

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

**APPLICATION OF BTA OIL PRODUCERS,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 23481**

**EXHIBIT INDEX**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Adams Davenport
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Project Location Map of the Capitan 22301 28-33 State Com #9H well
B-2	Subsea Structure Map, Cross-Section Line
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication from April 14, 2023

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23481</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>May 4, 2023</b>
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 260297
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Capitan
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Pennsylvanian Shale
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Pennsylvanian Shale
Pool Name and Pool Code:	WC025 G09 S173615C; Upper Penn Pool (Code 98333)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Capitan 22301 28-33 State Com #9H (API # ---) SHL: 250' FNL & 1300' FWL (Unit D), Section 28, T16S, R36E BHL: 50' FSL & 660' FWL (Unit M), Section 33, T16S, R36E Completion Target: Pennsylvanian Shale (Approx. 11,427' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$12,000.00
Production Supervision/Month \$	\$1,200.00
Justification for Supervision Costs	Exhibit A

Received by OCD: 5/2/2023 4:09:36 PM Requested Risk Charge	200%	Page 3 of 33
<b>Notice of Hearing</b>		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
<b>Joinder</b>		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
<b>Geology</b>		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
<b>Forms, Figures and Tables</b>		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-2	
Cross Section (including Landing Zone)	Exhibit B-3	
Gross Isopach Map	Exhibit B-4	
<b>Additional Information</b>		
Special Provisions/Stipulations	N/A	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>		

<i>Received by QCD: 5/2/2023 4:09:36 PM</i> Printed Name (Attorney or Party Representative):	Dana S. Hardy	<i>Page 4 of 33</i>
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:	5/2/2023	

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

**APPLICATION OF BTA OIL PRODUCERS,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 23481**

**SELF-AFFIRMED STATEMENT  
OF ADAMS DAVENPORT**

1. I am a landman at BTA Oil Producers, LLC (“BTA”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”).

2. I have a Bachelors of Science in Energy Management from The University of Tulsa and 4 years of experience in the petroleum industry. Prior to graduation, I worked the summers of 2017 and 2018 as a Landman Intern with Hilcorp Energy Company. In May 2019, I began working full time in a land capacity for Hilcorp Energy Company. In April 2022, I was hired by BTA as a Landman. I maintain active memberships with the American Association of Professional Landmen and the Permian Basin Landman Association.

3. I am familiar with the land matters involved in the above-referenced case. Copies of BTA’s application and proposed hearing notice are attached as **Exhibit A-1**.

4. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

5. BTA seeks an order pooling all uncommitted mineral interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised

**BTA Oil Producers, LLC  
Case No. 23481  
Exhibit A**

of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit").

6. The Unit will be dedicated to the **Capitan 22301 28-33 State Com #9H** well ("Well"), which will be completed in the Upper Penn Pool (Code 98333). The Well will be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33.

7. The completed interval of the Well will be orthodox.

8. **Exhibit A-2** contains the C-102 for the Well.

9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests BTA seeks to pool highlighted in yellow. All of the parties are locatable.

10. BTA has conducted a diligent search of all county public records including phone directories and computer databases.

11. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

12. In my opinion, BTA made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

13. BTA requests overhead and administrative rates of \$12,000 per month while the Well is being drilled and \$1,200 per month while the Well is producing. These rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.

14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Adams Davenport  
Adams Davenport

04/28/2023  
Date

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

**APPLICATION OF BTA OIL PRODUCERS,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 23481**

**APPLICATION**

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) (“BTA” or “Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico (“Unit”). In support of this application, BTA states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Capitan 22301 28-33 State Com #9H** well (“Well”), to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**BTA Oil Producers, LLC  
Case No. 23481  
Exhibit A-1**



6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com  
ypena@hinklelawfirm.com  
*Counsel for BTA Oil Producers, LLC*

**Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.**

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 28-33 State Com #9H** well ("Well"), to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.

**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

<sup>1</sup> API Number		<sup>2</sup> Pool Code 98333	<sup>3</sup> Pool Name WC025 G09 S173615C; UPPER PENN	
<sup>4</sup> Property Code	<sup>5</sup> Property Name CAPITAN 22301 28-33 STATE COM			<sup>6</sup> Well Number 9H
<sup>7</sup> OGRID No. 260297	<sup>8</sup> Operator Name BTA OIL PRODUCERS, LLC			<sup>9</sup> Elevation 3904'

