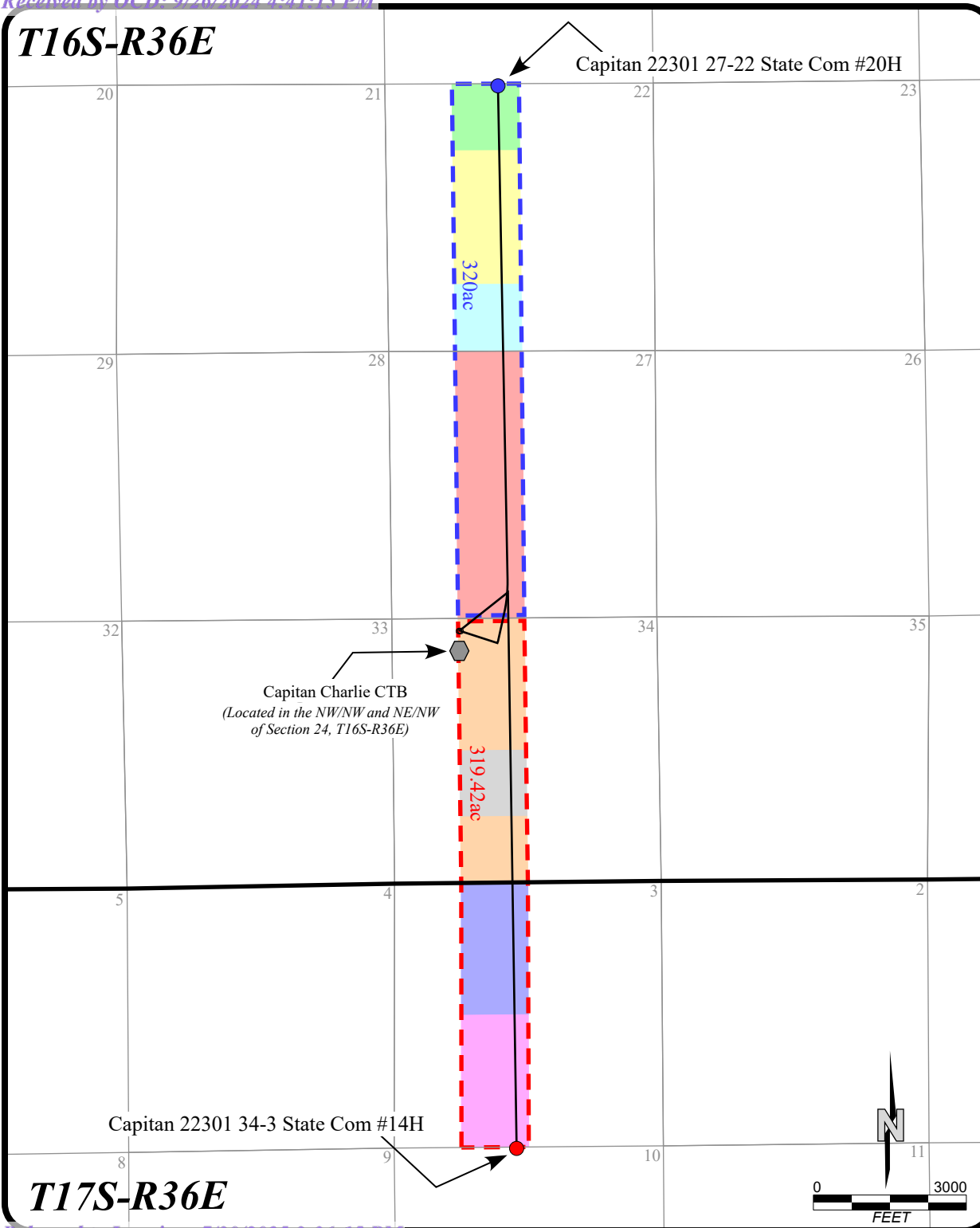
Date

e-mail Address

Submit application to:
Commissioner of Public Lands
Attn: Commingling Manager
PO Box 1148
Santa Fe, NM 87504-1148

Questions?
Contact the Commingling Manager:
505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

T16S-R36E**T17S-R36E****BTA Oil Producers, LLC**

Capitan 22301 34-3 State Com #014H
and Capitan 22301 27-22 State Com #020H
Spacing Units

LEGEND**Well Symbols:**

- Capitan 22301 34-3 State Com #014H
- Capitan 22301 27-22 State Com #020H
- SLO ○ BHL

Unit Descriptions:

