

**BTA OIL PRODUCERS, LLC**

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
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104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753

ASHLEY BEAL LAFEVERS
ALEX BEAL
HILL DAVENPORT
TREY FUQUA
ADAMS DAVENPORT
MICHAEL BEAL

July 24, 2025

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

RE: Application to amend Administrative Order No. CTB-1113

To Whom This May Concern,

Under Administrative Order CTB-1113, attached as **Exhibit 1**, the Division approved BTA Oil Producers, LLC's (OGRID No. 260297) request for surface commingling at the **Capitan Alpha CTB** of production from the WC-025 G-09 S173615C; Upper Penn; [98333] pool from *all existing and future wells drilled in the following "spacing units"*.

- (a) The 319.37-acre spacing unit comprised of the W/2 W/2 of Section 32 and the W/2 W/2 of Section 5, 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 32-5 State Com 5H** (API # 30-025-51917);
- (b) The 319.42-acre spacing unit comprised of the E/2 W/2 of Section 32 and the E/2 W/2 of Section 5, Township 11 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 32-5 State Com 6H** (API # 30-025-51918);
- (c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S173615C; Upper Penn; [98333] spacing units within the W/2 of Section 32 and the W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico, connected to the Capitan Alpha CTB* with notice provided only to the owners of interests to be added.

Pursuant to 19.15.12.7 NMAC, BTA Oil Producers, LLC seeks to amend the terms of Administrative Order CTB-1113 to allow for lease commingling between all production from *all existing and future infill wells* drilled in the following spacing units:

- (d) The 319.52-acre spacing unit comprised of the N/2 W/2 of Section 33 and the S/2 E/2 of Section 5, 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 32-5 State Com 8H** (API # 30-025-54124);

(e) The 319.48-acre spacing unit comprised of the N/2 W/2 of Section 33 and the S/2 W/2 of Section 4, 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 33-4 State Com 23H** (API # 30-025-54125);

Attached is a completed amended Application for Surface Commingling (Diverse Ownership) Form C-107B that includes a statement from Michelle Sena, Production 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.

Oil and gas production from these spacing units will be commingled and sold at the Capitan Alpha CTB located in the NE/4 NE/4 of Section 32, T16S,R36E, Lea County, NM. 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.

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 msena@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Michelle Sena.

Respectfully,

Michelle Sena

Michelle Sena
Production Analyst
BTA Oil Producers, LLC
msena@btaoil.com
O: 432-682-3753

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: BTA Oil Producers **OGRID Number:** 260297
Well Name: ORDER NO. CTB-1113 **API:** 30-025-51917, 30-025-51918
Pool: WC-025 G-09 S173615C; UPPER PENN **Pool Code:** 98333

**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.

MICHELLE SENA

Print or Type Name

Michelle Sena

Signature

07/24/2025

Date

432-682-3753

Phone Number

MSENA@BTAOIL.COM

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 IV1220 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 DIVISION1220 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 ☐ FederalIs this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-1113

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: WC-025 G-09 S173615C; UPPER PENN (98333)

(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: Michelle Sena TITLE: Michelle Sena DATE: 07/22/25TYPE OR PRINT NAME Michelle Sena TELEPHONE NO.: 432-682-3753E-MAIL ADDRESS: msena@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: BTA Oil Producers, LLC **OGRID #:** 260297
Well Name: ORDER NO. CTB-1113 - AMENDED **API #:** 30-025-54124, 30-025-54125
Pool: WC-025 G-09 S173615C ; UPPER PENN

OPERATOR NAME: BTA Oil Producers, LLC
OPERATOR ADDRESS: 104 S. Pecos, Midland, TX 79701

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.

Michelle Sena
 Print or Type Name
Michelle Sena
 Signature
07/24/2025
 Date

432-682-3753
 Phone Number
msena@btaoil.com
 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.

EXHIBIT 1

**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-1113

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: 7/16/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1113**

Operator: **BTA Oil Producers, LLC (260297)**

Central Tank Battery: **Capitan Alpha Central Tank Battery**

Central Tank Battery Location: **UL F, Section 32, Township 16 South, Range 36 East**

Gas Title Transfer Meter Location: **UL F, Section 32, 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 Penn SLO 204759 PUN 1402020	W/2 W/2	32-16S-36E
	W/2 W/2	05-17S-36E
CA Upper Penn SLO 204760 PUN 1402038	E/2 W/2	32-16S-36E
	E/2 W/2	05-17S-36E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-51917	CAPITAN 22301 32 5 STATE COM	W/2 W/2	32-16S-36E	98333
	#005H	W/2 W/2	05-17S-36E	
30-025-51918	CAPITAN 22301 32 5 STATE COM	E/2 W/2	32-16S-36E	98333
	#006H	E/2 W/2	05-17S-36E	

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	30-025-51917	Capitan 22301 32-5 State Com	5H	D	32	16S	36E	2/27/2025	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-51918	Capitan 22301 32-5 State Com	6H	C	32	16S	36E	2/27/2025	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-54124	Capitan 22301 32-5 State Com	8H	D	33	16S	36E	New Drill	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-54125	Capitan 22301 33-4 State Com	23H	D	34	16S	36E	New Drill	900	1100	48	1200


BTA Oil Producers, LLC

Capitan 22301 32-5 State Com #05H, #06H, & #08H, and Capitan 22301 33-4 State Com #23H Spacing Units

LEGEND

Well Symbols:

- Capitan 22301 32-5 State Com #05H
- Capitan 22301 32-5 State Com #06H
- Capitan 22301 32-5 State Com #08H
- Capitan 22301 33-4 State Com #23H

SLO  BHL

Unit Descriptions:

- 319.37 Acre Spacing Unit for the Capitan 22301 32-5 State Com #05H Well #05H Covering the W/2 W/2 of Section 32, T-16-S, R-36-E, N.M.P.M., and the W/2 W/2 of Section 5, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico

- Tract 1: State of NM VC-0791-0001 Tract 2: State of NM B1-0639-0005

- Tract 3: State of NM B0-4119-0017

- 319.42 Acre Spacing Unit for the Capitan 22301 32-5 State Com #06H Well #06H Covering the E/2 W/2 of Section 32, T-16-S, R-36-E, N.M.P.M., and the E/2 W/2 of Section 5, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico

- Tract 1: State of NM VC-0791-0001 Tract 2: State of NM B1-0639-0005

- Tract 3: State of NM VC-1151-0001 Tract 4: State of NM B0-4119-0018

- 319.52 Acre Spacing Unit for the Capitan 22301 32-5 State Com #08H Well #08H Covering the E/2 E/2 of Section 32, T-16-S, R-36-E, N.M.P.M., and the E/2 E/2 of Section 5, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico