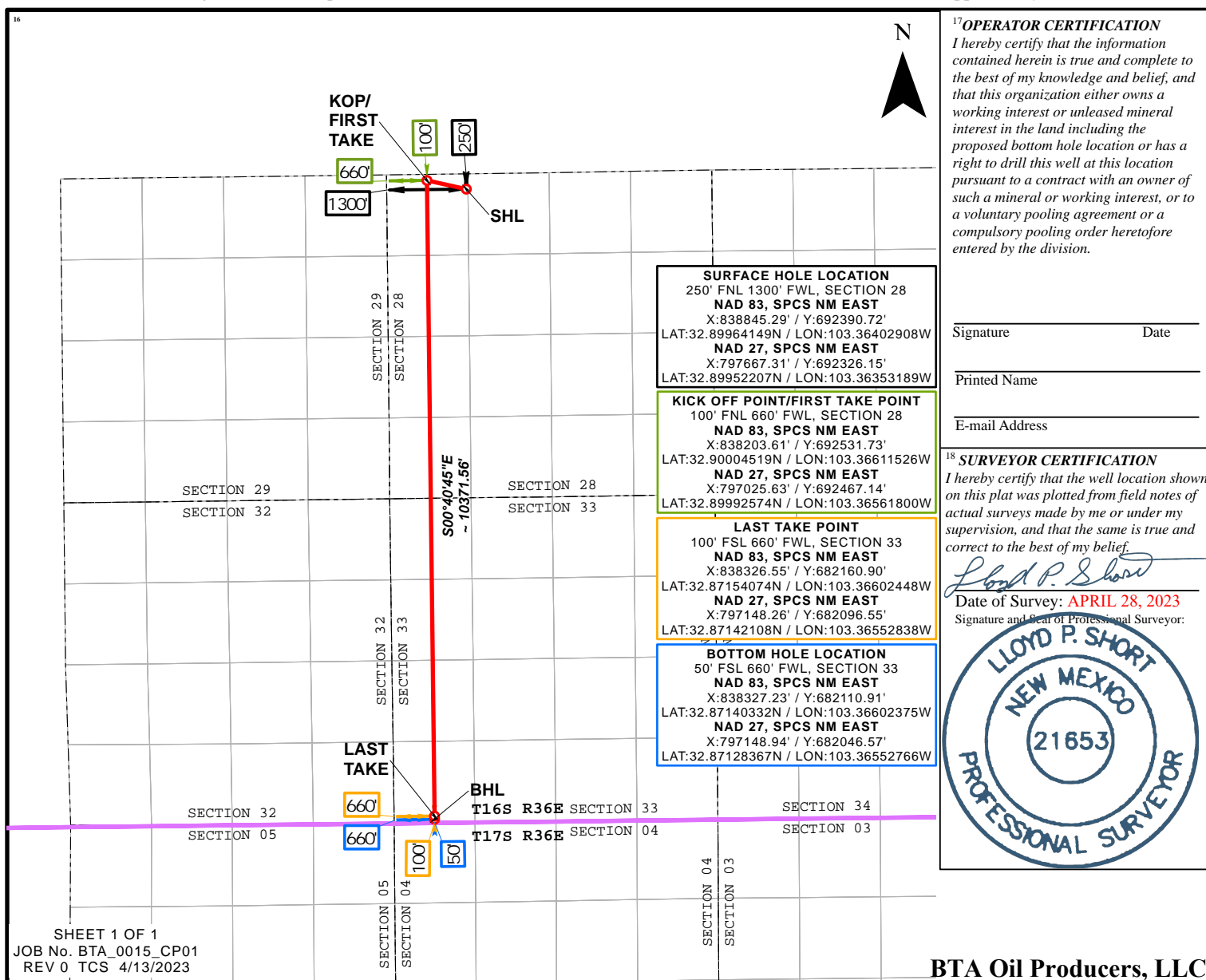
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	16S	36E		250	North	1300	West	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. <b>M</b>	Section <b>33</b>	Township <b>16S</b>	Range <b>36E</b>	Lot Idn	Feet from the <b>50</b>	North/South line <b>South</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>320</b>		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