320 Acre Spacing Unit for the Capitan 22301 27-22 State Com #20H Well Covering the E/2 W/2 of Section 27 and E/2 W/2 of Section 22, T-16-S, R-36-E, N.M.P.M., Lea County, New Mexico

- Tract 1: State of NM VC-0833
- Tract 2: State of NM VC-0842
- Tract 3: State of NM Fee
- Tract 4: State of NM 0879

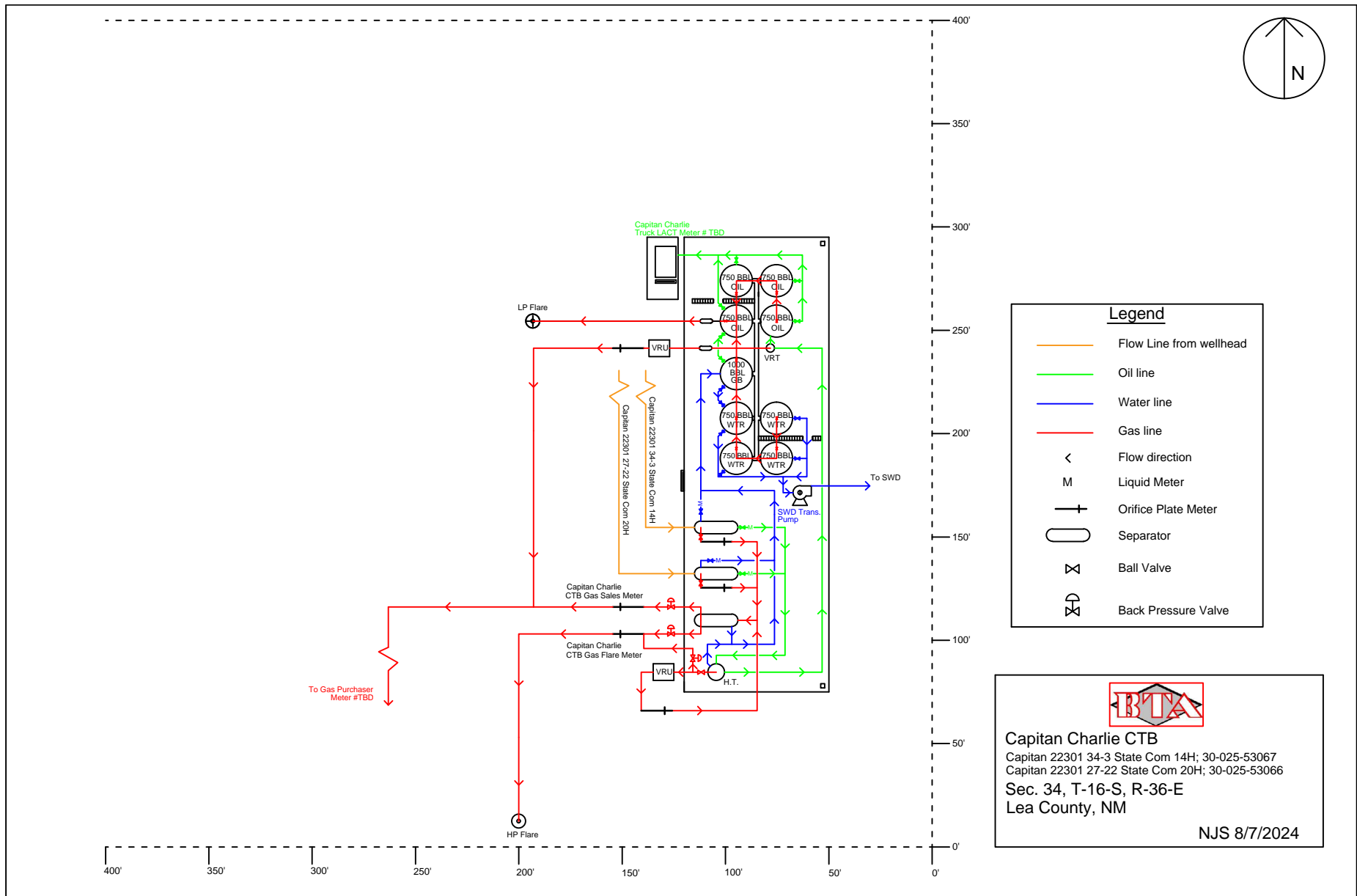
319.42 Acre Spacing Unit for the Capitan 22301 34-3 State Com #14H Well Covering the E/2 W/2 of Section 34, T-16-S, R-36-E, N.M.P.M., and Lot 3, SE/4 NW/4, E/2 SW/4 of Section 3, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico

- Tract 1: State of NM VC-0793
- Tract 2: State of NM VC-1175
- Tract 3: State of NM VC-1142
- Tract 4: State of NM BO-4119

**APPLICATION FOR SURFACE COMMINGLE (LEASE COMMINGLE), STORAGE, AND
SALES FOR GAS PRODUCTION AT CAPITAN CHARLIE CTB**

Pool	API	Well Name	Well Number	OCD Unit Letter	Section	Township	Range	Date Online	Oil (MBOD)	GAS (MCFD)	GRAVITY	BTU/cf
[98333] WC025 G09 S173615C;UPPER PENN	30-025-53067	CAPITAN 22301 34-3 STATE COM	14H	C	34	16S	36E	New Drill	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-53066	CAPITAN 22301 27-22 STATE COM	20H	C	34	16S	36E	New Drill	900	1100	48	1200

EXHIBIT 1



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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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

¹ API Number 30-025-53067	² Pool Code 98333	³ Pool Name WC025 G09 S173615C ; UPPER PENN
⁴ Property Code	⁵ Property Name CAPITAN 22301 34-3 STATE COM	⁶ Well Number 14H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3883'

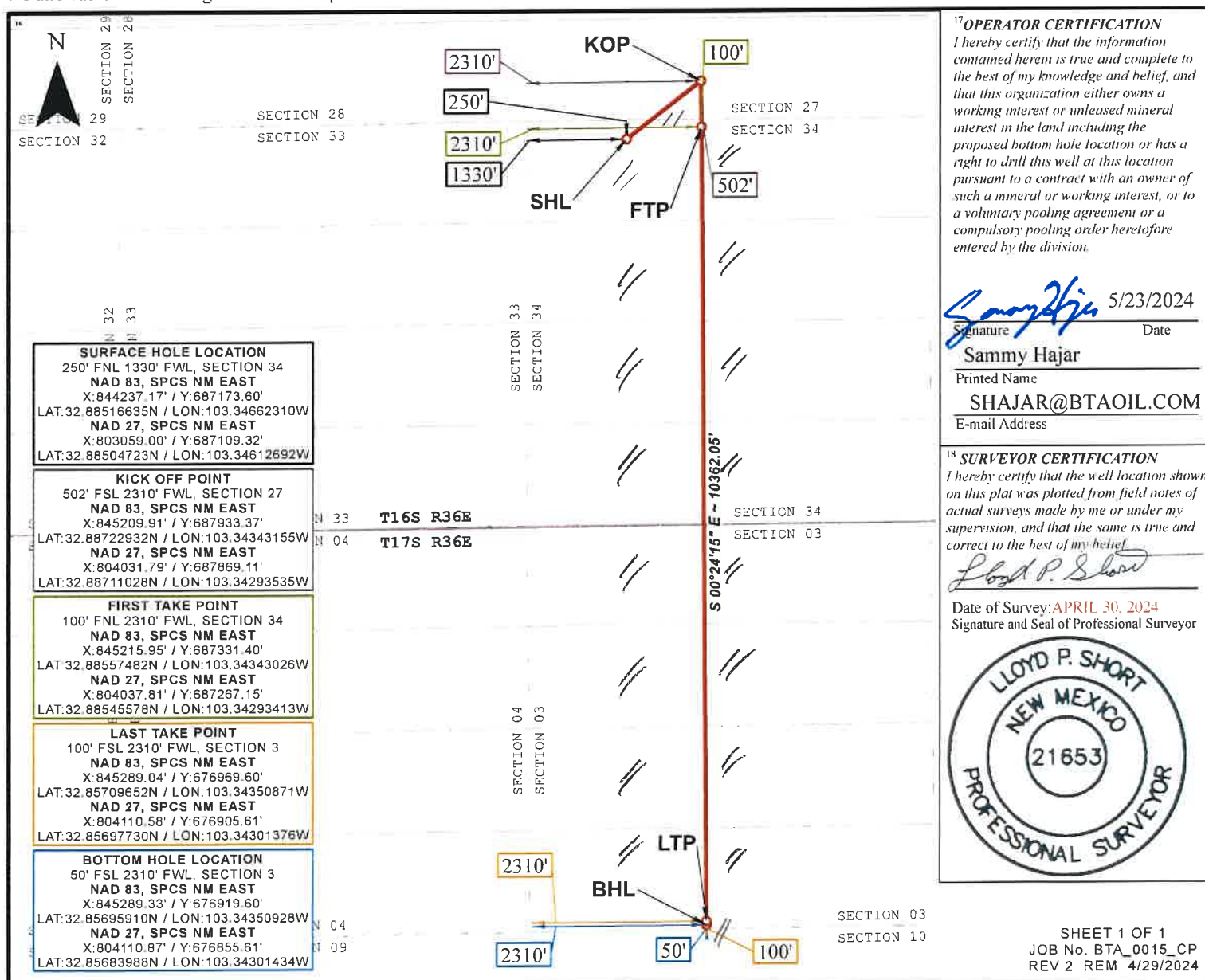
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	16S	36E		250	NORTH	1330	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	3	17S	36E		50	SOUTH	2310	WEST	LEA
¹² Dedicated Acres 319.42	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.