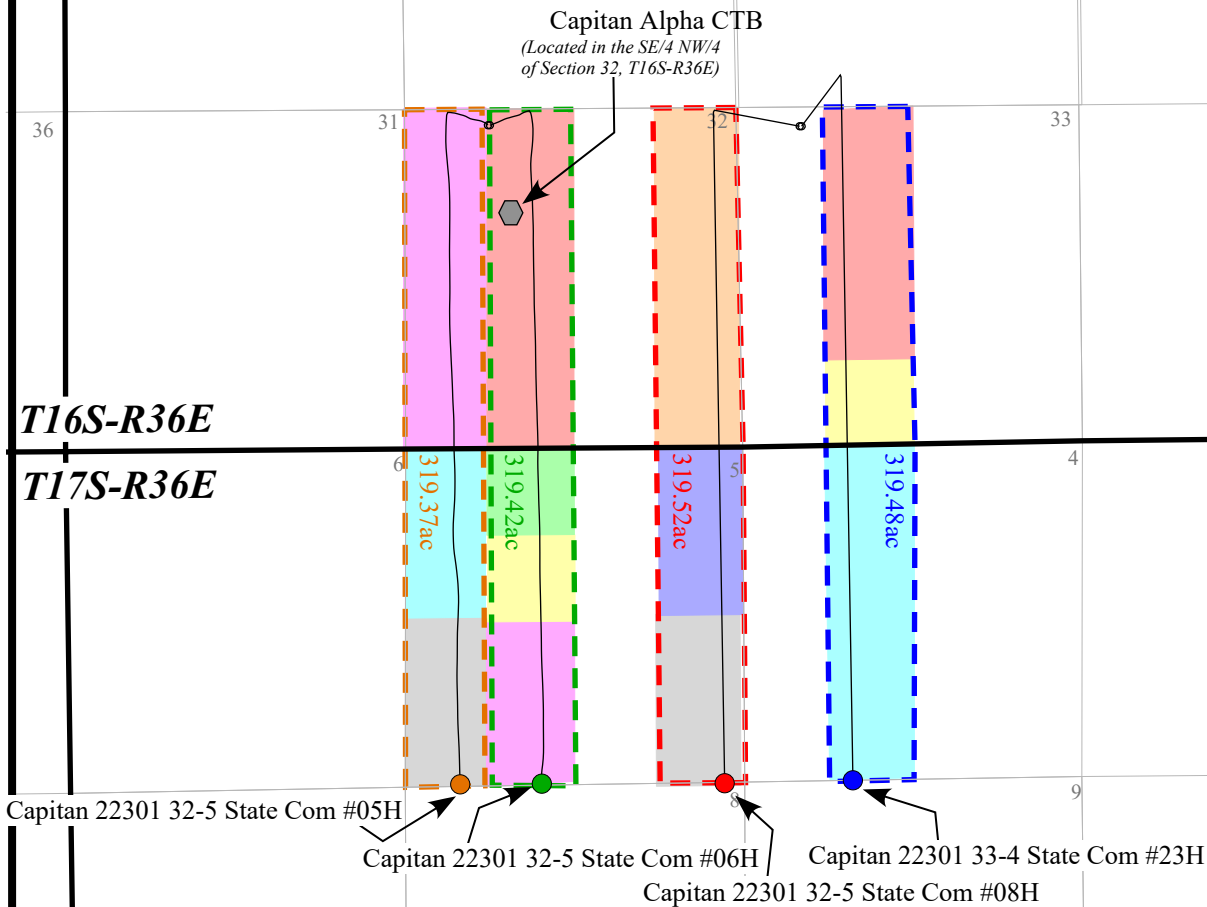
- Tract 1: State of NM VC-0808 Tract 2: State of NM VC-1151

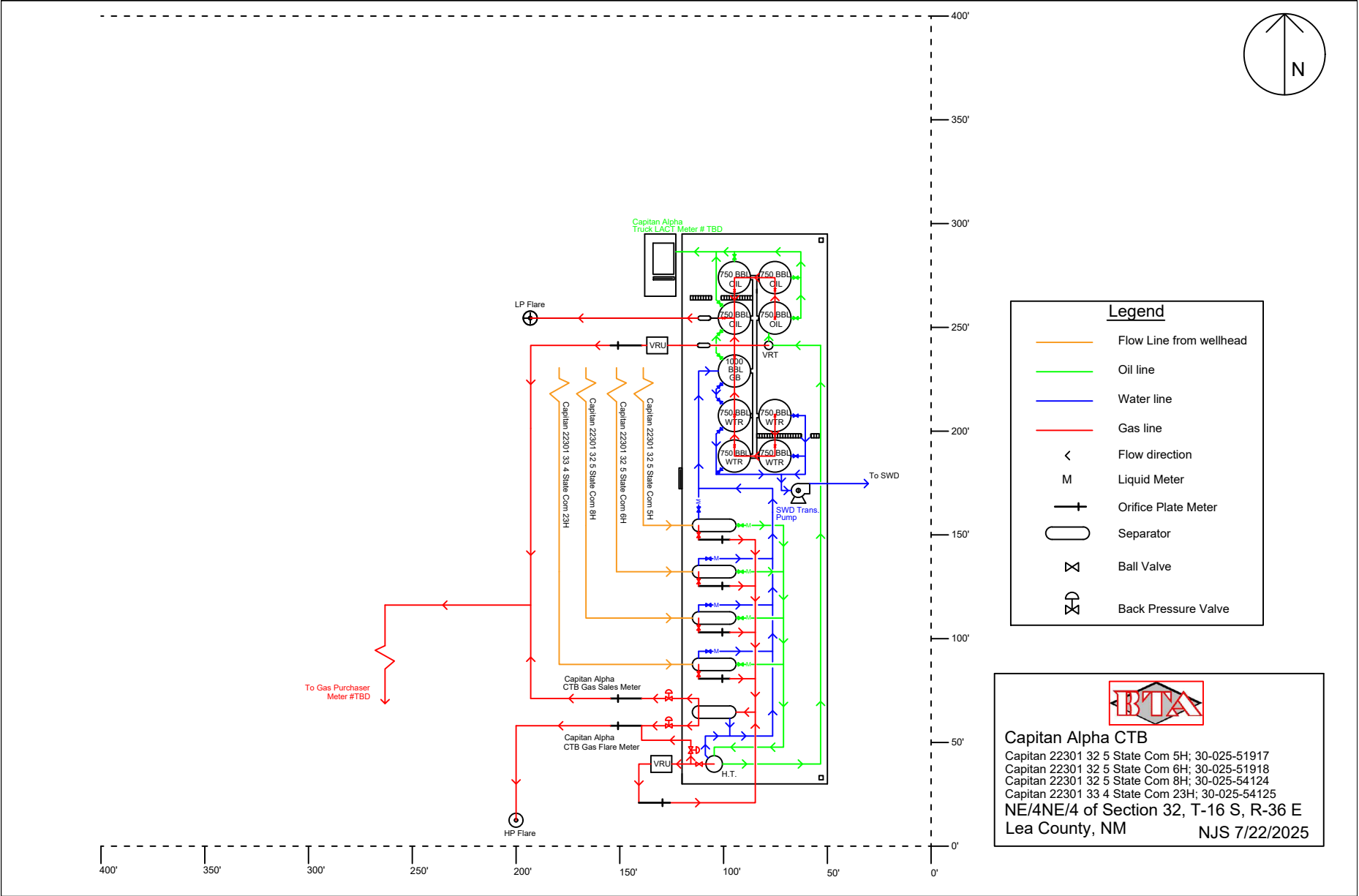
- Tract 3: State of NM VC-1178

- 319.48 Acre Spacing Unit for the Capitan 22301 33-4 State Com #23H Well #23H Covering the E/2 W/2 of Section 33, T-16-S, R-36-E, N.M.P.M., and the E/2 W/2 of Section 4, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico

- Tract 1: N/A Tract 2: State of NM VC-1174

- Tract 3: State of NM VC-1150





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 ACERAGE DEDICATION PLAT

¹ API Number 30-025-51917	² Pool Code 98333	³ Pool Name WC025 G09 S173615C ; UPPER PENN
⁴ Property Code 334679	⁵ Property Name CAPITAN 22301 32-5 STATE COM	⁶ Well Number 5H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3925'

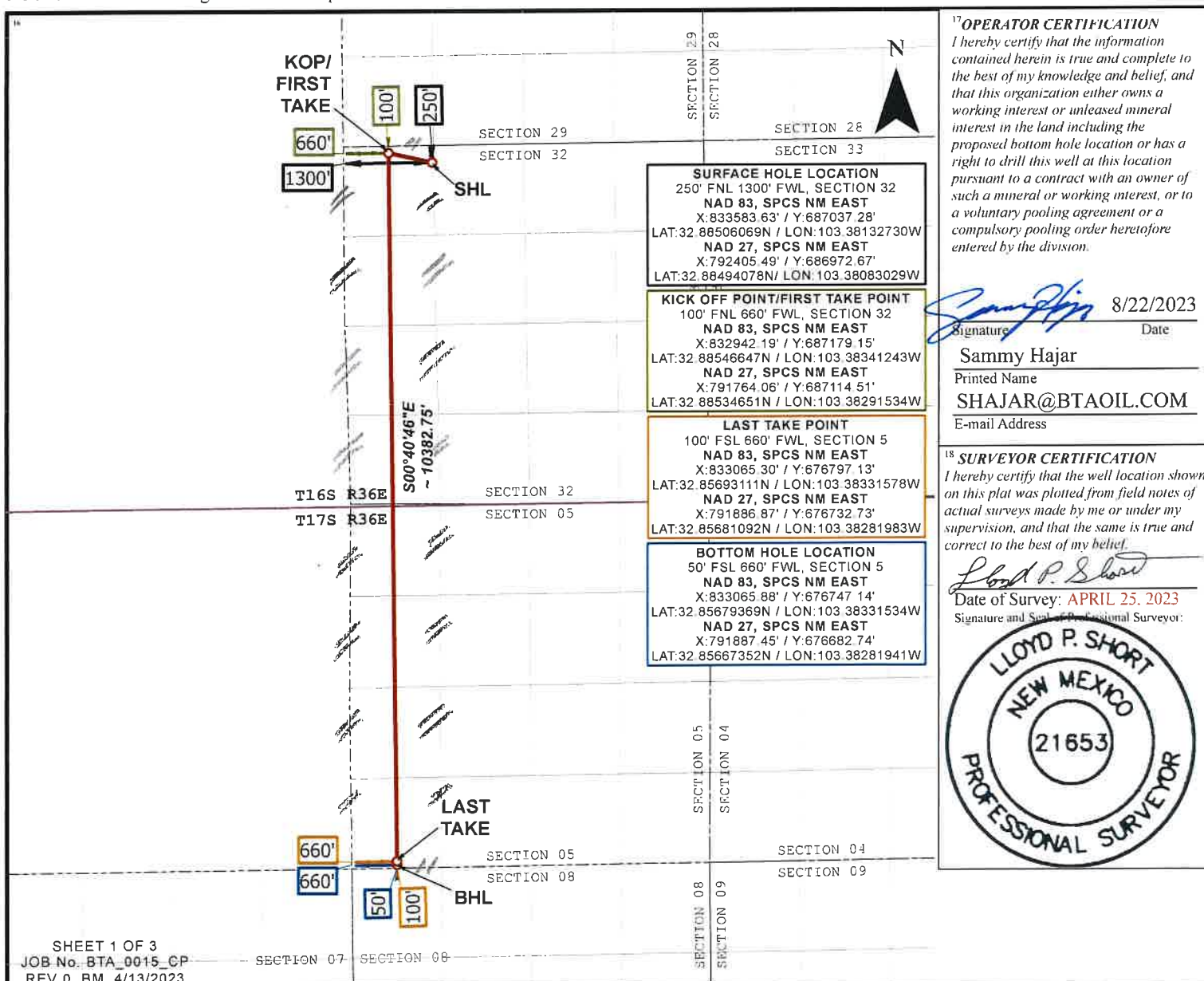
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	32	16S	36E		250	North	1300	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
M	5	17S	36E		50	South	660	West	LEA
¹² Dedicated Acres 319.37	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.



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 ACERAGE DEDICATION PLAT

¹ API Number 30-025-51918		² Pool Code 98333		³ Pool Name WC025 G09 S173615C ; UPPER PENN	
⁴ Property Code 334679		⁵ Property Name CAPITAN 22301 32-5 STATE COM			⁶ Well Number 6H
⁷ OGRID No. 260297		⁸ Operator Name BTA OIL PRODUCERS, LLC			⁹ Elevation 3925'

