

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Alex Beal
A-1	Resume of Alex Beal
A-2	Application & Proposed Notice of Hearing
A-3	Order R-21572
A-4	Order R-21572-A
A-5	Order R-21572-B
A-6	NMSLO's Final Approval of the Unit Expansion from January 24, 2023
A-7	Plan of Development
A-8	Order No. R-22435
A-9	Texas Standard Operating NM, LLC's Applications for Permits to Drill
A-10	Vindicator Canyon State Unit Map
A-11	Facility Location Map
A-12	Notice of Termination of Lease No. B0-9042-1
A-13	Map of Expired Lease No. B0-9042-1
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Location Map of the Texas Standard Operating ("TSO") State 9-16 No. 1H, 2H, 3H, and 4H wells with Cross Section
B-2	North-South Structural Cross Section

Exhibit C	Self-Affirmed Statement of Nick Eaton
C-1	North-South Structural Cross Section Collision and Frac Risk
Exhibit D	Self-Affirmed Statement of Dana S. Hardy
D-1	Notice Letter to Texas Standard Operating
D-2	Chart of Notice
D-3	Copies of Certified Mail Green Cards and White Slips

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

**SELF-AFFIRMED STATEMENT
OF ALEX BEAL**

1. I am a Surface Land Manager for BTA Oil Producers, LLC (“BTA”). I am over 18 years of age, 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”). I have a Bachelor of Business Administration degree in Energy Management and have worked as a landman since 2017. A copy of my resume is attached as **Exhibit A-1**.

2. BTA seeks an order rescinding approval of Applications for Permits to Drill (“APDs”) that were recently submitted for the TSO State 9-16 No. 1H (API #30-025-51106), State 9-16 State No. 2H (API #30-025-51128), State 9-16 No. 3H (API #30-025-51129), and State 9-16 No. 4H (API #30-025-51130) wells (“TSO Wells”). The TSO Wells are located in the W/2 of Section 16 and the SW/4 of Section 9, Township 17 South, Range 36 East and traverse the N/2 NW/4 of Section 21, Township 17 South, Range 36 East, which is included within BTA’s Vindicator Canyon State Exploratory Unit (“Unit”). TSO’s proposed well locations interfere with BTA’s ability to develop the Unit and thereby violate BTA’s correlative rights and result in waste. Copies of BTA’s application and proposed notice are attached at **Exhibit A-2**.

**BTA Oil Producers, LLC
Case No. 23426
Exhibit A**

3. On January 26, 2021, the New Mexico Oil Conservation Division (“Division”) issued Order No. R-21572, approving the Unit, consisting of 6,000 acres of State land located in Township 17 South, Range 36 East, N.M.P.M. Lea County, New Mexico. The unitized interval is the Canyon formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Manzano LLC (“Manzano”) was designated as operator of the Unit. **Exhibit A-3** is a copy of Order R-21572.

4. On April 29, 2021, the Division entered Order R-21572-A approving the addition of 960-acres of State lands to the Unit. A copy of Order R-21572-A is attached as **Exhibit A-4**,

5. In Case No. 22668, Manzano filed an application with the Division to amend Order No. R-21572-A to remove the E/2 of Section 30 and the E/2 NE/4 of Section 31 from the Unit and include the entirety of Section 21 in the Unit. On July 26, 2022, the Division issued Order R-21572-B approving Manzano’s application. As a result, the Unit currently includes the following 7,200 acres, more or less, of state lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4

Section 15: All

Section 20: All

Section 21: All

Section 22: All

Section 23: S/2, NW/4

Section 26: All

Section 27: All

Section 28: All

Section 29: All

Section 32: N/2, SW/4

Section 33: NE/4

Section 34: E/2 E/2

Section 35: All.

Manzano was designated operator of the Unit. A copy of Order No. R-21572-B is attached as **Exhibit A-5**.

6. BTA assumed operatorship of the Unit effective October 13, 2022.

7. A copy of the NMSLO's January 24, 2023 final approval of the Unit expansion is attached as **Exhibit A-6**.

8. BTA submitted its annual proposed Plan of Development to the NMSLO on February 20, 2023. A copy of BTA's Plan of Development is attached as **Exhibit A-7** and demonstrates how BTA seeks to efficiently develop the Unit for the benefit of the interest owners and the State.

9. BTA intends to complete numerous wells within the Unit, including the Vindicator Canyon State Unit 317H and 318H ("BTA Wells"), which will have surface hole locations in the N/2 NW/4 of Section 21 and will be drilled from North to South to produce from the Pennsylvanian Shale formation.

10. In Case No. 23005, TSO sought an order pooling all uncommitted interests in the Upper Penn Shale formation, in a horizontal spacing unit underlying the SW/4 of Section 9 and the W/2 of Section 16, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. On December 5, 2022, the Division issued Order No. R-22435 granting TSO's application. A copy of Order No. R-22435 is attached as **Exhibit A-8**.

11. Additionally, in Order No. R-22435, TSO was granted pooling for the 1H well to be drilled 1330' FWL of Sections 9 and 16. The order designated the 1H well as a proximity tract well, which was necessary for TSO to pool its 480-acre horizontal spacing unit. Without a proximity tract well, TSO would have needed to pool two separate units or seek approval of a non-standard spacing unit under the Division's regulations. TSO subsequently obtained permits for the

1H-4H wells to be drilled 2310 FWL, 1650 FWL, 990 FWL and 330 FWL, which are attached as **Exhibit A-9**. As a result, TSO has not permitted the 1H well as a proximity tract well as required by the order and its pooling order approving a 480-acre standard spacing unit is invalid.

12. TSO's APDs show that the TSO Wells have surface locations in the N/2 NW/4 of Section 21. The laterals will be drilled through the Unit and the unitized formation to reach the Pennsylvanian Shale formation within the W/2 of Section 16 and SW/4 of Section 9.

13. The surface locations for the TSO wells are situated approximately 880 feet from the surface location for the BTA Wells, which is shown on the Vindicator Canyon State Unit map attached as **Exhibit A-10**.

14. A map depicting BTA's locations of water lines, gas lines, and central tank batteries is attached as **Exhibit A-11**. As shown on the map, the placement of TSO's wells and surface facilities will interfere with BTA's development.

15. Although the TSO Wells will not produce from the N/2 NW/4 of Section 21, the location of the TSO laterals and surface facilities will interfere with the BTA Wells and with BTA's ability to develop the Unit. In this regard, TSO's proposed well locations violate BTA's correlative rights and will result in waste.

16. BTA is already in the process of developing 7,200 acres in its Vindicator Canyon State Unit. Allowing BTA to develop this Unit is the most prudent way to develop the acreage at issue and will prevent waste because BTA has the ability to coordinate development within the Unit and implement operational efficiencies, such as batch drilling and consolidated surface facilities. BTA's development of the Unit will also benefit the State of New Mexico and the interest owners.

17. Additionally, Lease No. B0-9042-1 (comprised of the SW/4 of Section 9), which is included within TSO's proposed horizontal spacing unit, terminated on November 28, 2022. An executed letter from the New Mexico State Land Office memorializing the lease termination is attached as **Exhibit A-12**. As a result, this acreage is currently unleased and TSO does not have the right to drill its wells on the subject acreage.

18. Because Lease No. B0-9042-1 has expired and TSO does not have the right to drill on the acreage, TSO's APDs are not valid. **Exhibit A-13** is a map showing the location of the expired lease. Additionally, because the lease has expired, TSO's pooling order No. R-22435 is no longer valid.

19. BTA's comprehensive development plan protects correlative rights and prevents the drilling of unnecessary wells. BTA will have the ability to best locate its wells within the Vindicator Canyon State Unit.

20. Prohibiting TSO from interfering with BTA's Vindicator Canyon State Unit will allow BTA to fully develop the Unit, and will reduce environmental, surface, and economic waste.

21. BTA has already located well sites in this Unit.

22. BTA has contracts in place for the takeaway of gas and water.

23. For the reasons set out above, it is my opinion that granting BTA's application would best prevent waste and protect correlative rights. BTA should be permitted to proceed with its development plan, without interference from TSO.

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

25. 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 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.


Alex Beal

5/12/2023
Date

EXHIBIT: A-1
BTA OIL PRODUCERS, LLC

Alex Beal
Surface Land Manager/Landman
BTA Oil Producers LLC

Education:

University of Oklahoma: *August 2012 to December 2016*

Bachelor of Business Administration: Energy Management

Work History:

Matador Land Services, LLC:

Field Landman *January 2017 to February 2018*

- Created Runsheets.
- Compiled Title Abstracts
- Created Surface and Mineral Title Takeoffs
- Created Lease Ownership Reports
- Assisted with Title Curative Projects
- Acquired Right-of-Ways, Easements & Surface Use Agreements

BTA Oil Producers, LLC:

Surface Landman *February 2018 to January 2021*

- Negotiated Surface Use Agreements, Easements, Right of Ways
- Worked with New Mexico State Land Office, Bureau of Land Management, and Fee Landowners on surface facilities planning.
- Negotiated Saltwater Disposal Agreements.
- Completed surface land acquisitions.

Surface Land Manager/Landman *January 2021 to Present*

- Manage surface landman and brokers to support BTA's drilling, completing, and production operations
- Acquire Oil and Gas leases
- Assist with Mineral, Leasehold, and surface acquisitions and divestitures.

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-1

EXHIBIT: A-2

BTA OIL PRODUCERS, LLC

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO. CASE NO. _____**

APPLICATION

BTA Oil Producers, LLC (“BTA”) (OGRID No. 260297) seeks an order rescinding approval of four Applications for Permits to Drill (“APDs”) submitted by Texas Standard Operating NM, LLC (“TSO”) for the State 9-16 1H, 2H, 3H, and 4H Wells.

1. BTA seeks an order rescinding approval of APDs that were recently submitted for the TSO State 9-16 No. 1H (API #30-025-51106), State 9-16 State No. 2H (API #30-025-51128), State 9-16 No. 3H (API #30-025-51129), and State 9-16 No. 4H (API #30-025-51130) wells (“TSO Wells”). The TSO Wells are located in the W/2 of Section 16 and the SW/4 of Section 9, Township 17 South, Range 36 East and traverse the N/2 NW/4 of Section 21, Township 17 South, Range 36 East, which is included within BTA’s Vindicator Canyon State Exploratory Unit (“Unit”). TSO’s proposed well locations interfere with BTA’s ability to develop the Unit and thereby violate BTA’s correlative rights and result in waste. In addition, there does not appear to be a valid state lease for part of the acreage included in TSO’s spacing units.

2. The Division has “jurisdiction, authority, and control over all persons, matters, or things necessary or proper to enforce effectively the provisions of [the Oil and Gas Act] . . .” NMSA 1978, § 70-2-6. The Oil and Gas Act delegates to the Division authority to issue orders that “require wells to be drilled, operated and produced in such manner as to prevent injury to

**BTA Oil Producers, LLC
Case No. 23426
Exhibit A-2**

neighboring leases or properties,” NMSA 1978, § 70-2-12(B)(7), as well as to prevent waste and protect correlative rights, NMSA 1978, § 70-2-11.

3. On January 26, 2021, the New Mexico Oil Conservation Division (“Division”) issued Order No. R-21572, approving the Unit, consisting of 6,000 acres of State land located in Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unitized interval is the Canyon formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Manzano LLC (“Manzano”) was designated as operator of the Unit.