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Phone: (505) 334-6178 Fax: (505) 334-6170
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Phone: (505) 476-3460 Fax: (505) 476-3462

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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

¹ API Number 30-025-53066	² Pool Code 98333	³ Pool Name WC025 G09 S173615C ; UPPER PENN
⁴ Property Code	⁵ Property Name CAPITAN 22301 27-22 STATE COM	⁶ Well Number 20H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3884'

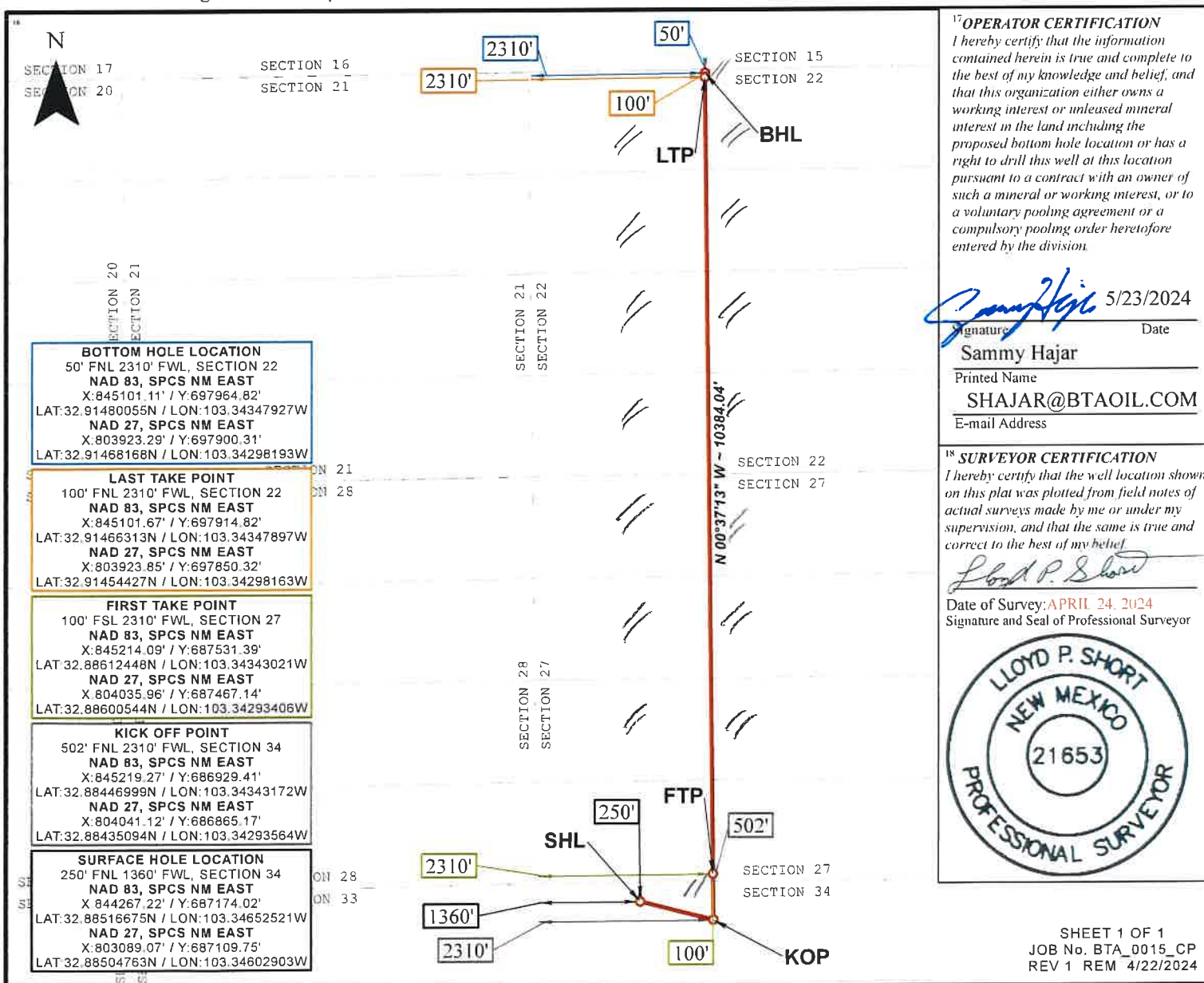
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	16S	36E		250	NORTH	1360	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	16S	36E		50	NORTH	2310	WEST	LEA
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.