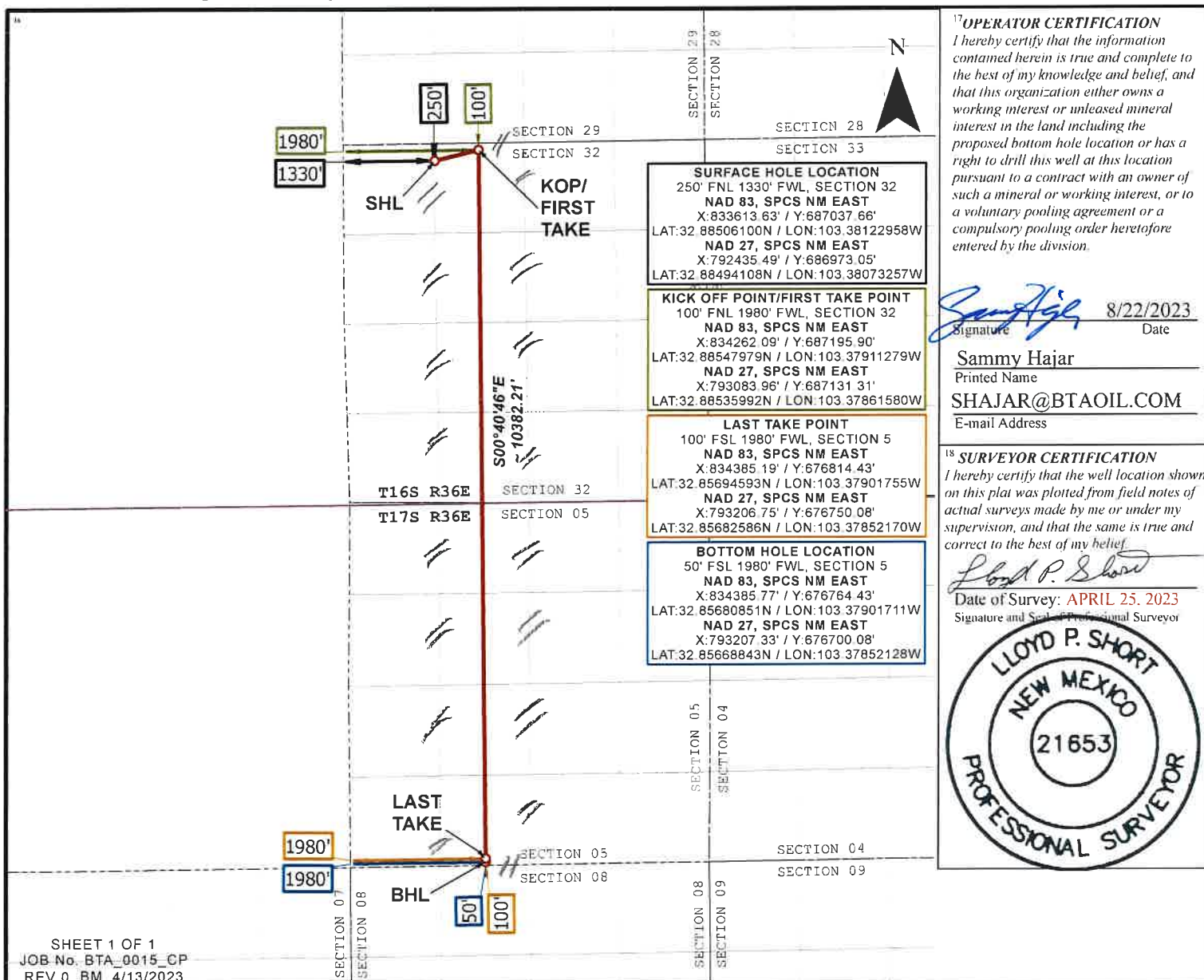
¹⁰ Surface Location

UL or lot no. D	Section 32	Township 16S	Range 36E	Lot Idn	Feet from the 250	North/South line North	Feet from the 1330	East/West line West	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. N	Section 5	Township 17S	Range 36E	Lot Idn	Feet from the 50	North/South line South	Feet from the 1980	East/West line West	County 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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0|30|16.810000

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 PAGE 1 OF 2
		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 98333	Pool Name WC-025 G-09 S173615C; UPPER PENN
Property Code	Property Name CAPITAN 22301 32-5 STATE COM	Well Number 8H
OGRID No. 260297	Operator Name BTA OIL PRODUCERS, LLC	Ground Level Elevation 3901'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
D	33	16S	36E		300' FNL	990' FWL	32.88496957	-103.36502088	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	05	17S	36E		50' FSL	350' FEL	32.85684120	-103.36941706	LEA

Dedicated Acres 319.52	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers:			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	32	16S	36E		50' FNL	350' FEL	32.88564561	-103.36938929	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	32	16S	36E		100' FNL	350' FEL	32.88550819	-103.36938857	LEA

Last Take Point (LTP)

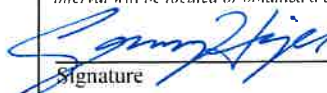
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	05	17S	36E		100' FSL	350' FEL	32.85697861	-103.36941502	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type: <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation 3901'
---	---	---------------------------------

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.


Signature
Sammy Hajar
Printed Name
SHAJAR@BTAOIL.COM
Email Address

12/4/2024

Date

SURVEYOR CERTIFICATIONS

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.



Signature and Seal of Professional Surveyor

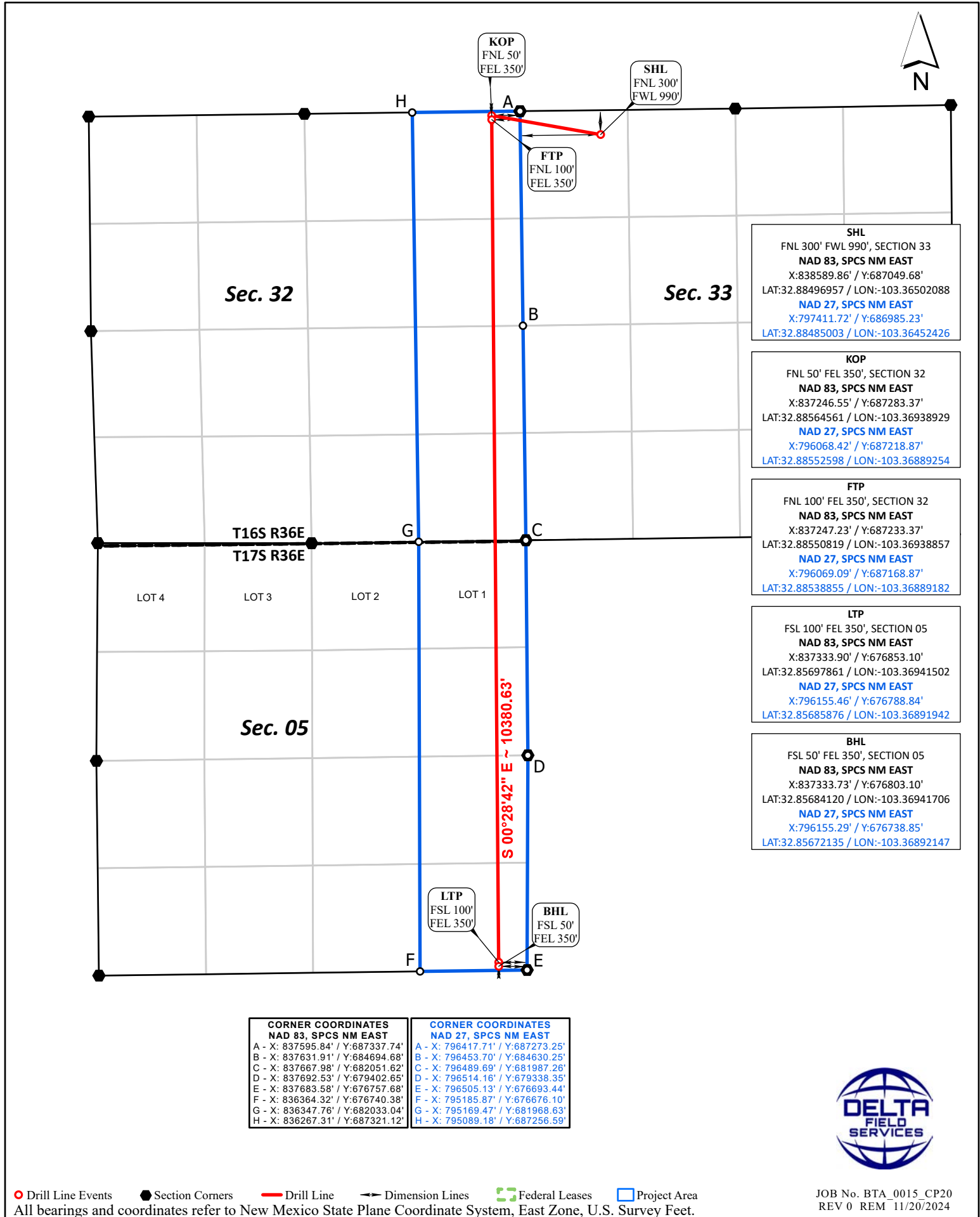
Certificate Number

21653

Date of Survey

NOVEMBER 26, 2024

Note: 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.