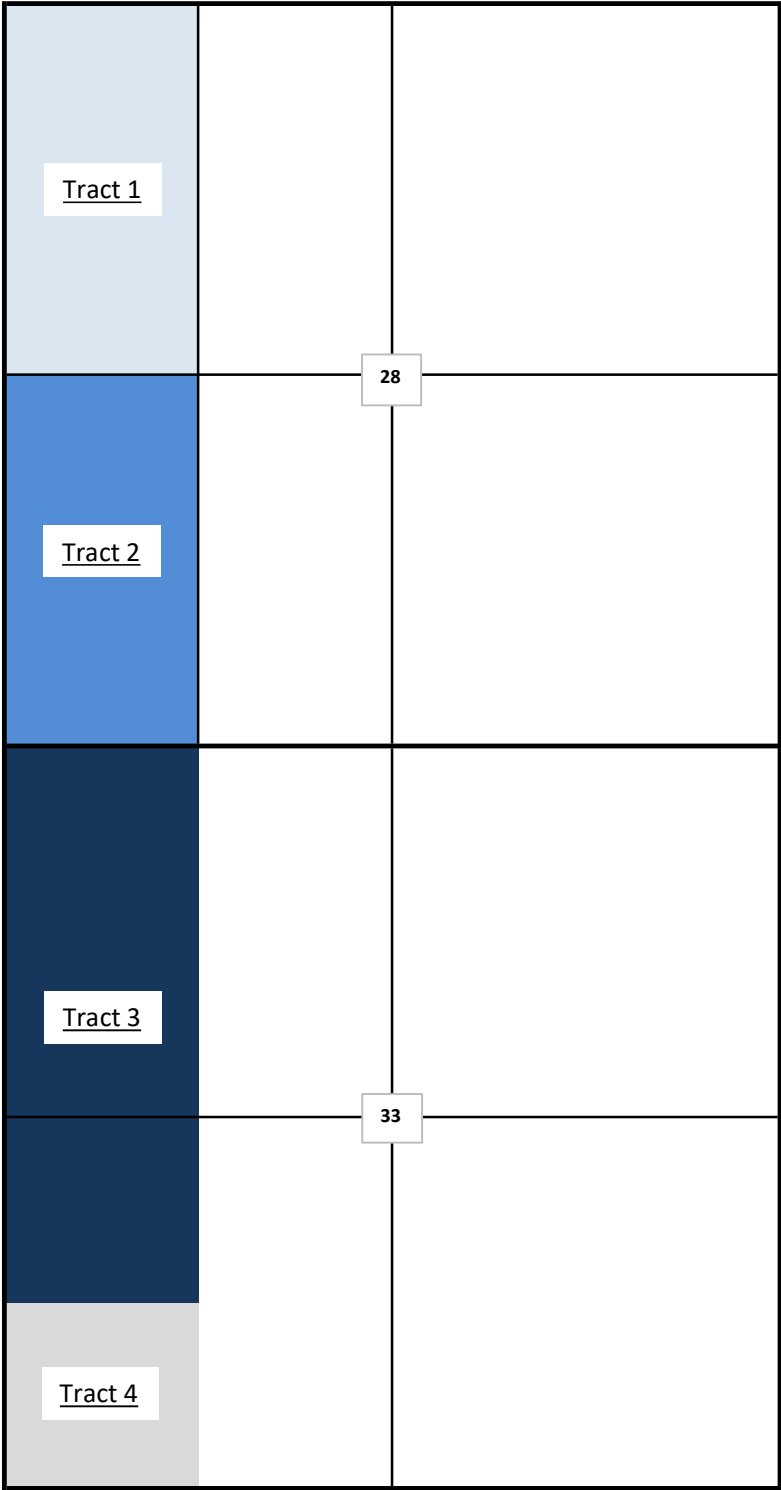


**BTA Oil Producers, LLC**

**Case No. 23481**

Exhibit A-2

**320 Acre Spacing Unit for the Capitan 22301 28-33 State Com #9H Well  
Covering the W/2 W/2 of Section 28 and W/2 W/2 of Section 33,  
T-16-S, R-36-E, N.M.P.M., Lea County, New Mexico**



**BTA Oil Producers, LLC  
Case No. 23481  
Exhibit A-3**

## Capitan 22301 28-33 State Com #9H Unit Recapitulation

Tract 1	Leasehold Owner	WI	80 Acres
State of New Mexico OGL A0-1320 W/2 NW/4 Section 28, T16S, R36E, Lea County, New Mexico	XTO Holdings, LLC	100.0000%	80.0000
Tract 2	Leasehold Owner	WI	80 Acres
State of New Mexico OGL VC-0806 W/2 SW/4 Section 28, T16S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 3	Leasehold Owner	WI	120 Acres
Fee	BTA Oil Producers, LLC	85.4167%	102.5000
W/2 NW/4, NW/4 SW/4	Broughton Petroleum Inc.	11.2500%	13.5000
Section 33, T16S, R36E, Lea County, New Mexico	Hay Family Trust dated 06/24/2005	3.3333%	4.0000
Tract 4	Leasehold Owner	WI	40 Acres
State of New Mexico OGL B0-2894 SW/4 SW/4 Section 33, T16S, R36E, Lea County, New Mexico	XTO Holdings, LLC	100.0000%	40.0000
Recapitulation	Leasehold Owner	WI	320 Acres
Capitan 22301 28-33 State Com #9H	BTA Oil Producers, LLC	57.0313%	182.5000
	XTO Holdings, LLC	37.5000%	120.0000
	Broughton Petroleum Inc.	4.2188%	13.5000
	Hay Family Trust dated 06/24/2005	1.2500%	4.0000
Total		100.0000%	320.0000

\*Parties to be pooled are highlighted in yellow.