4. On April 29, 2021, the Division entered Order R-21572-A, approving the addition of 960-acres of State lands to the Unit. The expanded unit encompasses the following 6,960 acres, more or less, of State lands in Lea County:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4
Section 15: All
Section 20: All
Section 22: All
Section 23: S/2, NW/4
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: E/2
Section 31: E/2, NE/4
Section 32: N/2, SW/4
Section 33: NE/4
Section 34: E/2 E/2
Section 35: All

5. In Case No. 22668, Manzano filed an application with the Division to amend Order No. R-21572-A to remove the E/2 of Section 30 and the E/2 NE/4 of Section 31 from the Unit and

add all of Section 21 to the Unit. The proposed amendment would modify and expand the geographic area of the Vindicator Canyon State Exploratory Unit, for a net expansion of 240-acres.

6. BTA assumed operatorship of the Unit effective October 13, 2022.

7. The New Mexico State Land Office (“NMSLO”) granted final approval of the Unit expansion on January 24, 2023, and BTA submitted its annual proposed Plan of Development to the NMSLO on February 20, 2023. BTA’s Plan of Development is an estimated plan for development that year and seeks to efficiently develop the Unit for the benefit of the interest owners and the State.

8. BTA intends to complete numerous wells within the Unit, including the Vindicator Canyon State Unit 317H and 318H (“BTA Wells”), which will have surface hole locations in the N/2 NW/4 of Section 21 and will be drilled from North to South to produce from the Pennsylvanian Shale formation.

9. The TSO Wells have surface locations in the N/2 NW/4 of Section 21, and the laterals will be drilled through the Unit and the unitized formation to reach the Pennsylvanian Shale formation within the W/2 of Section 16 and SW/4 of Section 9. The surface locations for the TSO wells are situated approximately 880 feet from the surface location for the BTA Wells.

10. Although the TSO Wells will not produce from the N/2 NW/4 of Section 21, the location of the TSO laterals will interfere with the BTA Wells and with BTA’s ability to develop the Unit. In this regard, TSO’s proposed well locations violate BTA’s correlative rights and will result in waste.

11. In addition, the NMSLO website shows that no lease currently exists for the SW/4 of Section 9, Township 17 South, Range 36 East, which is included within TSO’s proposed spacing units. As a result, TSO does not have the right to drill its wells as they have been permitted.

For the foregoing reasons, BTA requests that the Division set this matter for hearing on the next available docket and issue an order rescinding approval of the APDs for the TSO Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Pena

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Application of BTA Oil Producers, LLC to Rescind Approval of Four Applications for Permits to Drill Issued to Texas Standard Operating NM LLC, Lea County, New Mexico.

Applicant seeks an order rescinding approval of four Applications for Permits to Drill ("APDs") submitted for Texas Standard Operating NM LLC's State 9-16 No. 1H (API #30-025-51106), State 9-16 State No. 2H (API #30-025-51128), State 9-16 No. 3H (API #30-025-51129), and State 9-16 No. 4H (API #30-025-51130) wells ("Wells"). The Wells are located in the W/2 of Section 16 and the SW/4 of Section 9, Township 17 South, Range 36 East and traverse the N/2 NW/4 of Section 21, Township 17 South, Range 36 East, which is included within Applicant's Vindicator Canyon State Exploratory Unit ("Unit"). The location of the Wells interferes with Applicant's ability to develop the Unit and thereby violates Applicant's correlative rights and result in waste. The Wells are located approximately nine miles south of Lovington, NM.

EXHIBIT: A-3
BTA OIL PRODUCERS, LLC

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**CASE NO. 21463
ORDER NO. R-21572**

**APPLICATION OF MANZANO LLC FOR APPROVAL OF THE VINDICATOR
CANYON STATE EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came for hearing at 8:15 a.m. on October 22, 2019, at Santa Fe, New Mexico, before Examiner Leonard Lowe.

NOW, on this 26th day of January 2021, the Division Director, having considered the testimony, the record and recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given, and the Oil Conservation Division ("OCD") has jurisdiction of this case and of the subject matter.

(2) The Applicant, Manzano LLC (or "Applicant") seeks approval of the Vindicator Canyon State Exploratory Unit ("Unit") for oil and gas underlying the following described 6,000 acres (more or less) of State Trust lands located in Lea County, New Mexico

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M

Section 14: SW/4

Section 15: ALL

Section 20: W/2

Section 23: S/2, NW/4

Section 26: ALL

Section 27: ALL

Section 28: ALL

Section 29: ALL

Section 30: E/2

Section 31: E/2 NE/4

Section 32: N/2, SW/4

**BTA Oil Producers, LLC
Case No. 23426
Exhibit A-3**

Case No. 21463
Order No. R-21572
Page 2 of 4

Section 33: NE/4
Section 34: E/2 E/2
Section 35: ALL

(3) The "Unitized Interval" for the Vindicator Canyon State Exploratory Unit is the Canyon Formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

(4) The Applicant presented testimony and exhibits as follows:

(a) The Vindicator Canyon State Exploratory Unit is comprised of twenty-three (23) state trust tracts and currently 23 of those tracts have working interest committed to the unit.

(b) Manzano owns 21.52% of the working interest in the proposed unit area. More than 96.75% of the working interest in the state acreage is currently committed to the proposed unit. An undivided 3.25% working interest remains uncommitted to the proposed unit.

(c) The initial obligation well is the Vindicator 15 No. 1 well, a horizontal well currently dedicated to the E/2 W/2 of Section 15 (API No. 30-025-46513) and completed in the WC-025 G-09 SI 72315C; Upper Penn Pool (98333). Upon approval of the Unit, this well will be renamed the Vindicator Canyon State Unit 15 CNLC #3H. The effective date of the unit will be February 21, 2020 which is the first data of production from this well.

(d) The unit is located within the WC-025 G-09 SI 72315C; Upper Penn Pool (98333) and all wells are expected to produce primarily oil. The main target interval consists of an approximately 350 to 525 foot thickness of shales within the Canyon Formation, which was deposited in a structural low in the Shoe Bar sub basin, on top of the Strawn formation. The Canyon Formation is continuous across the proposed unit.

(e) Manzano has met with the New Mexico State Land Office regarding the proposed unitized area and unit agreement and presented a copy of the preliminary approval letter from the Commissioner of Public Lands in support of the proposed unit agreement.

(f) The agreement has provisions for expansion or contraction.

(g) Manzano has met with the working interest owners, royalty owners and overriding royalty interest owners within the proposed unit area.

(5) Marathon Oil Permian LLC, Texas Standard Oil and BTA Oil Producers all entered an appearance and were represented at the hearing by counsel but did not oppose the application. No other party entered an appearance or otherwise opposed this application.

Case No. 21463
Order No. R-21572
Page 3 of 4

The OCD concludes that

- (6) All of the proposed unit acreage appears prospective for recovery of oil and gas from the target formation under the concept proposed by the Applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.
- (7) Approval of the unit will provide the Applicant the flexibility to locate and drill wells in the Unit to maximize recovery of oil and gas from the unitized interval, thereby preventing waste, and will provide the Applicant latitude to conduct operations in an effective and efficient manner within the unit.
- (8) The approval of the unit agreement will serve to prevent waste and protect correlative rights within the lands assigned to the unit area. The provisions contained in the unit agreement are in the best interest of conservation and the prevention of waste.

IT IS THEREFORE ORDERED THAT

- (1) The Vindicator Canyon State Exploratory Unit Agreement executed by Manzano LLC (OGRID: 231429) is hereby approved for all oil and gas in the unitized interval underlying the following described 6000 acres of State Trust lands located in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M

Section 14: SW/4
Section 15: ALL
Section 20: W/2
Section 23: S/2, NW/4
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 30: E/2
Section 31: E/2 NE/4
Section 32: N/2, SW/4
Section 33: NE/4
Section 34: E/2 E/2
Section 35: ALL

- (2) The "Unitized Interval" for the Vindicator Canyon State Exploratory Unit is the Canyon Formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
- (3) The plan contained within the unit agreement for the development and operation of the above-described unit area is hereby approved in principle; provided, however, notwithstanding any of the provisions contained in the unit agreement, this approval shall not be considered as

Case No. 21463
Order No. R-21572
Page 4 of 4

waiving or relinquishing, in any manner, any right, duty, or obligation that is now, or may hereafter be, vested in the OCD to supervise and control operations for the unit and production of oil and gas therefrom.

(4) Applicant should provide to the OCD an executed copy of the final approval of the Vindicator Canyon State Exploratory Unit by the New Mexico State Land Office. In the event of subsequent joinder by any other party, or expansion or contraction of the unit area, the unit operator should file with the OCD, within sixty (60) days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified

(5) Applicant should submit a copy of the annual Vindicator Canyon State Exploratory Unit Plan of Development to the OCD for review.

(6) This order shall be effective on February 21, 2020 which is the first data of production from the Vindicator 15 No. 1 well. The order shall terminate upon termination of the unit agreement. The last unit operator shall notify the OCD immediately in writing of such a termination.

(7) Jurisdiction of this case is retained for entry of such further orders as the OCD may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'ASML', is positioned above the printed name and title of the signatory.

ADRIENNE SANDOVAL
Director

AS/KAM
Cc: NM State Lands Office

EXHIBIT: A-4

BTA OIL PRODUCERS, LLC

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 21713
ORDER NO. R-21572-A

APPLICATION OF MANZANO LLC TO AMEND ORDER NO. R-21572 FOR
APPROVAL OF THE EXPANSION OF THE VINDICATOR CANYON STATE
EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 4, 2021, at Santa Fe, New Mexico,
before Examiner Baylen Lamkin.

NOW, on this 29th day of April, 2021, the Division Director, having considered the
testimony, the record and the recommendations of the Examiner,

FINDS THAT:

1. Due public notice has been given, and the Division has jurisdiction in this case and of the subject matter.
2. Manzano LLC ("Manzano") requests to amend Division Order No. R-21572 to expand the Vindicator Canyon State Exploratory Unit ("Unit") and to expand the corresponding Canyon Formation Pool (pool code 98333) to the expanded Unit boundaries.
3. Under Division Order No. R-21572 issued on January 26, 2021 in Case No. 21463, the Division approved the Vindicator Canyon State Exploratory Unit in the Canyon Formation comprising 6,000 acres, more or less, of state land for horizontal wells within the Unit Area. The associated Unit pool was designated as the WC-025 G-09 SI 72315C; Upper Penn Pool (98333).
4. The State Land Office gave final approval of the Unit on February 1, 2021.
5. The proposed expansion of the Unit includes 960 acres of state land that Manzano acquired the working interest in after final approval of the Unit. The State Land Office requested this additional acreage be included in the Unit. This acreage consists of:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.
Section 20: E/2 (320 ac)
Section 22: ALL (640 ac)

6. The expanded Vindicator Canyon State Exploratory Unit consist of 6.960 acres, more or less, and will encompass the following State lands in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.
Section 14: SW/4
Section 15: ALL
Section 20: W/2
Section 20: E/2
Section 22: ALL

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-4

Case 21713
R-21572-A
Page 2

Section 23: S/2, NW/4
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 30: E/2
Section 31: E/2 NE/4
Section 32: N/2, SW/4
Section 33: NE/4
Section 34: E/2 E/2
Section 35: ALL

7. No other parties appeared or otherwise opposed this expansion.
8. The geology of the Unitized Interval is continuous and extends across the expanded Unit. There are no faults, pinch-outs or other geologic impediments that isolate land within the Unit Area or would suggest creation of a separate pool.
9. The State Land Office has requested the expansion of the Unit.
10. Manzano is the working interest owner in the expanded acreage. Notice was provided to two parties of this expansion, one who is not in the Unit and one who has a working interest within the expanded acreage but has declined to participate in the Unit.