C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 PAGE 1 OF 2	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 98333	Pool Name WC-025 G-09 S173615C; UPPER PENN
Property Code	Property Name CAPITAN 22301 33-4 STATE COM	Well Number 23H
OGRID No. 260297	Operator Name BTA OIL PRODUCERS, LLC	Ground Level Elevation 3901'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
D	33	16S	36E		300' FNL	1020' FWL	32.88496981	-103.36492317	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
N	04	17S	36E		50' FSL	1650' FWL	32.85687127	-103.36290360	LEA

Dedicated Acres 319.48	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers:			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
N	28	16S	36E		500' FSL	1650' FWL	32.88717339	-103.36287506	LEA



First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
C	33	16S	36E		100' FNL	1650' FWL	32.88552440	-103.36287398	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
N	04	17S	36E		100' FSL	1650' FWL	32.85700870	-103.36290155	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type: <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation 3901'
---	---	---------------------------------

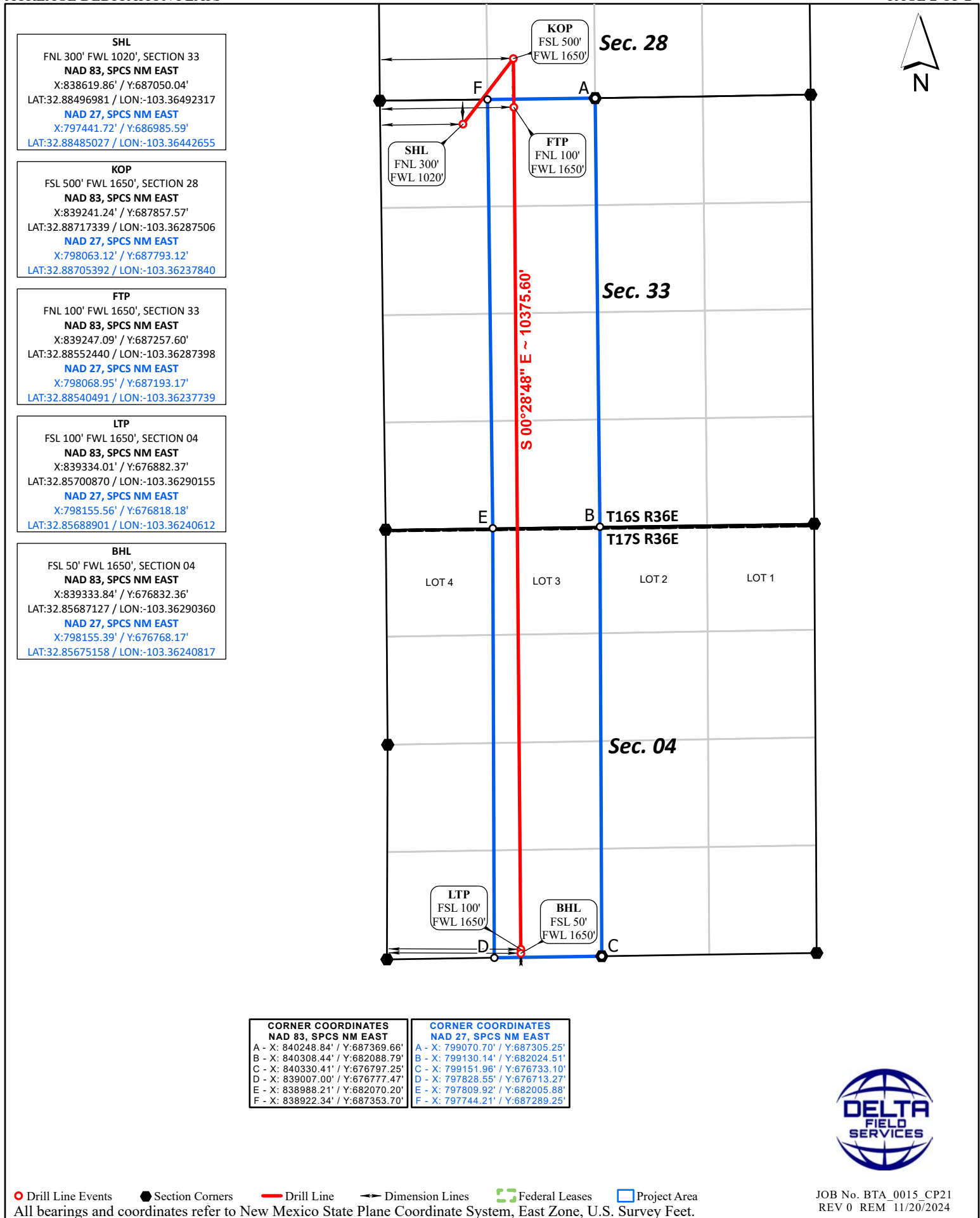
OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i>  Signature Sammy Hajar Printed Name SHAJAR@BTAOIL.COM Email Address 12/4/2024 Date	SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  Signature and Seal of Professional Surveyor Certificate Number 21653 Date of Survey DECEMBER 02, 2024
--	--

Note: 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.

ACREAGE DEDICATION PLATS

CAPITAN 22301 33-4 STATE COM 23H

PAGE 2 OF 2





COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Rex D. Barker
BTA Oil Producers, LLC
104 South Pecos Street
Midland, TX 79701

January 24th, 2024

Re: Communitization Agreement Approval
Capitan 22301 32 5 State Com #005H
Vertical Extent: Pennsylvanian
Township: 16 South, Range 36 East, NMPM
Section 32: W2W2
Township: 17 South, Range 36 East, NMPM
Section 5: Lot 4, SW4NW4, W2SW4

Lea County, New Mexico

Dear Mr. Barker,

The Commissioner of Public Lands has this date approved the Capitan 22301 32 5 State Com #005H Communitization Agreement for the Pennsylvanian formation effective 09-26-2023. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson
Petroleum Specialist

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

BTA Oil Producers, LLC
Capitan 22301 32 5 State Com #005H
Pennsylvanian
Township: 16 South, Range: 36 East, NMPM
Section 32: W2W2
Township: 17 South, Range: 36 East, NMPM
Section 05: Lot 4, SW4NW4, W2SW4

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 26, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **24th** day of **January, 2024**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: 30-0 25 - 51917

STATE OF NEW MEXICO) Well Name: Capitan 22301 32-5 State Com #005H
SS)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & 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 & 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 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 of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold 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 & regulations, which leases 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
December 9, 2021

State/State

1

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

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W2 W2 Section 32, T16S-R36E, and Lot 4, SW4 NW4, W2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.37 acres, more or less. It is the judgment of the parties hereto 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 Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, 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 hereto 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 hereto 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 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 and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto 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 hereto 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. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, 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 State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of 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. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands 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 hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, 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.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his 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 of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, 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.

13. 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.

14. 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.

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

OPERATOR: BTA Oil Producers, LLC

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 : 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)

(Seal)

Melinda Renee Tefteller

Signature of Notarial Officer



My commission expires: 6-13-26

Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC

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

Robert M. Davenport, Jr.

(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 Midland)

This instrument was acknowledged before me on

Date: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)




Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

BY: James Laning, Attorney-in-fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

State of)
County of)
SS)

Date _____


Name(s) of Person(s)

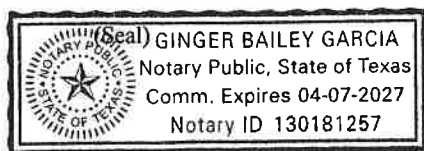
(Seal)

Signature of Notarial Officer

My commission expires: _____

State of Texas)
)
) SS)
County of Harris)

By: James Laning, Attorney-in-fact of Occidental Permian Limited partnership,
a Texas limited partnership. 



Signature of Notarial Officer

My commission expires: 4/7/2027

Lease # and Lessee of Record: B0-4119-0017; Chevron U.S.A., Inc.