**BTA OIL PRODUCERS, LLC**

104 SOUTH PECOS STREET  
MIDLAND, TEXAS 79701-5021  
432-682-3753  
FAX 432-683-0314

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.  
ASHLEY BEAL LAFEVERS  
ALEX BEAL  
HILL DAVENPORT  
TREY FUQUA

**GULF COAST DISTRICT**  
TOTAL PLAZA  
1201 LOUISIANA STREET, STE. 3375  
HOUSTON, TEXAS 77002  
713-658-0077

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

February 16, 2023

In re: Well Proposal  
Capitan 22301 28-33 State Com #9H  
SHL: 250' FNL & 1,300' FWL Section 28, T16S, R36E  
BHL: 50' FSL & 660' FWL Section 33, T16S, R36E  
Lea County, New Mexico

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BTA 22300 Arbor 2

XTO Holdings, LLC  
Attn: Bryan J. Cifuentes  
22777 Springwoods Village Parkway  
Spring, Texas 77389-1425

Mr. Cifuentes:

BTA Oil Producers, LLC ("BTA") proposes to drill the Capitan 22301 28-33 State Com #9H (the "Well"), a horizontal, communitized, Pennsylvanian Shale Well with a TVD of 11,427' and a MD of 21,540'. The Well will be drilled as a two mile horizontal well at the above captioned location (the "Operation"). The Cumulative Well Costs of the Operation are estimated to be \$13,976,471.00 as detailed in our enclosed Authority for Expenditure ("AFE").

BTA proposes drilling the Well under the terms of a new 2015 AAPL Form 610-2015 Model Form Operating Agreement with following general provisions:

- 300% / 100% / 300% non-consent penalty;
- \$8,000.00 / \$800.00 drilling and producing rates;
- Contract Area of 320 acres, being the W2 W2 of Section 28, T16S-R36E and W2 W2 of Section 33, T16S, R36E, limited to the Pennsylvanian Shale formation; and
- BTA Oil Producers, LLC named as Operator.

Find enclosed two (2) copies of our AFE for the drilling of the Capitan 22301 28-33 State Com #9H Well. If you elect to participate in the drilling of the Well, please so indicate by returning a signed copy of this letter along with a signed copy of the AFE to this office using the enclosed envelope. Please note the Well is a horizontal well and there will not be a casing point election.

**BTA Oil Producers, LLC**  
**Case No. 23481**  
**Exhibit A-4**

Page 2

Your election must be received by BTA within 30 days of your receipt of this letter. In the event that there has been no election after 30 days from your receipt of this letter, BTA will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division.

Should you have any questions or require further information, please let me know.

Sincerely,



Adams B. Davenport  
Business Development

\_\_\_\_\_ Elect to Participate in the Capitan 22301 28-33 State Com #9H Well  
(Send well information requirements to BTA)

\_\_\_\_\_ Elect to not to participate in the Capitan 22301 28-33 State Com #9H Well

XTO Holdings, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





**CHRONOLOGY OF CONTACT**  
Capitan 22301 28-33 State Com #9H

**Hay Family Trust dated 06/24/2005**

08/10/2022 Sent via Certified USPS Mail (Tracking No. 7021 2720 0000 4599 0253) lease offer to the Hay Family Trust dated 06/24/2005 at 5901 Mount Rockwood Circle, Waco, Texas 76710.

08/12/2022 E. L. Mainor signed for the packet as Agent of the Hay Family Trust dated 06/24/2005. No response received by BTA.

02/16/2023 Sent via Certified USPS Mail (Tracking No. 9214 8969 0099 9790 1822 0200 44) the well proposal/lease offer to the Hay Family Trust dated 06/24/2005 at 5901 Mount Rockwood Circle, Waco, Texas 76710. No response received by BTA.

03/14/2023 Looked up E. L. Mainor on Accurant. Called listed phone number with no answer.

03/15/2023 Looked up Norman Hay, Jr. on Accurant. Called listed phone number with no answer. No voicemail option available.

03/27/2023 Called Louise Hay at two possible phone numbers – no answer and no call back. Called and left message for Christine Goldstein (daughter of Norman and Louise Hay) - no call back. Called Brandt Goldstein (Christine's husband) – answered and said he would have Christine call back.

04/19/2023 Called Brandt Goldstein. Explained that BTA is interested in leasing his wife's family's minerals. Mr. Goldstein said he would talk to his wife and have her call.

04/28/2023 Spoke with Christine Goldstein. She said that her family is interested in leasing. She is getting in contact with their attorney to work through Trust Agreement.

05/01/2023 Left a message with Ms. Goldstein to discuss leasing.

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LEA COUNTY, NEW MEXICO**

**CASE NO. 23481**

**SELF-AFFIRMED STATEMENT  
OF DAVID CHILDERS**

1. I am a geologist at BTA Oil Producers, LLC ("BTA") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the Division and my credentials as an expert in geology were accepted as a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. Exhibit B-1 is a project location map that shows the location of the proposed Capitan 22301 28-33 State Com #09H well.

4. BTA is targeting the Pennsylvanian Shale Formation. Exhibit B-2 is a subsea structure map that I prepared for this interval with 100-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. The structure map shows the Pennsylvanian Shale Formation. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.

5. Exhibit B-2 also shows a cross-section line in blue running North to South reflecting three wells penetrating the Pennsylvanian Shale Formation that I used to construct a stratigraphic cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

6. Exhibit B-3 is a stratigraphic cross-section that I prepared using the logs from the three wells noted on Exhibit B-2. Each well in the cross-section contains the gamma ray in the first track and resistivity in the second track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. Exhibit B-4 is a Gross Isopach map of the Pennsylvanian Shale Formation interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 370 to 425 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-3 is also shown as a blue line on this map.