New Mexico State Land Office
Oil, Gas, & Minerals Division

STATE/STATE OR
STATE/FEE
Revised July 2023

COMMUNITIZATION AGREEMENT

ONLINE Version

API #: 30-0 25 - 53067

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 15th [day] of July [month], 2024 by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C; Upper Penn formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the Parties, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2W/2 of Section 34, T16S-R36E and lot 3, SE/4NW/4, E/2SW/4
Of Sect(s): 3 Twp: 17S Rng: 36E NMPM Lea _____ County, NM

Containing 319.42 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. BTA Oil Producers, LLC shall be the operator of the said communitized area (“Operator”) and all matters of operation shall be determined and performed by BTA Oil Producers, LLC. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner’s share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit “A” hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Commissioner of Public Lands: _____ Date: _____

OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport Jr

(Signature of Authorized Agent)

ABD

Acknowledgment in an Individual Capacity

State of _____)
County of _____)

This instrument was acknowledged before me on _____

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

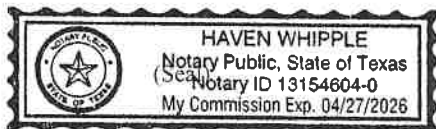
State of Texas)
County of Midland)

This instrument was acknowledged before me on _____

Date : 7/3/24

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Haven Whipple

Signature of Notarial Officer

My commission expires: 4/27/26

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

(Signature of Authorized Agent)

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Longstaff (Signature of Authorized Agent)
AB

State of)
County of)
SS)

Date _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer


My commission expires: _____

State of Texas)
County of Midland)
SS)

Date: 7/3/24

Name(s) of Person(s)




Signature of Notarial Officer

My commission expires: 4/27/24

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

(Signature of Authorized Agent)

ABD

Date _____

Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: _____

Date: 7/3/24

Name(s) of Person(s)



Signature of Notarial Officer

My commission expires: 4/27/20

Lease # and Lessee of Record: BO-4119; Oxy USA WTP Limited Partnership

BY: JAMES LANING, ATTORNEY-IN-FACT (Name and Title of Authorized Agent)

LM

[Signature] (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)

SS)

County of _____)

This instrument was acknowledged before me on _____

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of TEXAS)

SS)

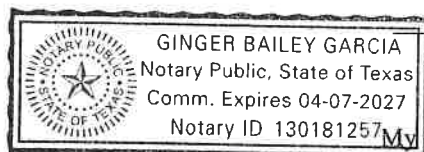
County of HARRIS)

This instrument was acknowledged before me on August 1, 2024 Date: _____

By: JAMES LANING, ATTORNEY-IN-FACT of Oxy USA WTP Limited Partnership,

Name(s) of Person(s) a Delaware limited partnership.

(Seal)



[Signature]

Signature of Notarial Officer

My commission expires: 4/7/2027

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated July 15, 2024

by and between BTA Oil Producers, LLC (Operator),

Oxy USA WTP Limited Partnership (Record Title Holders/Lessees of Record)

covering the Subdivisions : E/2W/2 of Section 34, T16S-R36E and Lot 3, SE/4NW/4, E/2SW/4
Sect(s): 3, Twnshp 17S, Rnge: 36E, NMPM Lea _____ County, NM

Limited in depth to the Pennsylvanian Shale Formation (WC025 G09 S173615C; Upper Penn Pool
(Code 98333) (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: BTA Oil Producers, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0793

Date of Lease: 10/1/2020

Description of Lands Committed:

Subdivisions: E/2NW/4, SE/4SW/4

Sect(s): 34 Twnshp: 16S, Rng: 36E NMPM Lea _____ County NM

No. of Acres: 120

TRACT NO. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-1175

Date of Lease: 10/1/2023

Description of Lands Committed:

Subdivisions: NE/4SW/4

Sect(s): 34 Twnshp: 16S Rng: 36E NMPM Lea _____ County, NM

No. of Acres: 40

TRACT NO. 3Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: BTA Oil Producers, LLCSerial No. of Lease: VC-1142Date of Lease: 7/1/2023

Description of Lands Committed:

Subdivisions: Lot 3, SE/4NW/4Sect(s): 3 Twnshp: 17S Rng: 36E NMPM Lea _____ County, NMNo. of Acres: 79.42**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Oxy USA WTP Limited PartnershipSerial No. of Lease: B0-4119Date of Lease: 4/10/1935

Description of Lands Committed:

Subdivisions: E/2SW/4Sect(s): 3 Twnshp: 17S Rng: 36E NMPM Lea _____ County, NMNo. of Acres: 80**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>120</u>	<u>37.5681%</u>
No. 2	<u>40</u>	<u>12.5227%</u>
No. 3	<u>79.42</u>	<u>24.8638%</u>
No. 4	<u>80</u>	<u>25.0454%</u>
TOTALS	<u>319.42</u>	<u>100.0000%</u>

Pending Approval**New Mexico State Land Office
Oil, Gas, & Minerals Division****STATE/STATE OR
STATE/FEE**
Revised July 2023**COMMUNITIZATION AGREEMENT**

ONLINE Version

API #: 30-0 25 - 53066

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 15th [day] of July [month], 2024 by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C; Upper Penn formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE
version

State/State

1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the Parties, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2W/2

Of Sect(s): 27 & 22 Twp: 16S Rng: 36E NMPM Lea County, NM

Containing 320 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

4. BTA Oil Producers, LLC shall be the operator of the said communitized area (“Operator”) and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner’s share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit “A” hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

ONLINE
version

State/State

10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement.

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19.7.64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19.7.64 NMSA (1978). **The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.**

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Commissioner of Public Lands: _____ Date: _____

OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)
ABO

Acknowledgment in an Individual Capacity

State of _____)
SS)

County of _____)

This instrument was acknowledged before me on _____

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)
SS)

County of Midland)

This instrument was acknowledged before me on _____

Date : 7/3/24

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)





Signature of Notarial Officer

My commission expires: 4/27/26

ONLINE
version

State/State

6

Lease # and Lessee of Record: VC-0833; BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport, Jr. (Signature of Authorized Agent)
AAD

Acknowledgment in an Individual Capacity

State of _____)
)
County of _____)

This instrument was acknowledged before me on _____

Date

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)
)
County of Midland)

This instrument was acknowledged before me on _____

Date: 7/3/24

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Haven Whipple

Signature of Notarial Officer

My commission expires: 4/27/26

ONLINE
version

State/State

7

Lease # and Lessee of Record: VC-0842; Armstrong Energy Corporation

BY: Kyle A. Armstrong, President (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
 County of _____)

This instrument was acknowledged before me on _____

Date

By _____

Name(s) of Person(s)

(Seal)

 Signature of Notarial Officer

My commission expires: _____

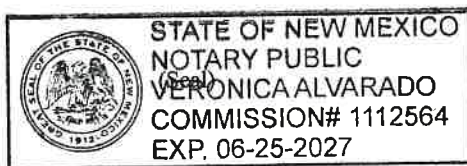
Acknowledgment in an Representative Capacity

State of New Mexico)
 County of Chaves)

This instrument was acknowledged before me on _____

Date: July 3, 2024

By: Kyle A. Armstrong, President
 Name(s) of Person(s)




 Signature of Notarial Officer

My commission expires: June 25, 2027

ONLINE
 version

State/State

7

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert Long Jr (Signature of Authorized Agent)
AEO

State of)
County of)
SS)

My commission expires: _____

State of Texas)
)
) SS)
County of Midland)

Date: 7/3/24

Hann Whipple
Signature of Notarial Officer

My commission expires: 4/27/20

7

Lease # and Lessee of Record: Fee; Black Shale Minerals, LLC

BY: Andy Scott, Land Manager (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

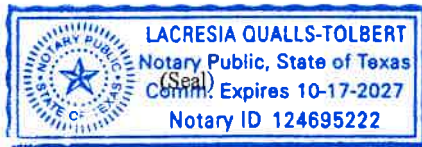
State of _____)
 County of _____)

This instrument was acknowledged before me on

Date 7/9/24

By

Name(s) of Person(s)



Lacresia Qualls-Tolbert

Signature of Notarial Officer

My commission expires: 10/17/27

Acknowledgment in an Representative Capacity

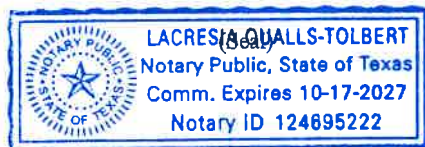
State of Texas)
 County of Gregg)

This instrument was acknowledged before me on

Date: 7/9/24

By: Andy Scott

Name(s) of Person(s)