BY: Ben J. Wilson, Attorney-in-Fact (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

By

Name(s) of Person(s)

(Seal)

 Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

State of Texas)
 County of Harris)
)
)

This instrument was acknowledged before me on _____

Date: 10-17-2023

By: Ben J. Wilson

Name(s) of Person(s)



[Signature]
 Signature of Notarial Officer

My commission expires: 01-07-2026

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Chevron U.S.A., Inc.,

, (Record Title Holders/Lessees of Record) covering

the Subdivisions : W2 W2 of Section 32, Twnshp 16 South, Rnge 36 East, and Lot

4, SW4 NW4, W2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

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-0791-0001 Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: W/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, 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: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005 Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 4, SW4 NW4 of

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 79.37

TRACT NO. 3Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Chevron U.S.A., Inc.Serial No. of Lease: B0-4119-0017Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: W2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, 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>160</u>	<u>50.0986%</u>
No. 2	<u>79.37</u>	<u>24.8521%</u>
No. 3	<u>80</u>	<u>25.0493%</u>
TOTALS	<u>319.37</u>	<u>100.0000%</u>



COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Rex D. Barker
BTA Oil Producers, LLC
104 South Pecos Street
Midland, TX 79701

January 24th, 2024

Re: Communitization Agreement Approval
Capitan 22301 32 5 State Com #006H
Vertical Extent: Pennsylvanian
Township: 16 South, Range 36 East, NMPM
Section 32: E2W2
Township: 17 South, Range 36 East, NMPM
Section 5: Lot 3, SE4NW4, E2SW4

Lea County, New Mexico

Dear Mr. Barker,

The Commissioner of Public Lands has this date approved the Capitan 22301 32 5 State Com #006H Communitization Agreement for the Pennsylvanian formation effective 09-26-2023. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Joseph Thompson at (505) 827-5750.

Sincerely,

Joseph Thompson

Joseph Thompson
Petroleum Specialist

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

BTA Oil Producers, LLC
Capitan 22301 32 5 State Com #006H
Pennsylvanian
Township: 16 South, Range: 36 East, NMPM
Section 32: E2W2
Township: 17 South, Range: 36 East, NMPM
Section 05: Lot 3, SE4NW4, E2SW4

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **September 26, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 24th day of January, 2024.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

**NM State Land Office
Oil, Gas, & Minerals Division**

**STATE/STATE OR
STATE/FEE**
Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 25 - 51918

STATE OF NEW MEXICO) Well Name: Capitan 22301 32-5 State Com #006H
SS)

COUNTY OF LEA)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & 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 & 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 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 of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold 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 & regulations, which leases 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
December 9, 2021

State/State

1

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

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E2 W2 Section 32, T16S-R36E, and Lot 3, SE4 NW4, E2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.42 acres, more or less. It is the judgment of the parties hereto 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 Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, 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 hereto 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 hereto 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 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 and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto 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 hereto 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. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, 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 State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of 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. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands 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 hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands 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.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, 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.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his 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 of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, 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.

13. 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.

14. 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.

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

OPERATOR: BTA Oil Producers, LLC

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 _____)
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 _____

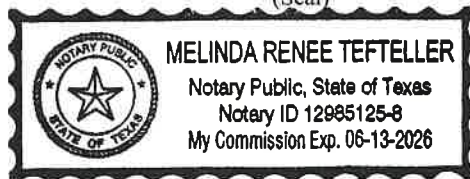
Date : 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer



My commission expires: 6-13-26

Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC

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

Robert M. Davenport Jr.

(Signature of Authorized Agent)

ABO

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: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

Lease # and Lessee of Record: B1-0639-0005; Occidental Permian Limited Partnership

BY: James Laning, Attorney-in-Fact (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

By _____

Name(s) of Person(s)

(Seal)

 Signature of Notarial Officer

My commission expires: _____

Acknowledgment in an Representative Capacity

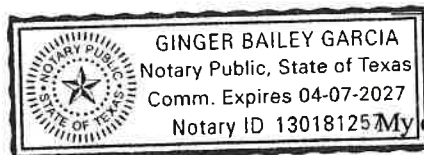
State of Texas)
)
 County of Harris)

This instrument was acknowledged before me on October 24, 2023 Date: _____

By: James Laning, Attorney-in-Fact of Occidental Permian Limited

Name(s) of Person(s)
Partnership, a Texas Limited Partnership.

(Seal)



[Signature]
 Signature of Notarial Officer

My commission expires: 4/7/2027

Lease # and Lessee of Record: VC-1151-0001; BTA Oil Producers, LLC

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

Robert M. Davenport Jr. (Signature of Authorized Agent)
A.B.D.

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

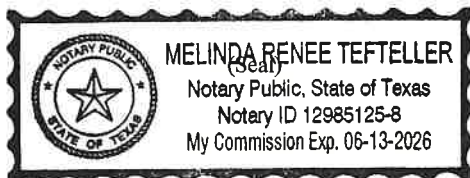
State of Texas _____)
County of Midland _____)

This instrument was acknowledged before me on _____

Date: 9/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller
Signature of Notarial Officer

My commission expires: 6-13-26

Lease # and Lessee of Record: B0-4119-0018; Maverick Permian LLC

BY: Justin F Foley - Vice President of Land (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

By

Name(s) of Person(s)

(Seal)

 Signature of Notarial Officer

My commission expires: _____

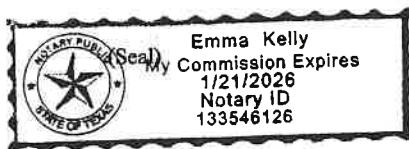
Acknowledgment in an Representative Capacity

State of Texas)
)
 County of Harris)

This instrument was acknowledged before me on _____

Date: 12/6/2023

By: Justin F Foley - VP-Land
 Name(s) of Person(s)



[Signature]
 Signature of Notarial Officer

My commission expires: 1/21/2026

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Maverick Permian LLC, _____,

(Record Title Holders/Lessee of Record) covering the Subdivisions : E2 W2 of

Section 32, Twnshp 16 South, Rnge 36 East, and Lot 3, SE4 NW4, E2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

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-0791-0001

Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: E/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, 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: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005

Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 3

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 39.42

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-1151-0001 Date of Lease: August 1, 2023

Description of Lands Committed:

Subdivisions: SE4 NW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 40**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Maverick Permian LLCSerial No. of Lease: B0-4119-0018 Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: E2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, 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>160</u>	<u>50.0908%</u>
No. 2	<u>39.42</u>	<u>12.3411%</u>
No. 3	<u>40</u>	<u>12.5227%</u>
No. 4	<u>80</u>	<u>25.0454%</u>
TOTALS	<u>319.42</u>	<u>100.0000%</u>

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

**STATE/STATE OR
STATE/FEE**
Revised August 2024

COMMUNITIZATION AGREEMENT

ONLINE Version

API #: 30-025 _____ - 54124 _____

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1st [day] of July _____ [month], 2025, 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 Pennsylvanian Shale 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/2E/2 of Section 32, T16S-R36E, and Lot 1, SE4/NE/4, E2SE/4

Of Sect(s): 5 Twp 17S Rng 36E NMPM Lea County, NM

Containing 319.52 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

3

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.

Operator BTA Oil Producers, LLC Lessees of Record BTA Oil Producers, LLC
By Robert M. Davenport, Jr.
Print name of person
Member
Type of authority

Signature AD

Attach additional page(s) if needed.