8. In my opinion, a stand-up orientation for the well is appropriate to properly develop the subject acreage because of an established directional pattern.

9. Based on my geologic study, the Pennsylvanian Shale Formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.

10. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

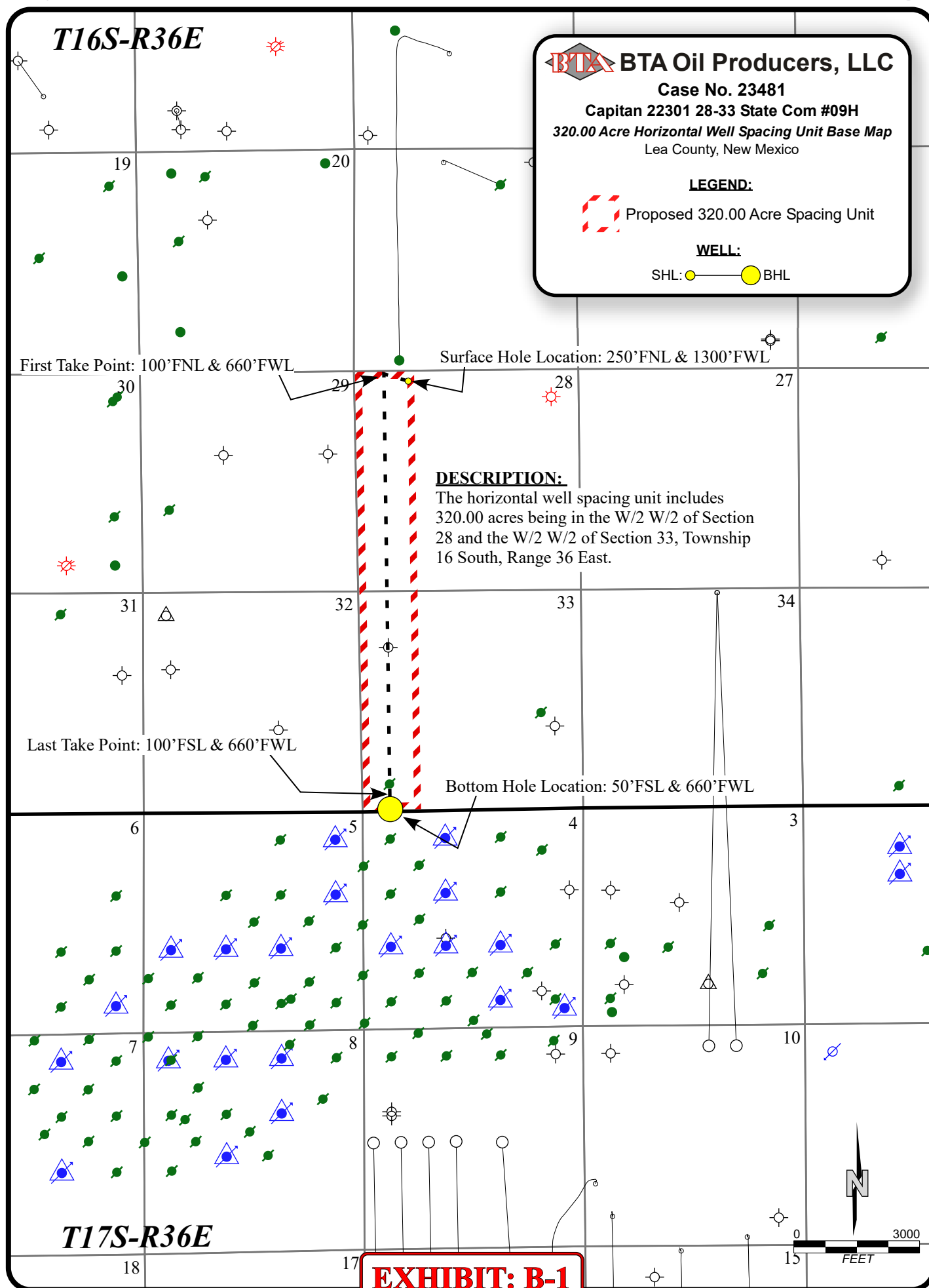
11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under