Lacresia Qualls-Tolbert

Signature of Notarial Officer

My commission expires: 10/17/27

ONLINE
version

State/State

7

Lease # and Lessee of Record: VC-0879; Greyhound Resources, LLC

BY: Kyle Perkins Its: SVP, General Counsel and Secretary (Name and Title of Authorized Agent)

Kyle Perkins (Signature of Authorized Agent)

Acknowledgment in an Individual Capacity

State of _____)
 County of _____)

This instrument was acknowledged before me on _____

Date

By _____

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)
 County of Dallas)

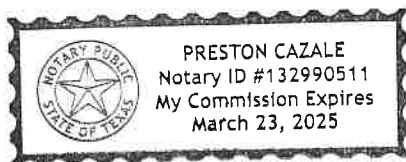
This instrument was acknowledged before me on _____

Date: 7/23/2024

By: Kyle Perkins as SVP, General Counsel & Secretary for
Greyhound Resources, LLC, a Texas Limited Liability
Company, on behalf of said Texas Limited Liability Company.

Name(s) of Person(s)

(Seal)



State/State

Preston Cazale Signature of Notarial Officer

My commission expires: 3/23/2025

ONLINE
version

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated July 15, 2024
by and between BTA Oil Producers, LLC (Operator), Armstrong Energy Corporation,
Black Shale Minerals, LLC; Greyhound Resources, LLC (Record Title Holders/Lessee(s) of Record)
covering the Subdivisions: E/2W/2
Sect(s): 27 & 22, Twnshp 16S, Rng: 36E, NMPM Lea County, NM
Limited in depth to the Pennsylvanian Shale Formation (WC025 G09 S173615C; Upper Penn Pool
(Code 98333) (enter here what is granted in pooling order if applicable)
OPERATOR of Communitized Area: BTA Oil Producers, LLC

DESCRIPTION OF LEASES COMMITTED:**TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0833

Date of Lease: 1/1/2021

Description of Lands Committed:

Subdivisions: E/2W/2

Sect(s): 27 Twnshp: 16S, Rng: 36E NMPM Lea County NM

No. of Acres: 160

TRACT NO. 2

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Armstrong Energy Corporation

Serial No. of Lease: VC-0842

Date of Lease: 2/1/2021

Description of Lands Committed:

Subdivisions: SE/4SW/4

Sect(s): 22 Twnshp: 16S Rng: 36E NMPM Lea County, NM

No. of Acres: 40

State/State

7

TRACT NO. 3Lessor: Multiple (Fee)Lessee of Record: BTA Oil Producers, LLC (87.5%); Black Shale Minerals, LLC (12.5%)Serial No. of Lease: N/A Date of Lease: Multiple

Description of Lands Committed:

Subdivisions: NE/4SW/4, SE/4NW/4Sect(s): 22 Twnshp: 16S Rng: 36E NMPM Lea _____ County, NMNo. of Acres: 80**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Greyhound Resources, LLCSerial No. of Lease: VC-0879 Date of Lease: 7/1/2021

Description of Lands Committed:

Subdivisions: NE/4NW/4Sect(s): 22 Twnshp: 16S Rng: 36E NMPM Lea _____ County, NMNo. of Acres: 40**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>160</u>	<u>50.0000%</u>
No. 2	<u>40</u>	<u>12.5000%</u>
No. 3	<u>80</u>	<u>25.0000%</u>
No. 4	<u>40</u>	<u>12.5000%</u>
TOTALS	<u>320</u>	<u>100.0000%</u>