THE OCD CONCLUDES THAT:

11. All of the proposed Unit acreage appears prospective for recovery of oil and gas from the target formation under the concept proposed by the applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.
12. Approval of the Unit with additional acreage will provide the applicant the flexibility to locate and drill wells in the Unit to maximize recovery of oil and gas from the unitized interval, thereby preventing waste, and will provide the applicant latitude to conduct operations in an effective and efficient manner within the Unit.
13. The approval of the Unit agreement with the additional acreage will serve to prevent waste and protect correlative rights within the lands assigned to the Unit area. The provisions contained in the Unit agreement are in the best interest of conservation and the prevention of waste.
14. The application should be approved.

IT IS THEREFORE ORDERED THAT:

1. The application of Manzano LLC to amend Division Order No. R-21572 to expand the Vindicator Canyon State Exploratory Unit to the new Unit boundary is hereby approved.
2. The Vindicator Canyon State Exploratory Unit shall comprise 6,960 acres, more or less, of State lands in Lea County, New Mexico, and be described as follows:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.
Section 14: SW/4
Section 15: ALL
Section 20: ALL
Section 22: ALL
Section 23: S/2, NW/4
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 30: E/2
Section 31: E/2 NE/4

Case 2:17-cv-01113

R-21572-A

Page 3

Section 32: N/2, SW/4

Section 33: NE/4

Section 34: E/2 E/2

Section 35: ALL

3. Manzano LLC (OGRID 231429) is hereby designated the Unit operator.
4. All other provisions of the Unit Agreement remain the same as prior to the expansion, including the Unitized Interval and the effective date. The effective date of this Unit, as per the Unit Agreement is February 21, 2020.
5. Jurisdiction of this case is retained for entry of such further orders as the OCD may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'AS', is positioned above the printed name of the director.

ADRIENNE SANDOVAL Director

EXHIBIT: A-5

BTA OIL PRODUCERS, LLC

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 22668
ORDER NO. R-21572-B**

**APPLICATION OF MANZANO LLC TO AMEND ORDER NO. R-21572-A TO MODIFY
AND EXPAND THE GEOGRAPHIC AREA OF THE VINDICATOR CANYON STATE
EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 7, 2022, at Santa Fe, New Mexico, before Examiners John Garcia and Phillip R. Goetze.

NOW, on this 26th day of July, 2022, the Division Director, having considered the testimony, the record and the recommendations of the Examiners,

FINDS THAT:

1. Due public notice has been given, and the Oil Conservation Division ("OCD") has jurisdiction in this case and of the subject matter.
2. Manzano LLC ("Manzano") requests to amend Division Order No. R-21572-A to modify acreage participating in the Vindicator Canyon State Exploratory Unit ("Unit") following recent exchanges of working interests.
3. On January 26, 2021, OCD approved Order No. R-21572 (Case No. 21463) for the creation of the Vindicator Canyon State Exploratory Unit comprising 6,000 acres, more or less, of state land ("Unit Area"). The Unit was established to explore and develop the Canyon formation (WC-025 G-09 SI 72315C; Upper Penn Pool; pool code: 98333) with the completions of horizontal wells.
4. On April 29, 2021, OCD approved Order No. R-21572-A (Case No. 21713) to amend the acreage of the original Vindicator Canyon State Exploratory Unit. The amended Order increased the Unit Area to 6,960 acres, more or less, and expanded the designated pool to include the new acreage.
5. The New Mexico State Land Office ("SLO") reviewed and approved both the establishment and subsequent modification of the Unit.
6. This application expands the Unit to 7,200 acres, more or less, by the following changes to the Unit Area within Township 17 South, Range 36 East, N.M.P.M.:
 - a. the removal of the E/2 of Section 30 (320 acres) and E/2 NE/4 of Section 31 (80 acres); and
 - b. the addition of Section 21 (640 acres).
7. With proposed changes, the Unit would comprise the following state lands in Lea County, New Mexico:

**BTA Oil Producers, LLC
Case No. 23426
Exhibit A-5**

Case No 22668

Order No. R-21572-B

Page 2

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4

Section 15: All

Section 20: All

Section 21: All

Section 22: All

Section 23: S/2, NW/4

Section 26: All

Section 27: All

Section 28: All

Section 29: All

Section 32: N/2, SW/4

Section 33: NE/4

Section 34: E/2 E/2

Section 35: All

8. No other parties appeared or otherwise opposed this expansion.

9. The geology of the Unitized Interval is continuous and extends across the expanded Unit. There are no faults, pinch-outs or other geologic impediments that isolate land within the Unit Area or would suggest creation of a separate pool.

10. The State Land Office was contacted about the modification of the Unit and provided preliminary approval in support of the changes.

11. Manzano remains the working interest owner in the expanded acreage.

12. Manzano revised the Unit Agreement to reflect the proposed changes in tract participation in the Unit.

13. Notice was provided to one interest owner of this application who had been previously notified in both initial cases.

THE OCD CONCLUDES THAT:

14. All of the proposed Unit acreage appears prospective for recovery of oil and gas from the target formation under the concept proposed by the applicant. These acres should be unitized and should equally share in the benefits from future oil and gas recovery.

15. Approval of the Unit with additional acreage will provide the applicant the flexibility to locate and drill wells in the Unit to maximize recovery of oil and gas from the unitized interval, thereby preventing waste, and will provide the applicant latitude to conduct operations in an effective and efficient manner within the Unit.

16. The approval of the Unit agreement with the additional acreage will serve to prevent waste and protect correlative rights within the lands assigned to the Unit area. The provisions contained in the Unit agreement are in the best interest of conservation and the prevention of waste.

17. The application should be approved.

IT IS THEREFORE ORDERED THAT:

1. The application of Manzano LLC to amend Division Order No. R-21572-A and to modify the new Unit Area of the Vindicator Canyon State Exploratory Unit is hereby approved.

2. The Vindicator Canyon State Exploratory Unit shall comprise 7,200 acres, more or less, of state lands in Lea County, New Mexico, and be described as follows:

Case No 22668

Order No. R-21572-B

Page 3

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4

Section 15: All

Section 20: All

Section 21: All

Section 22: All

Section 23: S/2, NW/4

Section 26: All

Section 27: All

Section 28: All

Section 29: All

Section 32: N/2, SW/4

Section 33: NE/4

Section 34: E/2 E/2

Section 35: All

3. Manzano LLC (OGRID 231429) is hereby designated the Unit operator.
4. All other provisions of Order No. R-21572 as amended, including the effective date of this Unit and determination of the Unitized Interval, remain in full force and effect.
5. Jurisdiction of this case is retained for entry of such further orders as the OCD may deem necessary.

DONE at Santa Fe, New Mexico, on this 26 day of July, 2022.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIVISION DIRECTOR**

EXHIBIT: A-6

BTA OIL PRODUCERS, LLC



Stephanie Garcia Richard
COMMISSIONER

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

January 24, 2023

BTA Oil Producers, LLC
104 South Pecos Street
Midland, TX 79701-5021

Attention: Mr. Rex D. Barker

Re: Final Approval of Unit Expansion
Vindicator Canyon State Unit
Lea County, New Mexico

Dear Mr. Barker,

The State Land Office has received your Request for Expansion dated December 19, 2022.

The expansion meets the general requirements of the Commissioner of Public Lands, who has this date granted you final approval.

BTA Oil Producers, LLC is requesting to remove the E/2 of Section 30-T17S-R36E and the E/2NE/4 of Section 31-T17S-R36E (400 acres) from the existing Vindicator Canyon State Exploratory Unit and to add Section 21-T17S-R36E (640 acres) to the unit. This would expand the unit by 240 acres. (SEE ATTACHED MAP)

The Vindicator Canyon State Exploratory Unit will expand from 6,960 acres to 7,200 acres. All leases are State of New Mexico leases.

BTA Oil Producers, LLC believes the expanded acreage is the best geologic area and the addition would allow BTA Oil Producers, LLC to operate the unit more efficiently with centrally located facilities.

Final approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

Operator must:

1. Operator must abide by NMOC rules 19.15.29 NMAC 19.15.30 NMAC regarding Releases and Corrective Action and remain fully responsible for compliance with all laws, regulations of the state land office and other state agencies, and lease terms regarding operations on the leased premises, including with respect to environmental protection.

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-6

BTA Oil Producers, LLC
January 24, 2023
Page 2

- a. Require a water plan and siting on all unit improvements.
 - b. Avoid hydrologic features and keep all SLO BMP buffer zones.
 - c. Require additional protections consistent with SLO BMP's when improvements are placed in areas with DTW < 50'.
 - d. Proposed Surface Hole Location(s) (SHL) need to be submitted and approved by NMSLO prior to APD (Application for Permit to Drill) submittal to NMOCD for the wells.
2. BTA Oil Producers, LLC shall proceed with diligence to reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.
 3. Please submit one copy of the revised Unit Exhibit "C" – Schedule of Tract Participation with Tract Numbers and Unit Participation Percentages for each Tract in the unit.
 4. Please provide a 2023 Plan of Development by March 1, 2023.
 5. File subsequent Plans of Development on a calendar year basis not later than March 1 each year.

If you have any questions, or if we may be of further help, please contact Scott Dawson at (505) 827-5791 or sdawson@slo.state.nm.us

Respectfully,



Stephanie Garcia Richard
Commissioner of Public Lands

SGR/sd

cc: Reader File,
NMOCD - Attention: Mr. Leonard Lowe
SLORMD - Attention: Ms. Jeri Birge
BLM – Attention: Mr. Kyle Paradis, Mr. Ed Fernandez, Mr. Chris Walls