Lease # and Lessee of Record: VC-0808; BTA Oil Producers, LLC

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

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

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

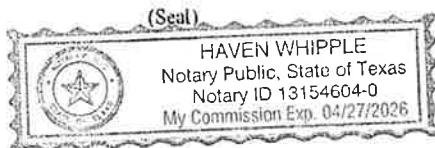
State of Texas)
)
 County of Midland)

This instrument was acknowledged before me on _____

Date: 11/7/24

By: Robert M. Davenport, Jr.

Name(s) of Person(s)



Haven Whipple
 Signature of Notarial Officer

My commission expires: 4/27/26

ONLINE
 version

State/State

7

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

Ruth M. Lupton (Signature of Authorized Agent)
AD

State of)
County of)
SS)

By _____
Name(s) of Person(s)

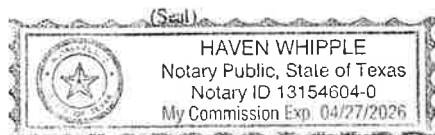
Signature of Notarial Officer

My commission expires: _____

State of Texas)
County of Midland SS)

Date: 11/7/24

By: Robert M. Davenport, Jr., Member
Name(s) of Person(s)



Hann Whipple
Signature of Notarial Officer

My commission expires: 4/27/20

State/State

1

Lease # and Lessee of Record: VC-1178; BTA Oil Producers, LLCBY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

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

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: _____

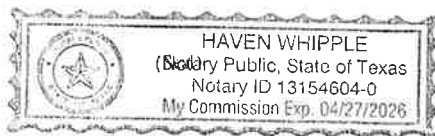
Acknowledgment in an Representative Capacity

State of Texas)
SS)
County of Midland)

This instrument was acknowledged before me on

Date: 4/7/24By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Haven Whipple
Signature of Notarial Officer

My commission expires: 4/27/26ONLINE
version

State/State

7

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated July 1, 2025

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

BTA Oil Producers, LLC (Record Title Holders/Lessees of Record)

covering the Subdivisions : E/2E/2 of Section 32, T16S-R36E and Lot 1, SE/4NE/4, E/2SE/4
Sect(s): 5, 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-0808

Date of Lease: 11/1/2020

Description of Lands Committed:

Subdivisions: E/2E/2

Sect(s): 32 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: BTA Oil Producers, LLC

Serial No. of Lease: VC-1151

Date of Lease: 8/1/2023

Description of Lands Committed:

Subdivisions: Lot 1, SE/4NE/4

Sect(s): 5 Twnshp: 17S Rng: 36E NMPM Lea County, NM

No. of Acres: 79.52

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-1178Date of Lease: 10/1/2023

Description of Lands Committed:

Subdivisions: E/2SE/4Sect(s): 5 Twnshp: 17S Rng: 36E NMPM Lea County, NMNo. of Acres: 80.00**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>160.00</u>	<u>50.075113%</u>
No. 2	<u>79.52</u>	<u>24.887331%</u>
No. 3	<u>80.00</u>	<u>25.037556%</u>
TOTALS	<u>319.52</u>	<u>100.000000%</u>

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

**STATE/STATE OR
STATE/FEE**
Revised August 2024

COMMUNITIZATION AGREEMENT

ONLINE Version

API #: 30-025

- 54125

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this 1st [day] of July [month], 2025, 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 Pennsylvanian Shale 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 Section 33, T16S-R36E, and Lot 3, SE/4NW/4, E2SW/4

Of Sect(s): 4 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.48 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.

ONLINE
version

State/State

2

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

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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.

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VERSION

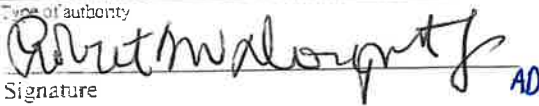
State/State

4

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.

Operator	<u>BTA Oil Producers, LLC</u>	Lessees of Record	<u>BTA Oil Producers, LLC</u>
By	<u>Robert M. Davenport, Jr.</u>		<u>Broughton Petroleum Inc.</u>
	<small>Print name of person</small>		<u>Slash Exploration, LP</u>
	<u>Member</u>		
	<small>Type of authority</small>		
			
	<u>Signature</u>		

Attach additional page(s) if needed.

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)
AD

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

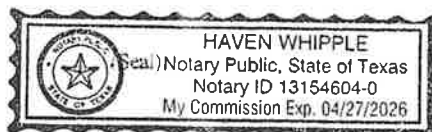
State of Texas _____)
SS)
County of Midland _____)

This instrument was acknowledged before me on

Date : 10/30/2024

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

6

Lease # and Lessee of Record: Fee; BTA Oil Producers, LLC

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

Robert M. Davenport Jr (Signature of Authorized Agent)
AD

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

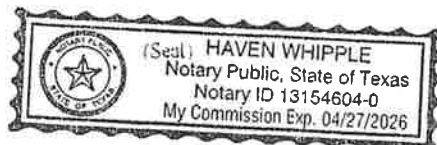
State of Texas _____)
SS)
County of Midland _____)

This instrument was acknowledged before me on _____

Date: 10/30/24

By: Robert M. Davenport, Jr.

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: Fee; Broughton Petroleum Inc.BY: William Foran, president (Name and Title of Authorized Agent)William Foran (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

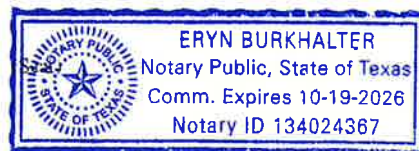
My commission expires: _____

Acknowledgment in an Representative CapacityState of Texas)
County of Harris)

This instrument was acknowledged before me on _____

Date: 11/5/24By: William Foran, President of Broughton Petroleum Inc.

Name(s) of Person(s)

Eryn Burkhalter

Signature of Notarial Officer

My commission expires: 10/19/26ONLINE
version

State/State

7

Lease # and Lessee of Record: Fee; Slash Exploration, LP

BY: Kyle A. Armstrong, President of Armstrong Energy Corporation, (Name and Title of Authorized Agent)
General Partner for Slash Exploration Limited Partnership



(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

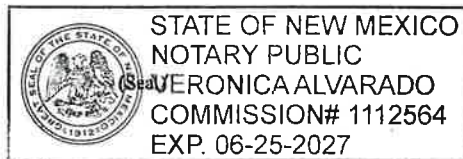
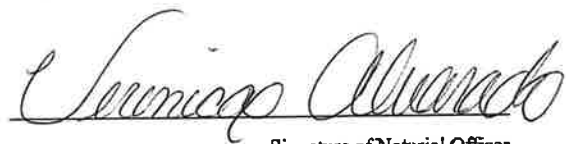
State of New Mexico)
)
 County of Chaves)

This instrument was acknowledged before me on _____

Date: January 31, 2025

By: Kyle A. Armstrong, President of Armstrong Energy Corporation,
General Partner for Slash Exploration Limited Partnership

Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: June 25, 2027

ONLINE
 version

State/State

7

Lease # and Lessee of Record: VC-1174; BTA Oil Producers, LLC

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

Robert M. Davenport Jr (Signature of Authorized Agent)
AD

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

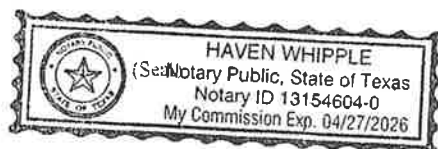
State of Texas _____)
SS)
County of Midland _____)

This instrument was acknowledged before me on _____

Date: 10/30/24

By: Robert M. Davenport, Jr.