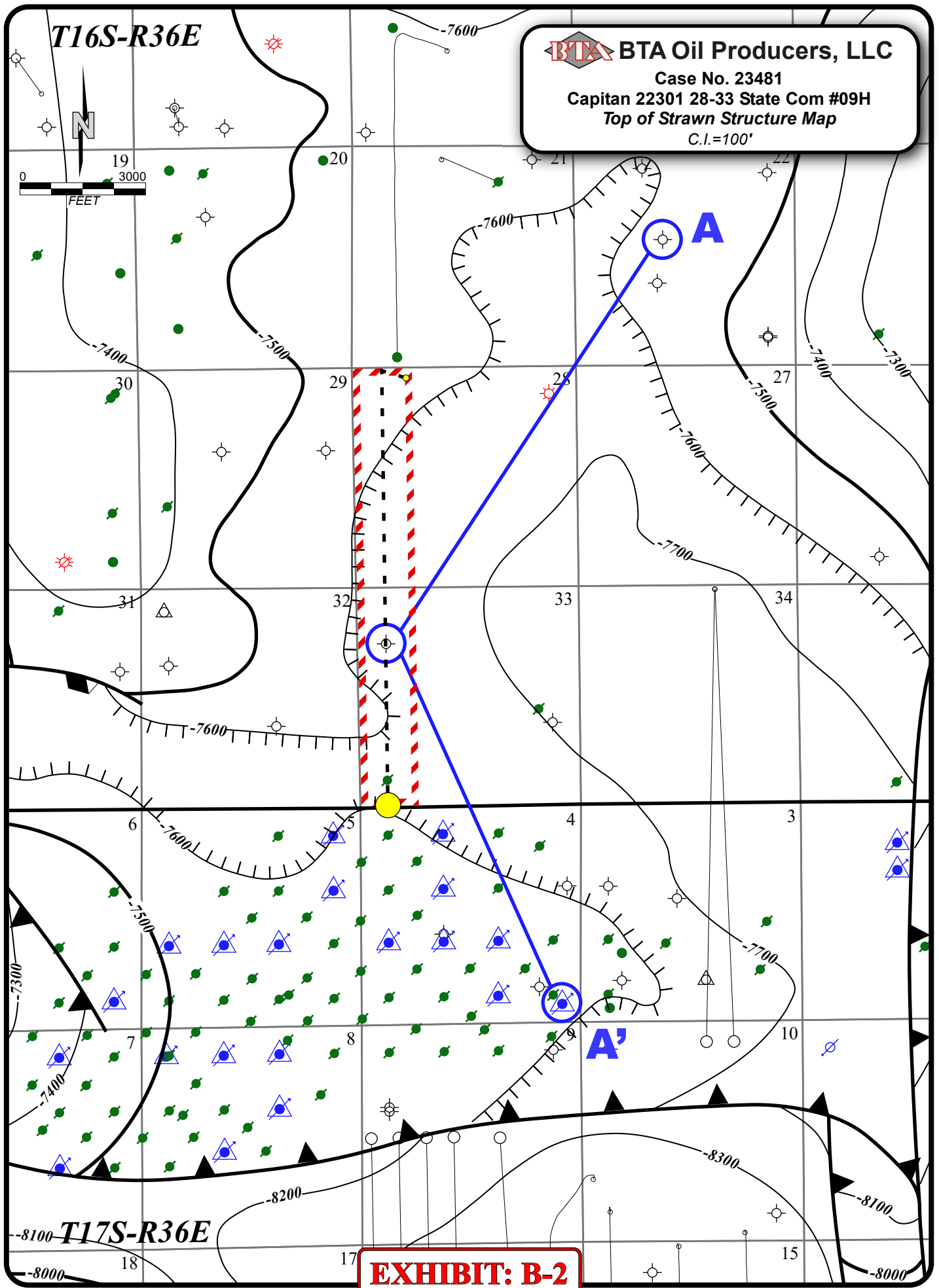
the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

David Childers  
David Childers

4-21-2023  
Date







**BTA Oil Producers, LLC**

Case No. 23481  
Capitan 22301 28-33 State Com #09H  
Stratigraphic Cross Section

**A****A'**

Chesapeake Operating Inc.  
Teague 22 #1  
Sec. 22, T16S-R36E  
2272'FNL & 2125'FWL

David Arrington  
Irresistible #1  
Sec. 33, T16S-R36E  
1351'FNL & 696'FWL

Texland Petroleum-Hobbs, LLC  
OPL 4 State #1  
Sec. 4, T17S-R36E  
440'FSL & 440'FEL