VINDICATOR CANYON STATE UNIT

Exhibit A

Top of Strawn

7200 Gross & Committed Acres

By Nick McDaniels

March 29, 2022

Lea Co.
17S 36E

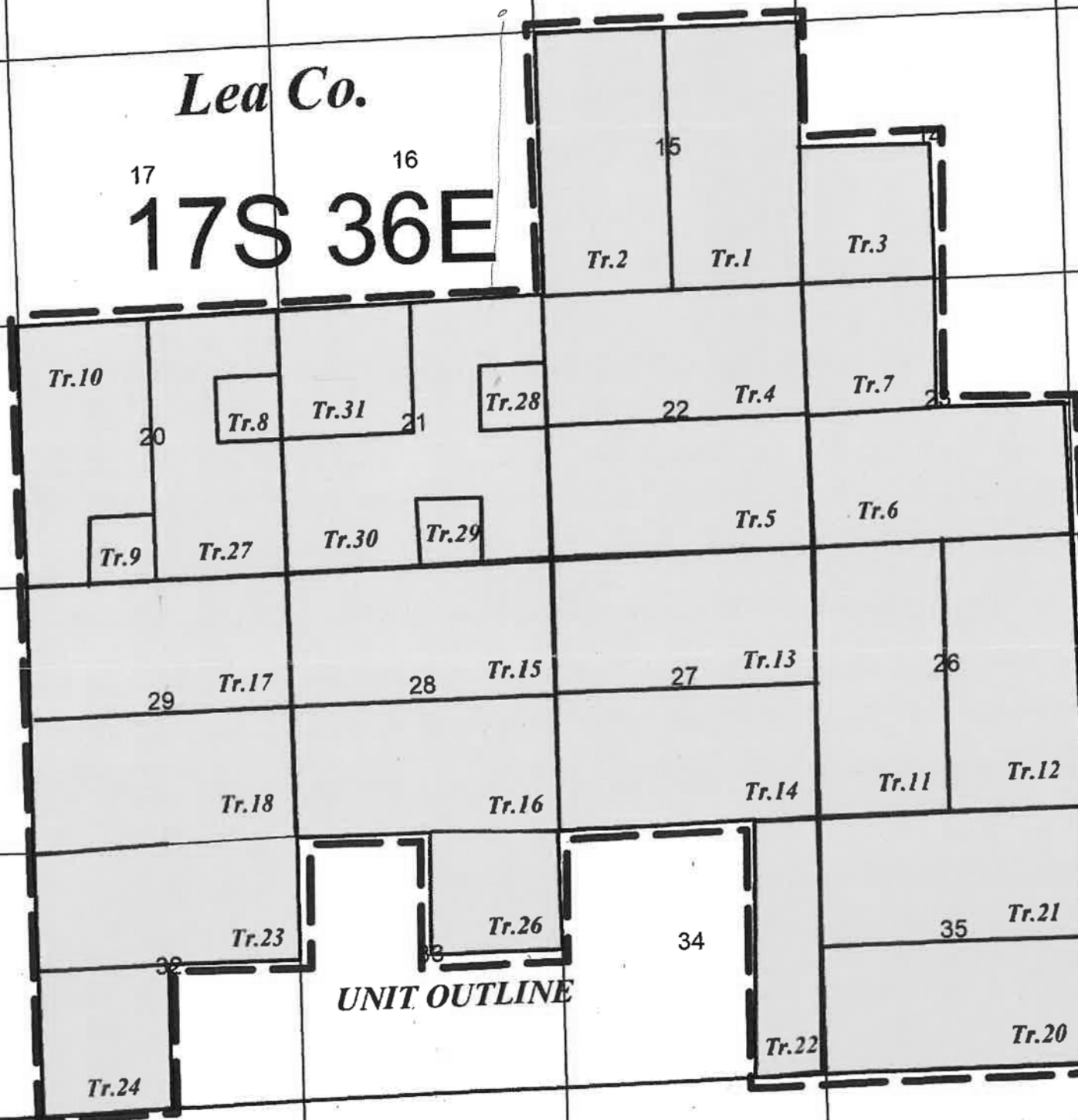


EXHIBIT: A-7

BTA OIL PRODUCERS, LLC



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

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

February 20, 2023

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 3375
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-1401 FAX 303-534-1661

Federal Express
7713 5211 0170

In re: Vindicator Canyon State Unit Plan of Development
Unit Agreement No. 300401
Lea County, New Mexico
BTA 22201 Aspen

New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501

Attn: Stephanie Garcia Richard
Commissioner of Public Lands

Dear Commissioner Richard:

BTA Oil Producers, LLC respectfully submits our 2023 Plan of Development for the Vindicator Canyon State Unit.

BTA Oil Producers, LLC (OGRID #260297) took over operations of the Vindicator Canyon State Unit from Manzano, LLC (OGRID #231429) effective October 13, 2022.

The New Mexico State Land Office granted BTA Oil Producers, LLC Final Approval of Unit Expansion on January 24, 2023, expanding the unit size from 6,960 acres to 7,200 acres.

The following are details of BTA's 2023 Plan of Development/Operations:

Development and Maintenance in the last 12 months and proposed in 2023, including new drills, recompletions, workovers, P&A's and any other activities that may impact oil and gas production:

1. The Bodacious State Com #91H Well was spud on April 16, 2022 and completed on August 18, 2022. The well is approximately 1.5 miles in length and targeted the Pennsylvanian Shale Formation. The Bodacious State Com #91H spacing unit contains unit lease acreage and non-unit lease acreage.

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-7

2. BTA spud the Vindicator Canyon State Unit #306H Well on January 28, 2023 and the Vindicator Canyon State Unit #305H Well on January 30, 2023. Both wells will be approximately 1.5 miles in length and target the Pennsylvanian Shale Formation.
3. BTA plans to drill and complete the Vindicator Canyon State Unit #302H, 303H and 304H Wells in the third and fourth quarters of 2023. Each well will be approximately 2.0 miles in length and target the Pennsylvanian Shale Formation.
4. In 2023, BTA will install oil, gas and water meters at the Vindicator Central Tank Battery, enabling each well to have individual, daily well tests. BTA will install automation to the Vindicator Central Tank Battery allowing operations to be monitored remotely. BTA will install a gun barrel vessel to catch any oil entrained in the produced water before the water is sent to disposal. These improvements will be made at a cost of approximately \$640,227.00.
5. In the second quarter of 2023, BTA plans to build a central tank battery for the Vindicator Canyon State Unit #305H and 306H Wells in the S/2 NW/4 of Section 22, T17S, R36E, Lea County, NM.
6. In the fourth quarter of 2023, BTA plans to build a central tank battery for the Vindicator Canyon State Unit #302H, 303H and 304H Wells in the N/2 SE/4 of Section 21, T17S, R36E, Lea County, NM.

Aerial Photo Attached:

1. Aerial Photo is attached showing the Vindicator Canyon State Unit boundaries, current infrastructure, well paths, roads, locations, tank batteries and gathering systems.

Well Status:

1. For the month of January 2023, the Vindicator Canyon State Unit #152H Well (API #30-025-49781) averaged 465 BOPD, 793 MCFPD and 198 BWPD.
2. For the month of January 2023, the Vindicator Canyon State Unit #153H Well (API #30-025-46513) averaged 76 BOPD, 251 MCFPD and 66 BWPD.
3. For the month of January 2023, the Vindicator Canyon State Unit #154H Well (API #30-025-49355) averaged 172 BOPD, 89 MCFPD and 240 BWPD.
4. For the month of January 2023, the Vindicator Canyon State Unit #223H Well (API #30-025-48404) averaged 32 BOPD, 165 BWPD and 28 BWPD.
5. For the month of January 2023, the Bodacious State Com #91H Well (API #30-025-49934) averaged 574 BOPD, 1,078 MCFPD and 195 BWPD.

There are no inactive wells within the unit.

Current and planned water uses and infrastructure within the Unit:

1. Produced water for the calendar year 2022 was 382,826 barrels. Produced water is sent via pipeline to the Watson -6- #1 SWD Well (API# 30-025-34197) operated by DKD, LLC (OGRID #210091).
2. Frac water for the Bodacious State Com #91H was 556,568 barrels of fresh water, acquired from a private landowner.
3. It is anticipated that BTA will use approximately 393,000 barrels of fresh water to drill and frac each of the Vindicator Canyon State Unit #305H and 306H Wells. The fresh water will be acquired from a private landowner.
4. It is anticipated that BTA will use approximately 510,000 barrels of fresh water to drill and frac each of the Vindicator Canyon State Unit #302H, 303H and 304H Wells. The fresh water will be acquired from a private landowner.
5. Frac water is stored in BTA's existing frac pit located in the NW/4 SW/4 of Section 23, T17S, R36E, Lea County, NM. Frac water is transferred to frac jobs via a temporary 10' water transfer line.

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

Sincerely,



Rex D. Barker

Landman

rbarker@btaoil.com

RB/HW

Enclosure

C:\Users\hwhipple\Documents\Land\Letters\Rex Barker\Plan of Development - 22201 Aspen.docx

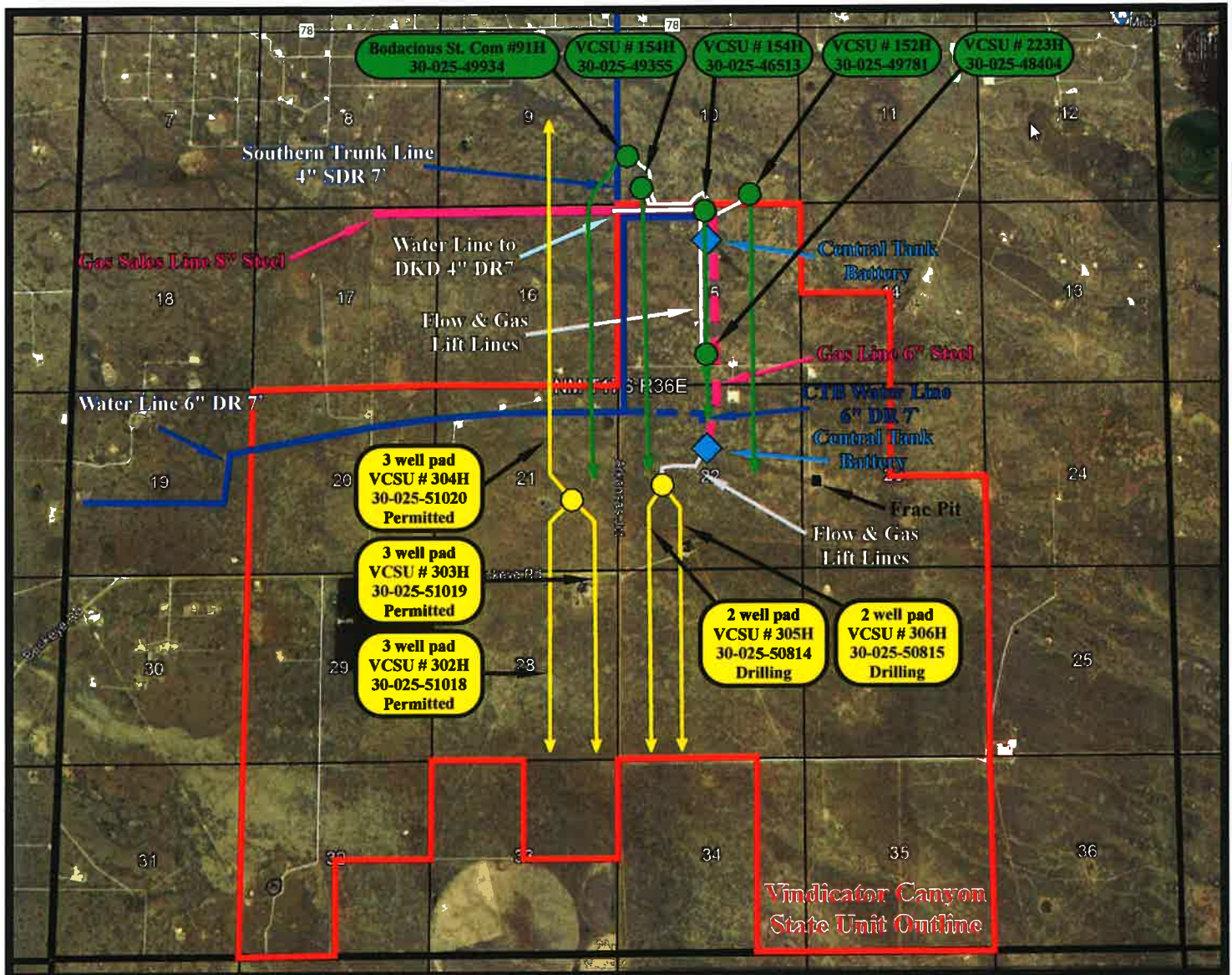


Illustration Not To Scale

**BTA Oil Producers, LLC****WELL SYMBOL DESCRIPTION:**

- SHL BHL
 PRODUCING OIL WELL
 CURRENTLY DRILLING WELL

VINDICATOR CANYON STATE UNIT
Plan of Development Map
Lea County, New Mexico
LABEL DESCRIPTION:

- VCSU Unit Outline
 Completed Lines
 Planned Lines To Be Built 2023

I hereby state that this map is an accurate representation
 and that it is true and correct to the best of my knowledge.