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-1150; BTA Oil Producers, LLC

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

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

Acknowledgment in an Individual Capacity

State of _____)
SS)
County of _____)

This instrument was acknowledged before me on _____
By _____

Date

Name(s) of Person(s):

(Seal)

Signature of Notarial Officer

My commission expires _____

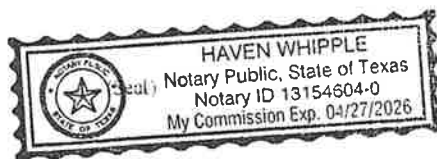
Acknowledgment in an Representative Capacity

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

This instrument was acknowledged before me on _____
By: Robert M. Davenport, Jr.

Date: 10/30/24

Name(s) of Person(s):



Haven Whipple
Signature of Notarial Officer

My commission expires: 4/27/24

ONLINE
version

State/State

7

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated July 1, 2025

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

Broughton Petroleum Inc., Slash Exploration LP (Record Title Holders/Lessees of Record)

covering the Subdivisions : E/2W/2 of Section 33, T16S-R36E and Lot 3, SE/4NW/4, E/2SW/4
Sect(s): 4, 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: Fee

Lessee of Record: BTA Oil Producers, LLC (85.416667%); Broughton Petroleum Inc. (5.625000%); Slash Exploration LP (5.625000%); ULMI (3.333333%)

Serial No. of Lease: N/A

Date of Lease: Multiple

Description of Lands Committed:

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

Sect(s): 33 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-1174

Date of Lease: 10/1/2023

Description of Lands Committed:

Subdivisions: SE/4SW/4

Sect(s): 33 Twnshp: 16S Rng: 36E NMPM Lea County, NM

No. of Acres: 40

ONLINE
version
August, 2021

State/State

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-1150Date of Lease: 8/1/2023

Description of Lands Committed:

Subdivisions: Lot 3, SE/4NW/4, E/2SW/4Sect(s): 4 Twnshp: 17S Rng: 36E NMPM Lea _____ County, NMNo. of Acres: 159.48**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>120</u>	<u>37.561037%</u>
No. 2	<u>40</u>	<u>12.520346%</u>
No. 3	<u>159.48</u>	<u>49.918618%</u>
TOTALS	<u>319.48</u>	<u>100.000000%</u>



BTA OIL PRODUCERS, LLC

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

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753

ASHLEY BEAL LAFEVERS
ALEX BEAL
HILL DAVENPORT
TREY FUQUA
ADAMS DAVENPORT
MICHAEL BEAL

July 22, 2025

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

In re: **Application of BTA Oil Producers, LLC to amend Administrative Order CTB-1113 to add certain wells and spacing units to surface commingle (lease commingle) oil and gas production at the Capitan Alpha CTB located in the NW/4 of Sec. 32, T-16S, R36E in 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 in order to add certain wells and s, 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 msena@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Michelle Sena.

Respectfully,

Michelle Sena

Michelle Sena
Production Analyst BTA
Oil Producers, LLC
msena@btaoil.com
O: 432-682-3753

Affected Parties Requiring Notification

Tracking # (Certified W/ Digital Return Receipt)	Name & Address
9214 8969 0099 9790 1849 0289 79	Occidental Permian Limited Partnership 5 Greenway Plaza, Suite 110 Houston, TX, 77046
9214 8969 0099 9790 1849 0294 88	Oxy USA WTP Limited Partnership Attn: New Mexico Land Department, 5 Greenway Plaza, Suite 110, Houston, TX, 77046
9214 8969 0099 9790 1849 0295 32	Chevron U.S.A. Inc. Attn: NOJV, 1400 Smith Street Houston, TX, 77002
9214 8969 0099 9790 1849 0811 03	The State Of New Mexico Commissioner Of Public Lands P. O. Box 1148 Santa Fe, NM, 87504

Tracking Number:

92148969009997901849029532

Copy

Add to Informed Delivery

Latest Update

Your item has been delivered to an agent. The item was picked up at USPS at 2:44 pm on August 4, 2025 in HOUSTON, TX 77002.

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USPS Tracking Plus®

Delivered to Agent

Delivered to Agent, Picked up at USPS

HOUSTON, TX 77002

August 4, 2025, 2:44 pm

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Text & Email Updates



Return Receipt Electronic



USPS Tracking Plus®



Product Information



See Less ^

Tracking Number:

92148969009997901849029488

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Latest Update

Your item has been delivered to an agent at the front desk, reception, or mail room at 12:54 pm on August 4, 2025 in HOUSTON, TX 77046.

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Delivered to Agent, Front Desk/Reception/Mail Room

HOUSTON, TX 77046

August 4, 2025, 12:54 pm

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What Do USPS Tracking Statuses Mean?

See More v

Tracking Number:

92148969009997901849028979

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Add to Informed Delivery

Latest Update

Your item has been delivered to an agent at the front desk, reception, or mail room at 12:54 pm on August 4, 2025 in HOUSTON, TX 77046.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered to Agent

Delivered to Agent, Front Desk/Reception/Mail Room

HOUSTON, TX 77046

August 4, 2025, 12:54 pm

See All Tracking History

What Do USPS Tracking Statuses Mean?

See More v

Latest Update

Your item was picked up at the post office at 9:37 am on August 4, 2025 in SANTA FE, NM 87501.

Get More Out of USPS Tracking:



✓ Delivered

Delivered, Individual Picked Up at Post Office

SANTA FE, NM 87501

August 4, 2025, 9:37 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-1113A

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. This Order supersedes Order CTB-1113.
3. 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.

4. 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.
5. 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.
6. 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.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
8. 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.
9. 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.
10. 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.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. 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).

13. 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: 8/20/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1113**

Operator: **BTA Oil Producers, LLC (260297)**

Central Tank Battery: **Capitan Alpha Central Tank Battery**

Central Tank Battery Location: **UL F, Section 32, Township 16 South, Range 36 East**

Gas Title Transfer Meter Location: **UL F, Section 32, 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 204759 PUN 1402020	W2W2	32-16S-36E
	W2W2	05-17S-36E
CA Upper Pennsylvanian SLO 204760 PUN 1402038	E2W2	32-16S-36E
	E2W2	05-17S-36E
CA Upper Pennsylvanian SLO 205236 PUN 1408360	E2E2	32-16S-36E
	E2E2	05-17S-36E
CA Upper Pennsylvanian SLO 205234 PUN 1408392	E2W2	33-16S-36E
	E2W2	04-17S-36E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-51917	CAPITAN 22301 32 5 STATE COM	W2W2	32-16S-36E	98333
	#005H	W2W2	05-17S-36E	
30-025-51918	CAPITAN 22301 32 5 STATE COM	E2W2	32-16S-36E	98333
	#006H	E2W2	05-17S-36E	
30-025-54124	CAPITAN 22301 32 5 STATE COM	E2E2	32-16S-36E	98333
	#008H	E2E2	05-17S-36E	
30-025-54125	CAPITAN 22301 33 4 STATE COM	E2W2	33-16S-36E	98333
	#023H	E2W2	04-17S-36E	

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

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/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 489589

CONDITIONS

Operator: BTA OIL PRODUCERS, LLC 104 S Pecos Midland, TX 79701	OGRID: 260297
	Action Number: 489589
	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 .	8/25/2025