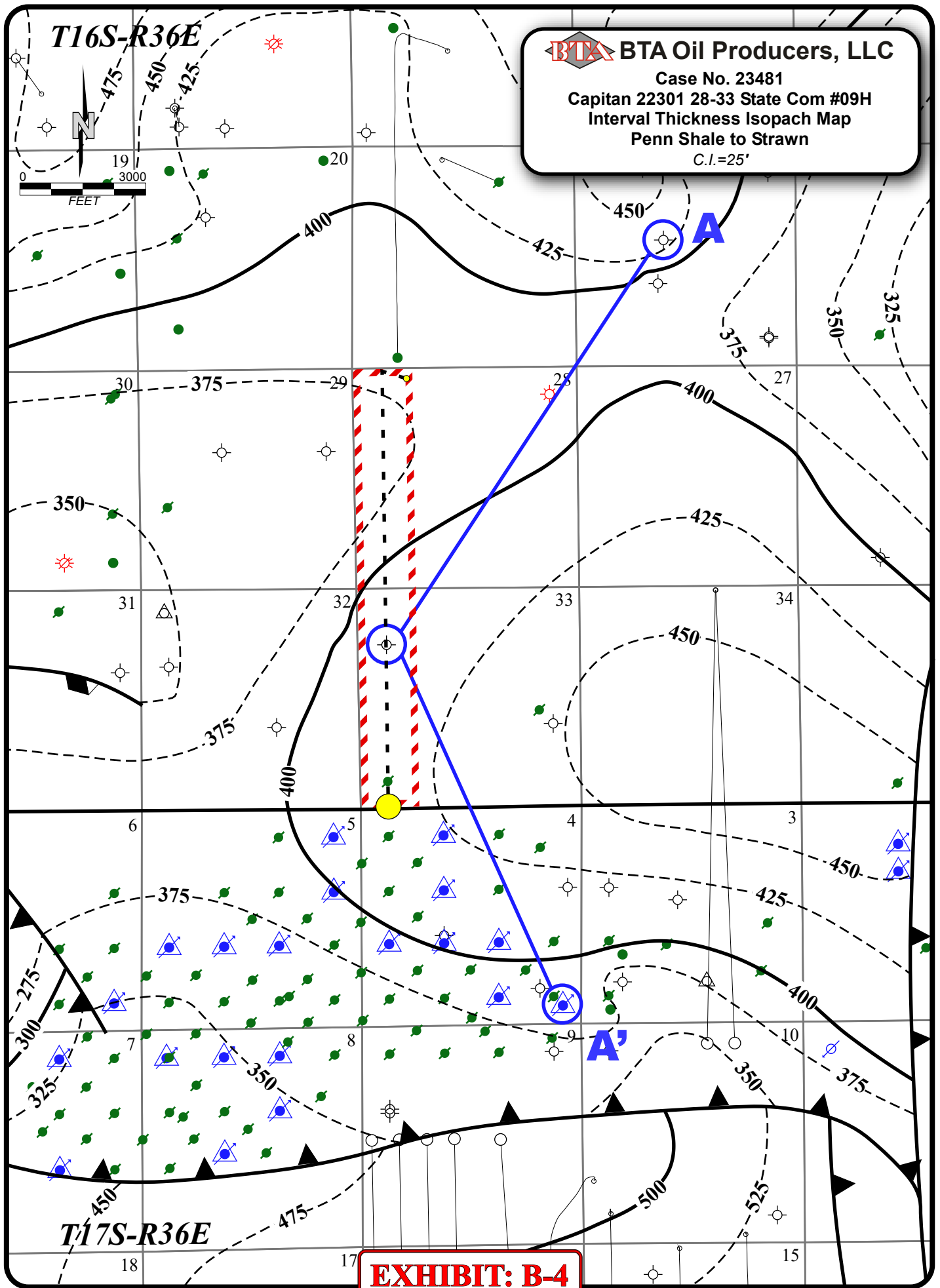
*Penn Shale**Penn Shale*

Target Zone

Target Zone

*Strawn**Strawn***EXHIBIT: B-3**





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

**APPLICATION OF BTA OIL PRODUCERS,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 23481**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of BTA Oil Producers, LLC the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On April 14, 2023, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy  
Dana S. Hardy

May 2, 2023  
Date

**BTA Oil Producers, LLC  
Case No. 23481  
Exhibit C**



hinklelawfirm.com

## HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:  
Dana S. Hardy, Partner  
dhardy@hinklelawfirm.com

April 12, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 23481 – Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **May 4, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting>) or via e-mail to [ocd.hearings@emnrd.nm.gov](mailto:ocd.hearings@emnrd.nm.gov) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Adams Davenport, at BTA Oil Producers, LLC, by phone at 432-682-3753 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

**BTA Oil Producers, LLC**  
**Case No. 23481**  
**Exhibit C-1**

PO BOX 10  
ROSWELL, NEW MEXICO 88202  
(575) 622-6510  
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

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

**APPLICATION OF BTA OIL PRODUCERS,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**


**CASE NO. 23481**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Larry M. Dean & Patricia G. Dean Trust, UTA dated 09/17/2003 Larry M. Dean & Patricia G. Dean, Co-Trustees 7282 Mossy Oak Drive Navarre, Florida 32566-9000	04/12/23	04/26/23  No signature.
Graham Ranch, LLC Attn: Mike Davis P.O. Box 1117 Lovington, New Mexico 88260	04/12/23	04/27/23
Hay Family Trust dated 06/24/2005 Normal L. Hay, Jr. & Louise Hay, Co-Trustees 5901 Mount Rockwood Circle Waco, Texas 76710	04/12/23	04/17/23
XTO Holdings, LLC Attn: Bryan J. Cifuentes 22777 Springwoods Village Pkwy Spring, Texas 77389-1425	04/12/23	04/26/23  No signature.