Jose Baltier

02/09/2023

Jose Baltier, BTA Oil Producers, LLC

ORIGIN ID:MAFA (432) 682-3753 REX BARKER BTA OIL PRODUCERS, LLC 104 SOUTH PECOS MIDLAND, TX 79701 UNITED STATES US	SHIP DATE: 20-FEB-23 ACTWGT: CAD: 111366055/INET4580 BILL SENDER
TO STEPHANIE GARCIA RICHARD NEW MEXICO STATE LAND OFFICE 310 OLD SANTA FE TRAIL	
SANTA FE NM 87501 REF: (505) 827-5760 DEPT: PO:	
  J231023011101uw	
TRK# 7713 5211 0170 0201	TUE - 21 FEB 8:30A FIRST OVERNIGHT
 X1 SAFA NM-US ABQ 87501	

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EXHIBIT: A-8
BTA OIL PRODUCERS, LLC

Page 33 of 70
BTA Oil Producers, LLC
Case No. 23426
Exhibit A-8

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
TEXAS STANDARD OPERATING NM, LLC**

CASE NO. 23005
ORDER NO. R-22435

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on September 15, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Texas Standard Operating NM, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23005
ORDER NO. R-22435

Page 2 of 7

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/jag

Date: 12/05/2022

CASE NO. 23005
ORDER NO. R-22435

Page 4 of 7

Exhibit A

Received by OCD: 9/21/2022 10:06:23 AM		Page 2 of 4
COMPULSORY POOLING APPLICATION CHECKLIST		
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case:	23005	
Date	September 1, 2022	
Applicant	Texas Standard Operating NM LLC	
Designated Operator & OGRID (affiliation if applicable)	Texas Standard Operating NM LLC/OGRID No. 231429	
Applicant's Counsel:	James Bruce	
Case Title:	Application of Texas Standard Operating NM LLC for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:		
Well Family	9-16 State Wells	
Formation/Pool		
Formation Name(s) or Vertical Extent:	Upper Penn Formation	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Upper Penn formation	
Pool Name and Pool Code:	WC-025 S173615C; Upper Penn /Pool Code 98333	
Well Location Setback Rules:	Statewide rules and current horizontal well rules	
Spacing Unit Size:	Quarter-quarter Section/40 acres	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	480 acres	
Building Blocks:	40 acres	
Orientation:	South-North	
Description: TRS/County	SW/4 §9 and W/2 §16-17S-36E, NMPM, Lea County	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes	
Other Situations		
Depth Severance: Y/N. If yes, description	No	Corrected EXHIBIT 6
Proximity Tracts: If yes, description	Yes. See well described below.	
Proximity Defining Well: if yes, description		
Applicant's Ownership in Each Tract	Exhibits 2-A and 2-B	
Well(s)		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p>9-16 State Well No. 1H API No. 30-015-Pending SHL: 600 FNL & 1330 FWL §21-17S-36E BHL: 2648 FSL & 1330 FWL §9 FTP: 100 FSL & 1330 FWL §16 LTP: 2540 FSL & 1330 FWL §9 Upper Penn/TVD 11350-11725 feet/MD 19170-19545 feet</p> <p>The reason the TVD and MD vary is that the operator is trying to keep the wellbore approximately 150 feet above the top of the Strawn formation, which varies in depth.</p>	

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CASE NO. 23005
 ORDER NO. R-22435

Page 5 of 7

Horizontal Well First and Last Take Points	See above	Page 3 of 4
Completion Target (Formation, TVD and MD)	See above	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8000	
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit 2, page 2	
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit 1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4	
Proof of Published Notice of Hearing (10 days before hearing)	Not needed	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit 2-A	
Tract List (including lease numbers and owners)	Exhibit 2-B	
Pooled Parties (including ownership type)	Exhibits 2-A and 2-B	
Unlocatable Parties to be Pooled	Not applicable	
Ownership Depth Severance (including percentage above & below)	None	
Joinder		
Sample Copy of Proposal Letter	Exhibit 2-C	
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B	
Chronology of Contact with Non-Joined Working Interests	Exhibit 2-C	
Overhead Rates In Proposal Letter		
Cost Estimate to Drill and Complete	Exhibit 2-D	
Cost Estimate to Equip Well	Exhibit 2-D	
Cost Estimate for Production Facilities	Exhibit 2-D	
Geology		
Summary (including special considerations)	Exhibit 3	
Spacing Unit Schematic	Exhibit 3-A	
Gunbarrel/Lateral Trajectory Schematic	Exhibit 3-C	
Well Orientation (with rationale)	Standup/Exhibit 3	
Target Formation	Upper Penn	
HSU Cross Section	Exhibit 3-C	
Depth Severance Discussion	Not Applicable	
Forms, Figures and Tables		
C-102	Exhibit 2-A	
Tracts	Exhibit 2-A	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B	

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CASE NO. 23005
ORDER NO. R-22435

Page 6 of 7

<i>Received by OCD: 9/21/2022 10:06:23 AM</i>		Exhibit 2-A	Page 4 of 4
General Location Map (including basin)		Exhibit 2-A	
Well Bore Location Map		Exhibit 2-A	
Structure Contour Map - Subsea Depth		Exhibit 3-A	
Cross Section Location Map (including wells)		Exhibit 3-C	
Cross Section (including Landing Zone)		Exhibit 3-C	
Additional Information			
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):		James Bruce	
Signed Name (Attorney or Party Representative):		<i>James Bruce</i>	
Date:		August 30, 2022	

effective

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CASE NO. 23005
ORDER NO. R-22435

Page 7 of 7

EXHIBIT: A-9

BTA OIL PRODUCERS, LLC

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Page 1 of 17

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

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

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

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

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

Form C-101

August 1, 2011

Permit 333722

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
		3. API Number 30-025-51106
4. Property Code 333773	5. Property Name STATE 9 16	6. Well No. 001H

7. Surface Location

UL - Lot C	Section 21	Township 17S	Range 36E	Lot Idn C	Feet From 855	N/S Line N	Feet From 1995	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot K	Section 9	Township 17S	Range 36E	Lot Idn K	Feet From 2562	N/S Line S	Feet From 2310	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3872
16. Multiple N	17. Proposed Depth 20350	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 5/1/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20350	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Craig E Young	Approved By: Paul F Kautz
Title: VP Operations	Title: Geologist
Email Address: craig@txsoil.com	Approved Date: 2/16/2023 Expiration Date: 2/16/2025
Date: 2/6/2023 Phone: 432-693-6674	Conditions of Approval Attached

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-9

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025 51106		² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code 333773	⁵ Property Name STATE 9-16		⁶ Well Number 1H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC		⁹ Elevation 3872'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
C	21	17S	36E		855	NORTH	1995	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
K	9	17S	36E		2562	SOUTH	2310	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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

<p>¹⁶</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION (SL) N: 665353.3 - E: 839801.8 LAT: 32.8253123° N LONG: 103.3617237° W</p> <p>FIRST TAKE POINT (FTP) 100' FSL-2310' FWL (SEC.16) N: 666312.7 - E: 840104.5 LAT: 32.8279411° N LONG: 103.3607096° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</p> <p>B: FOUND STONE N: 663533.8 - E: 837830.5</p> <p>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</p> <p>D: FOUND 3" POST N: 671469.6 - E: 837736.9</p> <p>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</p> <p>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</p> <p>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</p> <p>H: FOUND NAIL N: 676847.9 - E: 842973.0</p> <p>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</p> <p>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</p> <p>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</p> <p>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</p> <p>M: FOUND 6" POST N: 671491.1 - E: 840380.2</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Timothy M. Roberson</i>, President January 30, 2023 Signature Date</p> <p>Timothy M. Roberson Printed Name</p> <p>tim@txsoil.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/13/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO 14400 11/03/2022 PROFESSIONAL SURVEYOR</p>
---	--	--

Job No: LS22101143

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
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District IV

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 Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form APD Conditions

Permit 333722

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51106
	Well: STATE 9 16 #001H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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

Form C-101

August 1, 2011

Permit 333761

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
		3. API Number 30-025-51128
4. Property Code 333773	5. Property Name STATE 9 16	6. Well No. 002H

7. Surface Location

UL - Lot C	Section 21	Township 17S	Range 36E	Lot Idn C	Feet From 855	N/S Line N	Feet From 1980	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot K	Section 9	Township 17S	Range 36E	Lot Idn K	Feet From 2556	N/S Line S	Feet From 1650	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3872
16. Multiple N	17. Proposed Depth 20349	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 3/1/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20349	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Craig E Young	Approved By: Paul F Kautz	
Title: VP Operations	Title: Geologist	
Email Address: craig@txsoil.com	Approved Date: 2/27/2023	Expiration Date: 2/27/2025
Date: 2/20/2023	Phone: 432-693-6674	Conditions of Approval Attached

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025	² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code	⁵ Property Name STATE 9-16	⁶ Well Number 2H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC	⁹ Elevation 3872'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
C	21	17S	36E		855	NORTH	1980	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
K	9	17S	36E		2556	SOUTH	1650	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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

<p>¹⁶</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 665353.1 - E: 839786.8 LAT: 32.8253122° N LONG: 103.3617724° W</p> <p><u>LAST TAKE POINT (LTP)</u> 2556' FSL-1650' FWL (SEC.9) N: 674038.9 - E: 839360.2 LAT: 32.8491935° N LONG: 103.3629014° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 100' FSL-1650' FWL (SEC.16) N: 666303.1 - E: 839444.7 LAT: 32.8279314° N LONG: 103.3628577° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 674038.9 - E: 839360.2 LAT: 32.8491935° N LONG: 103.3629014° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <table border="0"> <tr> <td>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</td> <td>H: FOUND NAIL N: 676847.9 - E: 842973.0</td> </tr> <tr> <td>B: FOUND STONE N: 663533.8 - E: 837830.5</td> <td>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</td> </tr> <tr> <td>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</td> <td>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</td> </tr> <tr> <td>D: FOUND 3" POST N: 671469.6 - E: 837736.9</td> <td>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</td> </tr> <tr> <td>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</td> <td>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</td> </tr> <tr> <td>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</td> <td>M: FOUND 6" POST N: 671491.1 - E: 840380.2</td> </tr> <tr> <td>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</td> <td></td> </tr> </table>	A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8	H: FOUND NAIL N: 676847.9 - E: 842973.0	B: FOUND STONE N: 663533.8 - E: 837830.5	I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1	C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3	J: CALCULATED CORNER N: 666250.0 - E: 843085.8	D: FOUND 3" POST N: 671469.6 - E: 837736.9	K: CALCULATED CORNER N: 660954.4 - E: 843153.6	E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6	L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9	F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6	M: FOUND 6" POST N: 671491.1 - E: 840380.2	G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4			<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Timothy M. Roberson</i> President Signature Date <u>January 30, 2023</u></p> <p>Timothy M. Roberson Printed Name</p> <p>tim@txsoil.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION 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.</p> <p>10/13/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO PROFESSIONAL SURVEYOR 14400 11/03/2022</p>
A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8	H: FOUND NAIL N: 676847.9 - E: 842973.0															
B: FOUND STONE N: 663533.8 - E: 837830.5	I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1															
C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3	J: CALCULATED CORNER N: 666250.0 - E: 843085.8															
D: FOUND 3" POST N: 671469.6 - E: 837736.9	K: CALCULATED CORNER N: 660954.4 - E: 843153.6															
E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6	L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9															
F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6	M: FOUND 6" POST N: 671491.1 - E: 840380.2															
G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4																