State/State

Mailing List With Tracking #'s

TRACKING #	Name & Address
92148969009997901839919676	, Apache Corporation, 2000 Post Oak Blvd., Suite 1000, Houston, TX, 77056
92148969009997901839919683	, Black Shale Minerals, LLC, PO Box 2243, Longview, TX, 75606
92148969009997901839919690	, Blake Atkins, Trustee of the Irene H. Gibson Trust No. 2, 1406 Terrace Drive, Tulsa, OK, 74104-4626
92148969009997901839919706	, Broughton Petroleum Inc., 1125 N Loop W, Suite #1055, Houston, TX, 77008
92148969009997901839919713	, Chisos, Ltd., 1331 Lamar Street, Suite 1077, Houston, TX, 77010
92148969009997901839919720	, D5 Minerals, LP, PO Box 6111, San Antonio, TX, 78209
92148969009997901839919737	, Dozer Oil and Gas, LLC, PO Box 3446, Hailey, ID, 83333
92148969009997901839919744	, Excalibur Energy Company, PO Box 25045, Albuquerque, NM, 87125
92148969009997901839919751	, George Peterman, 4548 Chaha Road, Apt. K-203, Garland, TX, 75043-4695
92148969009997901839919768	, Greyhound Resources, LLC, 5400 LBJ. Freeway, Suite 1500, Dallas, TX, 75240
92148969009997901839919775	, John and Theresa Hillman Family Properties, LP, PO Box 1981, Midland, TX, 79702-1981
92148969009997901839919782	, Manix Royalty, Ltd., PO Box 1981, Midland, TX, 79702-1981
92148969009997901839919799	, Marilyn C. Wagner, 3320 Count Drive, Fort Worth, TX, 76244
92148969009997901839919805	, Mitchell Royalty Limited Partnership, 17878 W. 77th Street North, Haskell, OK, 74436
92148969009997901839919812	, Oxy USA WTP Limited Partnership, 5 Greenway Plaza, Suite 110, Houston, TX, 77046
92148969009997901839919829	, Renfrow Mineral Company, LLC, 1406 Terrace Drive, Tulsa, OK, 74104-4626
92148969009997901839919836	, Slash Exploration, P.O. Box 1973, Roswell, NM, 88202-1973
92148969009997901839919843	, Stonewall Oil and Gas, LLC, PO Box 20827, Oklahoma City, OK, 73156
92148969009997901839919850	, New Mexico State Land Office Commissioner Of Public Lands ATTN: Commn, P. O. Box 1148, Santa Fe, NM, 87504

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
September 26, 2024
and ending with the issue dated
September 26, 2024.



Publisher

Sworn and subscribed to before me this
26th day of September 2024.



Business Manager

My commission expires

January 29, 2027
(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE September 26, 2024	
<u>Notice of Application for Surface Commingling</u>	
<p>BTA Oil Producers, LLC (OGRID No. 260297), located at 104 S. Pecos, Midland TX 79701 seeks administrative approval to surface commingle (lease commingle) and for off-lease measurement of diversely owned oil and gas production from the Capitan 22301 34-3 State Com 14H & Capitan 22301 27-22 State Com 20H wells at the Capitan Charlie CTB. The wells and facilities are located in Section 34, Township 16 South, Range 36 East, Lea County, New Mexico. Production is from the WC-025 G-09 S173615C; UPPER PENN; (98333). Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections with the division's Santa Fe office within 20 days after publication, or the NMOCDC may approve the application. For questions pertaining to the application, please contact Sammy Hajar at (432) 682-3753.</p>	
#00294401	

01101299

00294401

PAM INSKEEP
BTA OIL PRODUCERS
104 SOUTH PECOS
MIDLAND, TX 79701

Tracking Number:
92148969009997901839919850

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Your item was picked up at a postal facility at 7:54 am on October 3, 2024 in SANTA FE, NM 87501.

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 [USPS Tracking Plus[®]](#)

 **Delivered**

Delivered, Individual Picked Up at Postal Facility

SANTA FE, NM 87501
October 3, 2024, 7:54 am

[See All Tracking History](#)

[What Do USPS Tracking Statuses Mean?](#)

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY BTA OIL PRODUCERS, LLC**

ORDER NO. CTB-1145

ORDER

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 as described 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. 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 as described 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.

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.

ORDER

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

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described 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 as described 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 as described 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 as described 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

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 as described 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**



**ALBERT CHANG
DIRECTOR**

DATE: 7/30/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1145
Operator: BTA Oil Producers, LLC
Central Tank Battery: Capitan Charlie Central Tank Battery
Central Tank Battery Location: UL C, D, Section 34, Township 16 South, Range 36 East
Gas Title Transfer Meter Location: UL C, D, Section 34, Township 16 South, Range 36 East

Pools

Pool Name	Pool Code
WC-025 G-09 S173615C;UPPER PENN	98333

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Upper Pennsylvanian SLO 205021 PUN 1406028	E2W2	27-16S-36E
	E2W2	22-16S-36E
CA Upper Pennsylvanian SLO 205020 PUN 1406013	E2W2	34-16S-36E
	E2W2	03-17S-36E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-53066	CAPITAN 22301 27 22 STATE COM	E2W2	22-16S-36E	98333
	#020H	E2W2	27-16S-36E	
30-025-53067	CAPITAN 22301 34 3 STATE COM	E2W2	34-16S-36E	98333
	#014H	E2W2	03-17S-36E	

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 387381

CONDITIONS

Operator: BTA OIL PRODUCERS, LLC 104 S Pecos Midland, TX 79701	OGRID: 260297
	Action Number: 387381
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	7/30/2025