**BTA Oil Producers, LLC  
Case No. 23481  
Exhibit C-2**

7022 1670 0002 1183 8479

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
<b>OFFICIAL USE</b>	
Certified Mail Fee \$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	
Sender: Larry M. Dean & Patricia G. Dean Trust, UTA dated 09/17/2003 Larry M. Dean & Patricia G. Dean, Co-Trustees 7282 Mossy Oak Drive Navarre, Florida 32566-9000 23481 - BTA Capital	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to:  Larry M. Dean & Patricia G. Dean Trust, UTA dated 09/17/2003 Larry M. Dean & Patricia G. Dean, Co-Trustees 7282 Mossy Oak Drive Navarre, Florida 32566-9000 23481 - BTA Capital	B. Received by (Printed Name) C. Date of Delivery  D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label) 7022 1670 0002 1183 8479	RECEIVED APR 26 2023
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	Hinkie Shanor LLP Santa Fe NM 87501 <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

BTA Oil Producers, LLC  
Case No. 23481  
Exhibit C-3



**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$


☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To  
 Graham Ranch, LLC  
 Attn: Mike Davis  
 P.O. Box 1117  
 Lovington, New Mexico 88260  
 23481 - BTA Capitan

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Graham Ranch, LLC            Attn: Mike Davis            P.O. Box 1117            Lovington, New Mexico 88260            23481 - BTA Capitan</p> <p style="text-align: center;">             9590 9402 7635 2122 8886 17         </p> <p>2. Article Number (Transfer from service label)  <b>7022 1670-0002 1183 8462</b></p>	<p>A. Signature  <b>X</b> <i>Mike Davis</i> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)  <b>Mike Davis</b></p> <p>C. Date of Delivery  <b>APR 27 2023</b></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; color: red;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em; color: red;">APR 27 2023</p> <p>3. Service Type  <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p style="text-align: right;">Priority Mail Express®            Registered Mail™            Registered Mail Restricted Delivery            Signature Confirmation™            Signature Confirmation Restricted Delivery</p>

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

7022 1670 0002 1183 8455

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee  
 \$

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage and Fees  
 \$

Sent To  
 Hay Family Trust dated 06/24/2005  
 Normal L. Hay, Jr. & Louise Hay, Co-Trustees  
 5901 Mount Rockwood Circle  
 Waco, Texas 76710  
 23481 - BTA Capitan

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**SANTA FE MAIN STATION**  
**APR 12 2023**  
 Postmark Here  
**SANTA FE, NM 87507-0501**

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature            X <i>Elaine Hapa</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Hay Family Trust dated 06/24/2005            Normal L. Hay, Jr. &amp; Louise Hay, Co-Trustees            5901 Mount Rockwood Circle            Waco, Texas 76710            23481 - BTA Capitan</p>		<p>B. Received by (Printed Name)  <i>Elaine Hapa</i></p> <p>C. Date of Delivery  <i>4-15-23</i></p>	
<p>2. Article Number (Transfer from service label)            7022 1670 0002 1183 8455</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No            If YES, enter delivery address below</p> <p><b>RECEIVED</b>  <b>APR 17 2023</b>            Hinkle Shanor LLP            Santa Fe, NM 87504</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>		<p><input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt



**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
 Domestic Mail Only

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$  
 Sent To  
 XTO Holdings, LLC  
 Attn: Bryan J. Cifuentes  
 22777 Springwoods Village Pkwy  
 Spring, Texas 77389-1425  
 23481 - BTA Capitan

Postmark Here

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 XTO Holdings, LLC  
 Attn: Bryan J. Cifuentes  
 22777 Springwoods Village Pkwy  
 Spring, Texas 77389-1425  
 23481 - BTA Capitan

2. Article Number (Transfer from service label)  
 7022 1670 0002 1183 8585

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

**RECEIVED**  
 APR 26 2023

3. Service Type Hinkle Shanor LLP  
☐ Adult Signature Santa Fe NM 87504 ☐ Priority Mail Express®  
☐ Adult Signature Restricted Delivery ☐ Registered Mail™  
☐ Certified Mail® ☐ Registered Mail Restricted Delivery  
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™  
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt



**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
April 14, 2023  
and ending with the issue dated  
April 14, 2023.



Publisher

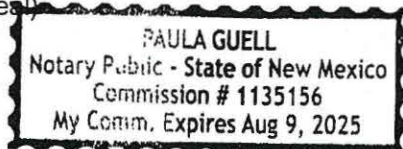
Sworn and subscribed to before me this  
14th day of April 2023.



Notary

My commission expires  
August 09, 2025

(Seal)



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

**LEGAL NOTICE**  
**April 14, 2023**

This is to notify all interested parties, including XTO Holdings, LLC; Hay Family Trust dated 06/24/2005, Normal L. Hay, Jr. & Louise Hay, Co-Trustees; Larry M. Dean & Patricia G. Dean Trust, UTA dated 09/17/2003, Larry M. Dean & Patricia G. Dean, Co-Trustees; Graham Ranch, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 23481). The hearing will be conducted remotely on May 4, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 28 and the W/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 28-33 State Com #9H** well ("Well"), to be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 33. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 2 miles south of Lovington, New Mexico.  
**#00277658**

02107475

00277658

GILBERT  
HINKLE, SHANOR LLP  
PO BOX 2068  
SANTA FE, NM 87504

**BTA Oil Producers, LLC**  
**Case No. 23481**  
**Exhibit C-4**