Job No: LS22101144

District I

1625 N. French Dr., Hobbs, NM 88240
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District IV

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Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form APD Conditions

Permit 333761

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51128
	Well: STATE 9 16 #002H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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District IV

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Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101

August 1, 2011

Permit 333762

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
		3. API Number 30-025-51129
4. Property Code 333773	5. Property Name STATE 9 16	6. Well No. 003H

7. Surface Location

UL - Lot D	Section 21	Township 17S	Range 36E	Lot Idn D	Feet From 1295	N/S Line N	Feet From 675	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot L	Section 9	Township 17S	Range 36E	Lot Idn L	Feet From 2551	N/S Line S	Feet From 990	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3873
16. Multiple N	17. Proposed Depth 20789	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 3/1/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20789	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Craig E Young	Approved By: Paul F Kautz	
Title: VP Operations	Title: Geologist	
Email Address: craig@txsoil.com	Approved Date: 2/27/2023	Expiration Date: 2/27/2025
Date: 2/20/2023	Phone: 432-693-6674	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025		² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code	⁵ Property Name STATE 9-16		⁶ Well Number 3H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC		⁹ Elevation 3873'

¹⁰ Surface Location

UL or lot no. D	Section 21	Township 17S	Range 36E	Lot Idn	Feet from the 1295	North/South line NORTH	Feet From the 675	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. L	Section 9	Township 17S	Range 36E	Lot Idn	Feet from the 2551	North/South line SOUTH	Feet from the 990	East/West line WEST	County LEA
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¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

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

<p>¹⁶</p> <p>GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION (SL) N: 664894.2 - E: 838487.9 LAT: 32.8240837° N LONG: 103.3660141° W</p> <p>LAST TAKE POINT (LTP) 2551' FSL-990' FWL (SEC.9) N: 674028.4 - E: 838700.4 LAT: 32.8491813° N LONG: 103.3650499° W</p> <p>FIRST TAKE POINT (FTP) 100' FSL-990' FWL (SEC.16) N: 666293.5 - E: 838784.9 LAT: 32.8279217° N LONG: 103.3650057° W</p> <p>BOTTOM HOLE (BH) N: 674028.4 - E: 838700.4 LAT: 32.8491813° N LONG: 103.3650499° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</p> <p>B: FOUND STONE N: 663533.8 - E: 837830.5</p> <p>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</p> <p>D: FOUND 3" POST N: 671469.6 - E: 837736.9</p> <p>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</p> <p>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</p> <p>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</p> <p>H: FOUND NAIL N: 676847.9 - E: 842973.0</p> <p>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</p> <p>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</p> <p>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</p> <p>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</p> <p>M: FOUND 6" POST N: 671491.1 - E: 840380.2</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Timothy M. Roberson</i> President January 30, 2023 Signature Date Timothy M. Roberson Printed Name tim@txsoil.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/13/2022 Date of Survey Signature and Seal of Professional Surveyor: 14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO 14400 11/03/2022 PROFESSIONAL SURVEYOR</p>
--	--	--

Job No: LS22101145

District I

1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 333762

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51129
	Well: STATE 9 16 #003H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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Form C-101

August 1, 2011

Permit 333763

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705		2. OGRID Number 329818
		3. API Number 30-025-51130
4. Property Code 333773	5. Property Name STATE 9 16	6. Well No. 004H

7. Surface Location

UL - Lot D	Section 21	Township 17S	Range 36E	Lot Idn D	Feet From 1295	N/S Line N	Feet From 660	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot L	Section 9	Township 17S	Range 36E	Lot Idn L	Feet From 2546	N/S Line S	Feet From 330	E/W Line W	County Lea
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9. Pool Information

WC-025 G-09 S173615C;UPPER PENN	98333
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3873
16. Multiple N	17. Proposed Depth 20788	18. Formation Upper Pennsylvanian Undesignated	19. Contractor	20. Spud Date 3/1/2023
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	2100	1200	0
Int1	12.25	9.625	43.5	11400	2800	0
Prod	8.5	5.5	26	20788	3000	9100

Casing/Cement Program: Additional Comments

Casing grade for Intermediate 1 is HCP-110
--

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	Cameron
Annular	5000	2500	Shafer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Craig E Young	Approved By: Paul F Kautz	
Title: VP Operations	Title: Geologist	
Email Address: craig@txsoil.com	Approved Date: 2/27/2023	Expiration Date: 2/27/2025
Date: 2/20/2023	Phone: 432-693-6674	Conditions of Approval Attached

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025		² Pool Code 98333	³ Pool Name WC-025 G-09 S173615C; UPPER PENN
⁴ Property Code	⁵ Property Name STATE 9-16		⁶ Well Number 4H
⁷ OGRID NO. 329818	⁸ Operator Name TEXAS STANDARD OPERATING NM LLC		⁹ Elevation 3873'

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	21	17S	36E		1295	NORTH	660	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
L	9	17S	36E		2546	SOUTH	330	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 664894.0 - E: 838472.8 LAT: 32.8240836° N LONG: 103.3660632° W</p> <p><u>LAST TAKE POINT (LTP)</u> 2546' FSL-330' FWL (SEC.9) N: 674017.9 - E: 838040.6 LAT: 32.8491691° N LONG: 103.3671985° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 100' FSL-330' FWL (SEC.16) N: 666283.9 - E: 838125.0 LAT: 32.8279119° N LONG: 103.3671537° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 674017.9 - E: 838040.6 LAT: 32.8491691° N LONG: 103.3671985° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND 1/2" PIPE N: 660889.5 - E: 837854.8</p> <p>B: FOUND STONE N: 663533.8 - E: 837830.5</p> <p>C: FOUND 3/4"x1"x3" LIMESTONE ROCK N: 666179.1 - E: 837796.3</p> <p>D: FOUND 3" POST N: 671469.6 - E: 837736.9</p> <p>E: FOUND 1/2" REBAR N: 674112.6 - E: 837709.6</p> <p>F: FOUND 1/2" REBAR N: 676757.6 - E: 837683.6</p> <p>G: FOUND 1/2" REBAR W/ALUMINUM CAP "PIPER SURVEYING" N: 676797.0 - E: 840330.4</p> <p>H: FOUND NAIL N: 676847.9 - E: 842973.0</p> <p>I: FOUND NAIL & WASHER "ILLEGIBLE" N: 671545.6 - E: 843025.1</p> <p>J: CALCULATED CORNER N: 666250.0 - E: 843085.8</p> <p>K: CALCULATED CORNER N: 660954.4 - E: 843153.6</p> <p>L: FOUND 10"x3"x6" LIMESTONE ROCK N: 666217.6 - E: 840442.9</p> <p>M: FOUND 6" POST N: 671491.1 - E: 840380.2</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Timothy M. Roberson</u>, President January 30, 2023 Signature Date</p> <p><u>Timothy M. Roberson</u> Printed Name</p> <p><u>tim@txsoil.com</u> E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10/13/2022 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>14400 Certificate Number</p> <p>DALE E. BELL NEW MEXICO 14400 11/03/2022 PROFESSIONAL SURVEYOR</p>
--	--	--

Job No: LS22101146

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Form APD Conditions

Permit 333763

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Texas Standard Operating NM LLC [329818] 3300 North A Street Midland, TX 79705	API Number: 30-025-51130
	Well: STATE 9 16 #004H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
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pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud



BTA Oil Producers, LLC

Case No. 23426

Vindicator Canyon State Unit

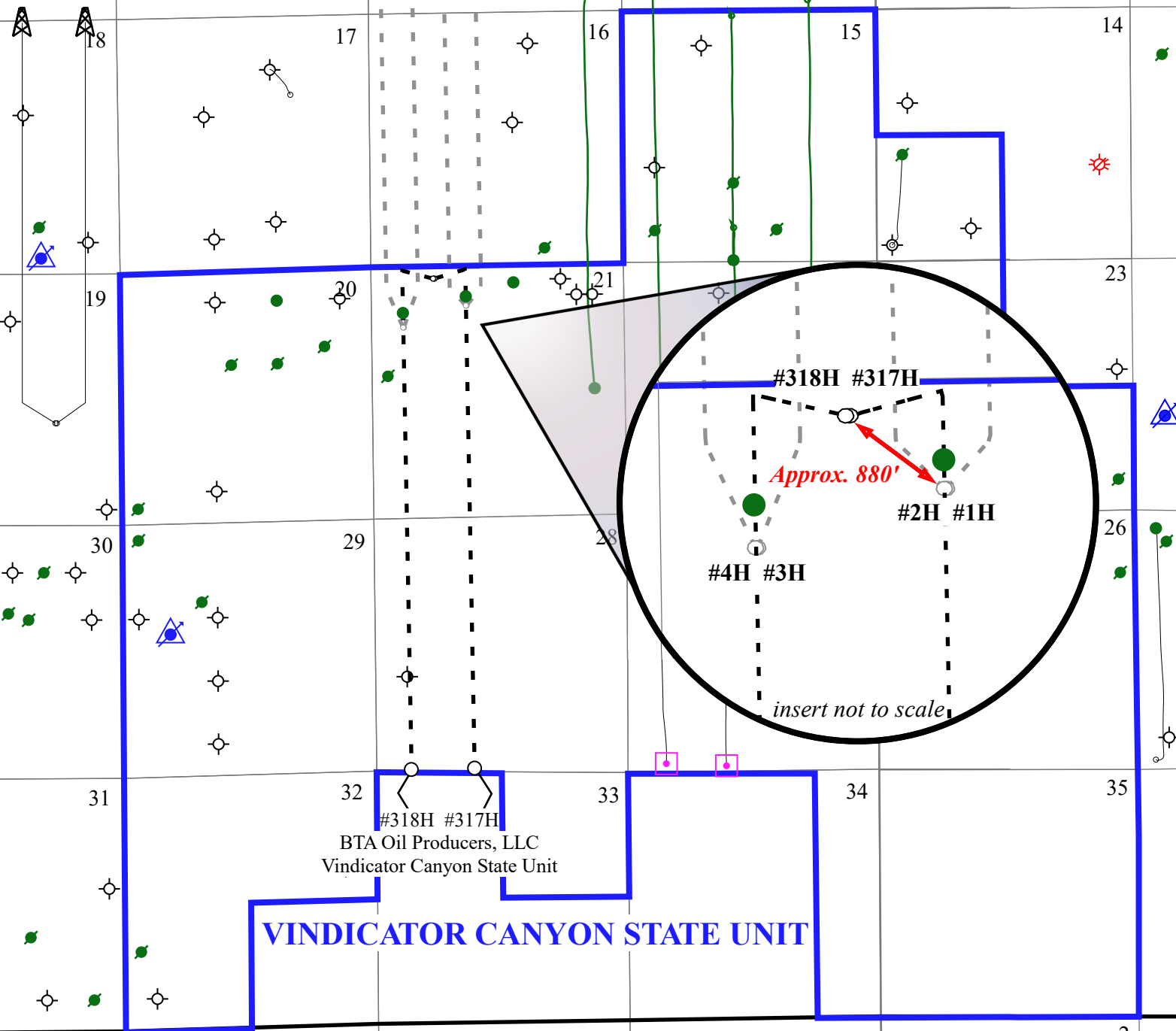
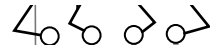
Well Location Map with Surface Location Insert

Lea County, New Mexico

T17S-R36E

Texas Standard Operating
State 9-16

#4H #3H #2H #1H



VINDICATOR CANYON STATE UNIT

Well Symbol Description

SHL ○ — ○ BHL

- | | |
|----------------------|--------------------------|
| ○ Permitted Location | ⚡ Injection Well |
| ⚡ Drilling Well | ○ Dry Hole |
| ⬜ Td Reached | ● Plugged Oil Well |
| ● Oil Well | ⚡ Plugged Gas Well |
| ⚡ Gas Well | ⚡ Plugged Injection Well |

BTA Oil Producers, LLC
Case No. 23426 - Exhibit A-10

EXHIBIT: A-10



0 3000
FEET

Section 16

Section 21

Vindicator Canyon State Unit

Vindicator 317/318 (BTA)

Turner B 1 (BTA)

Turner 2 (BTA)

Existing SWD Line

SWD Line Expansion Project

Gas Gathering Project

Turner 1 (BTA)

State 9-16 1H/2H (TSO)

State 9-16 3H/4H (TSO)

786 ft

1985

EXHIBIT: A-11

Imagery Date: 11/2/2017 lat 32.827550° lon -103.368692° elev 3877 ft eye alt 7276 ft

Google Earth

May, 2023 - AB/jhb

EXHIBIT: A-12

BTA OIL PRODUCERS, LLC



Stephanie Garcia Richard
COMMISSIONER

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

November 16, 2022

Chevron Midcontinent, LP
ATTN: Ben J. Wilson
1400 Smith Street
Houston, TX 77002

RE: VOLUNTARY TERMINATION OF THE WEST LOVINGTON UNIT
Lea County, NM

Dear Mr. Wilson,

We received your letter dated November 15, 2022 requesting voluntary termination of the West Lovington Unit. Based on New Mexico Oil Conservation Division records, production has ceased from this unit, which contains New Mexico State Trust acreage.

The 2022 West Lovington Unit Plan of Development will be accepted for record and will not be approved by the NMSLO.

Our records reflect the following:

- The West Lovington Unit was granted Final Approval from the New Mexico State Land Office (NMSLO) on January 1, 1962.
- According to Chevron's Voluntary Request Letter dated November 15, 2022 – operations of the West Lovington Unit have ceased and all wells within the West Lovington Unit have been plugged and abandoned.
- Chevron is currently completing surface restoration and is anticipating surface restoration will continue to be conducted into 2023.
- Per Section 23 (b) of the unit agreement, the term of this agreement shall be for and during the time that Unitized Substances are produced in paying quantities from the Unit Area and as long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than (90) consecutive days.
- Chevron failed to commence any well as provided for Section 23 within the time allowed per the Unit Agreement.
- Notice of this termination shall be given by Unit Operator to all interest owners in the unit.

This termination is subject to like approval to terminate the Unit from the New Mexico Bureau of Land Management.

If you have any questions or if we may be of assistance, please contact Units Manager Scott Dawson at 505.827.5791 or sdawson@slo.state.nm.us

BTA Oil Producers, LLC
Case No. 23426
Exhibit A-12

Respectfully,

A handwritten signature in blue ink that reads "Stephanie Garcia Richard" followed by a stylized flourish or initial.

Stephanie Garcia Richard
Commissioner of Public Lands

SGR/sd

cc: NMBLM – Attn: Mr. Kyle Paradis, Mr. Ed Fernandez, Mr. Chris Walls

cc: NMOCD – Attn: Mr. Leonard Lowe

cc: SLORMD – Attn: Ms. Jeri Birge

cc: OGMD & Units Reader Files

(Page 11 of 51)



State of New Mexico
Commissioner of Public Lands
310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

STEPHANIE GARCIA RICHARD
COMMISSIONER

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

11/28/22

XTO HOLDINGS, LLC
LAND DEPT. LOC. 115
22777 SPRINGWOODS VILLAGE PKWY
SPRING, TX 77389-1425

RE: Automatic Expiration of State Oil and Gas Lease No. B09042-0001

To Whom It May Concern:

Notice is given that State Oil and Gas Lease Number B09042, Assignment Number 0001, dated 03/10/1941, has automatically expired by its own terms.

Oil and Gas leases are issued for a period of five(5) or ten(10) years and assignments therefrom take the same terms and conditions as set forth in the original contract. Consequently, these expire after running their full term, unless extended by production or by the formal, timely invocation of saving clauses available within certain contracts. State Land Office records have been updated to reflect the action taken. This action will become non-appealable unless you initiate a contest proceeding within thirty (30) days from the date of this letter (NMAC 19.2.15).

Notice is also given that if any assignments or other instruments of transfer of royalties in the lease production have been recorded in the office of the county clerk wherein these lands are situated, the holders of such instruments must see that they are released from record as required by law. (Sections 70-1-1 through 70-1-5, NMSA, 1978 {1995 Repl. Pam.}).

Notice is further given that the Commissioner of Public Lands will look to you, as lessee of record at the State Land Office, for reimbursement to the State for any production from the premises formerly leased to you that occurs after lease expiration as a consequence of your failure to notify working interest owners of lease termination; such production will be in trespass and subject to 8/8ths royalty forfeiture to the State Land Office. You should, therefore, immediately notify in writing all holders of working interests in the lease that the lease has expired effective 11/28/2022.

Lastly, please note, pursuant to 19.2.100.67 NMAC, lessees have reclamation obligations. Upon expiration of this lease, you must contact the State Land Office to receive the appropriate authorization to re-enter the formerly leased area. Reclamation obligations, along with all other obligations which may have existed under the lease, continue until satisfied.

If you should need additional information, please contact Rubel Salazar at (505)827-5730.

Respectfully,
Gregory B. Bloom
Assistant Commissioner of Mineral Resources

**BTA Oil Producers, LLC****Case No. 23426****Vindicator Canyon State Unit****Expired Lease No. B0-9042 Location Map**

Lea County, New Mexico

T17S-R36ETexas Standard Operating
State 9-16

#4H #3H #2H #1H

DESCRIPTION:

The expired Lease No. B0-9042 acreage outlined in a Red Hatch consist of 160 acres being in the SW/4 of Section 9, Township 17 South, Range 36 East.

VINDICATOR CANYON STATE UNIT**Well Symbol Description**

SHL ○ — BHL

- | | |
|----------------------|--------------------------|
| ○ Permitted Location | ⊗ Injection Well |
| ⊗ Drilling Well | ⊗ Dry Hole |
| ⊗ Td Reached | ● Plugged Oil Well |
| ● Oil Well | ⊗ Plugged Gas Well |
| ⊗ Gas Well | ⊗ Plugged Injection Well |

BTA Oil Producers, LLC
Case No. 23426 - Exhibit A-13

EXHIBIT: A-13**BTA OIL PRODUCERS, LLC**

0 3000
FEET

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

**SELF-AFFIRMED STATEMENT
OF DAVID CHILDERS**

1. I am a geologist for BTA Oil Producers, LLC ("BTA"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division"), and my credentials as an expert in geology matters 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 location map of the Texas Standard Operating ("TSO") State 9-16 No. 1H, 2H, 3H, and 4H wells in relation to the Vindicator Canyon State Unit's proposed drilling locations in the N/2 NW/4 of Section 21. The approximate wellbore paths for the proposed wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. The map shows that TSO's proposed wells will traverse BTA's acreage. The projected well paths were generated using the directional plans filed with the C-102 application for TSO's State 9-16 #1H, #2H, #3H and #4H.

4. **Exhibit B-1** also shows a cross-section line in brown running North to South reflecting one drilled well penetrating the Pennsylvanian Shale Formation and two of the anticipated wells to be drilled that I used to construct a structural cross-section from N to S. The drilled well contains good logs and I consider it representative of the geology in the subject area.

**BTA Oil Producers, LLC
Case No. 23426
Exhibit B**

5. **Exhibit B-2** is a cross section of the Pennsylvanian Shale Formation that will be produced by BTA's wells and penetrated by TSO's wells. As shown on the exhibit, the wellbore paths will cross and create a collision risk.

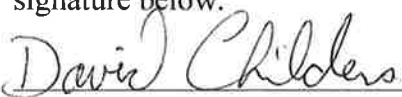
6. In my opinion, TSO's proposed State 9-16 wellbore locations will impede BTA's ability to fully produce the unitized formation due to the risk of wellbore collision from penetrating the Pennsylvanian Shale Formation within the unit boundary. To alleviate this risk, BTA would have to locate its wells at irregular spacing.

7. In addition, TSO could fully produce its acreage by locating wellbores on its lease.

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

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

10. 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

5-11-2023
Date

BTA Oil Producers, LLC
 Case No. 23426
Vindicator Canyon State Unit
 Well Location Map with Cross Section
 Lea County, New Mexico

T17S-R36E

N Texas Standard Operating
 State 9-16 #3H

Marathon Oil Co.
 Palmetto 17 State Com #1 17

BTA Oil Producers, LLC
 Vindicator Canyon State Unit #318H

VINDICATOR CANYON STATE UNIT

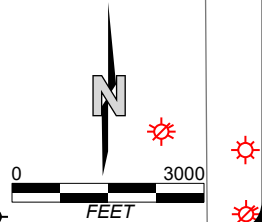
Well Symbol Description

SHL ○ — BHL

○ Permitted Location	⊗ Injection Well
⊗ Drilling Well	⊗ Dry Hole
⊗ Td Reached	● Plugged Oil Well
● Oil Well	⊗ Plugged Gas Well
⊗ Gas Well	⊗ Plugged Injection Well

BTA Oil Producers, LLC
 Case No. 23426 - Exhibit B-1

EXHIBIT: B-1



BTA Oil Producers, LLC
Case No. 23426
North - South Structural Cross Section

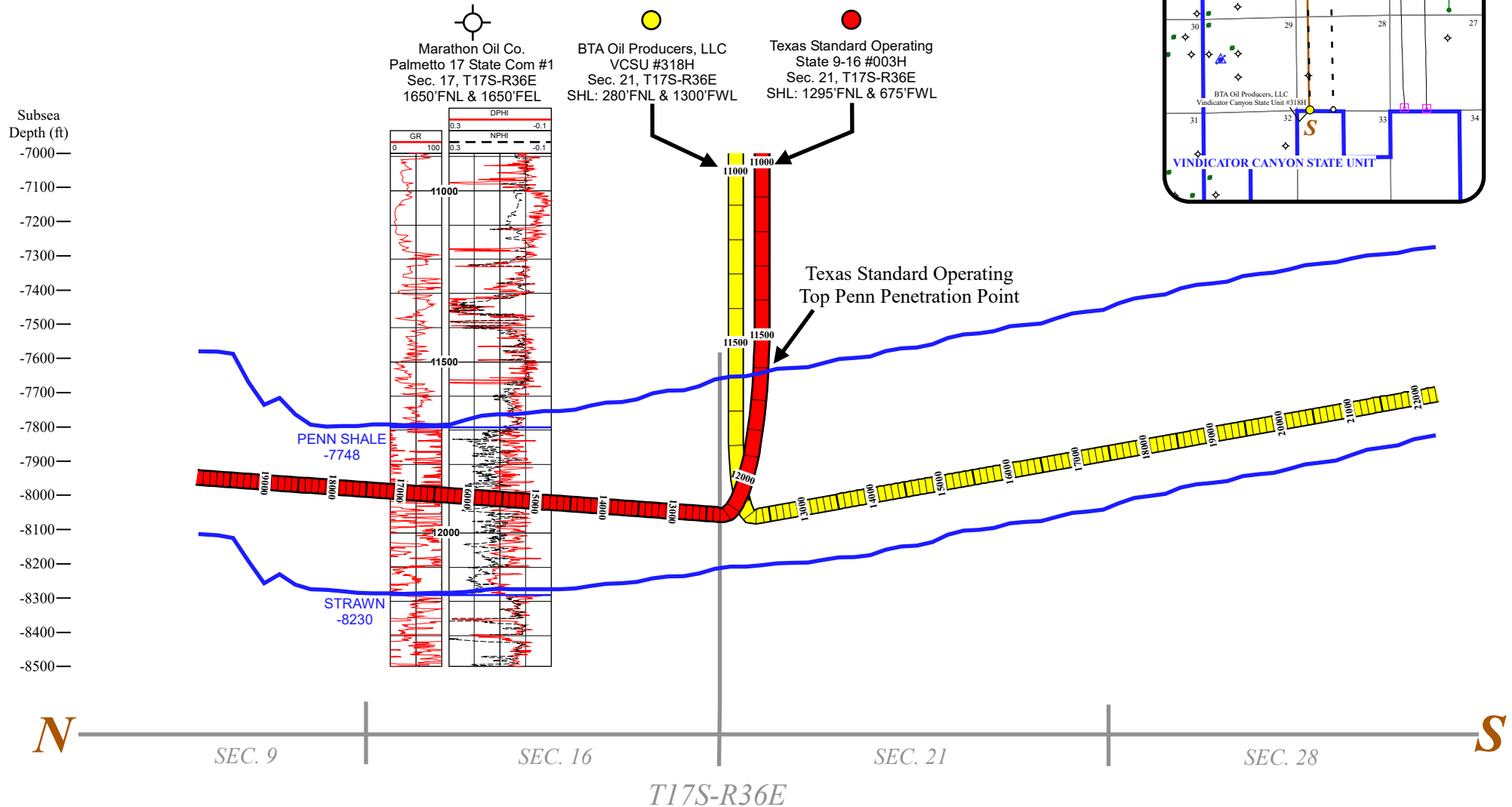


EXHIBIT: B-2

BTA OIL PRODUCERS, LLC

BTA Oil Producers, LLC
Case No. 23426 - Exhibit B-2

May, 2023 - DWC/jhb

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

**SELF-AFFIRMED STATEMENT
OF NICK EATON**

1. I am reservoir drilling engineer with BTA Oil Producers, LLC (“BTA”). I am over 18 years of age, have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in drilling engineering were accepted as a matter of record.

2. I am familiar with the engineering matters that pertain to the above-referenced application.

3. BTA has been drilling and completing wells in the Permian Basin since 1950, and BTA’s management team has decades of experience drilling horizontal wells in multiple basins, including the Delaware. BTA currently operates over 260 wells in New Mexico.

4. BTA currently has active rigs available in the Delaware Basin and 3 rigs in the Permian Basin.

5. In contrast, TSO has not completed any wells in New Mexico.

6. BTA seeks an order rescinding approval of APDs that were recently submitted for the TSO State 9-16 No. 1H (API #30-025-51106), State 9-16 State No. 2H (API #30-025-51128), State 9-16 No. 3H (API #30-025-51129), and State 9-16 No. 4H (API #30-025-51130) wells (“TSO Wells”). The TSO Wells are located in the W/2 of Section 16 and the SW/4 of Section 9,

**BTA Oil Producers, LLC
Case No. 23426
Exhibit C**

Township 17 South, Range 36 East and traverse the N/2 NW/4 of Section 21, Township 17 South, Range 36 East, which is included within BTA's Vindicator Canyon State Exploratory Unit ("Unit").

7. BTA is currently drilling two wells, the Vindicator Canyon State Unit 305H and 306H in Sections 22 and 27 of the Unit and plans on drilling the Vindicator Canyon State Unit 317H and 318H wells in the near future, as BTA develops the Unit.

8. Although TSO's wells will not actually produce from the unitized formation within the Unit, they will penetrate the unitized formation to reach TSO's acreage to the north. The proposed TSO operations solely add potential benefit to TSO at the detriment of BTA by increasing operational risk to BTA and the Unit.

9. The depth of Texas Standard's State 9-16 wells are proposed to be within the same correlative interval of the Vindicator Canyon State Unit #317H and #318H wells. **Exhibit C-1** is a cross section that shows the wellbore locations of Texas Standard's State 9-16 wells and the Vindicator Canyon wells. As shown on the exhibit, the location of TSO's proposed wells creates a significant collision and frac risk. Should a collision or frac damage occur, both TSO's wells and BTA's wells could be lost, resulting in waste of oil and gas and violating BTA's correlative rights.

10. Allowing the Texas Standard State 9-16 wells to move forward as proposed violates BTA's correlative rights. BTA intends to fully develop the unit acreage, is ready to commence drilling, and should be permitted to proceed with its development plan.

11. For the reasons set out above, it is my opinion that granting BTA's application will best prevent waste (surface, underground, environmental, and economic), protect correlative rights, and prevent the drilling of unnecessary wells.

12. The attached exhibits were either prepared by me or under my supervision or were

compiled from company business records.

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.



Nick Eaton



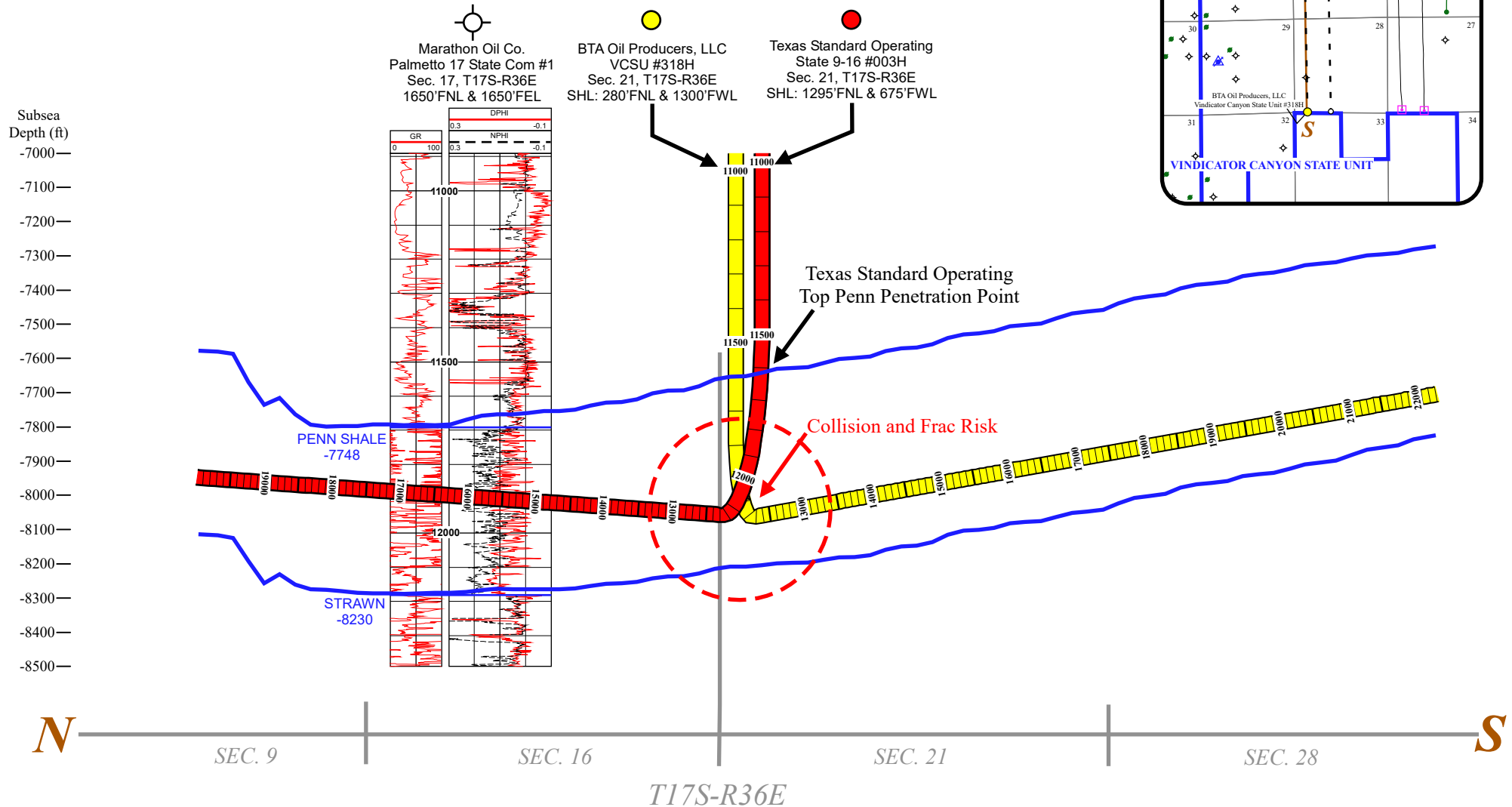
Date



BTA Oil Producers, LLC

Case No. 23426

North - South Structural Cross Section Collision and Frac Risk

**EXHIBIT: C-1**

BTA OIL PRODUCERS, LLC

BTA Oil Producers, LLC
Case No. 23426 - Exhibit C-1

May, 2023 - NE/jhb

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

**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 D-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 D-2**.
3. Exhibit D-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 D-3** as supporting documentation for proof of mailing and the information provided on Exhibit D-2.
5. 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 12, 2023
Date

**BTA Oil Producers, LLC
Case No. 23426
Exhibit D**



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

March 9, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texas Standard Operating NM LLC
One Petroleum Center, Building One
3300 North A Street, Suite 105
Midland, TX 79705

Texas Standard Operating NM LLC
2211 Norfolk Street, Suite 600
Houston, TX 77098

Re: Case No. 23426 – Application of BTA Oil Producers, LLC to Rescind Approval of Four Applications for Permits to Drill Issued to Texas Standard Operating NM, LLC, 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 **April 6, 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/oed/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 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 do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

BTA Oil Producers, LLC
Case No. 23426
Exhibit D-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 TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Texas Standard Operating NM, LLC 2211 Norfolk Street, Suite 600 Houston, Texas 77098	03/09/23	03/16/23
Texas Standard Operating NM, LLC One Petroleum Center, Bldng One 3300 North A Street, Suite 105 Midland, Texas 79705	03/09/23	04/19/23 Return to sender.

**BTA Oil Producers, LLC
Case No. 23426
Exhibit D-2**

7022 1670 0002 1181 6767

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

For delivery information, visit our website at 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
 \$

Postmark Here
 MAR 09 2023

Texas Standard Operating NM, LLC
 2211 Norfolk Street, Suite 600
 Houston, Texas 77098

23426 - BTA TX Standard

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>A. Signature X <i>KB 9808</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Texas Standard Operating NM, LLC 2211 Norfolk Street, Suite 600 Houston, Texas 77098</p> <p>23426 - BTA TX Standard</p>		<p>B. Received by (Printed Name) <i>KB 9808</i></p> <p>C. Date of Delivery <i>3-13-23</i></p>	
<p>2. Article Number (Transfer from service label) 7022 1670 0002 1181 6767</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>RECEIVED MAR 16 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>Hinkle Shanor LLP Santa Fe NM 87506 <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	

BTA Oil Producers, LLC
 Case No. 23426
 Exhibit D-3

7022 1670 0002 1181 7023

U.S. Postal Service™
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For delivery information, visit our website at www.usps.com®.

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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	\$

Postmark Here
 MAR 09 2023

Santa Fe
 Texas Standard Operating NM, LLC
 One Petroleum Center, Bldg One
 3300 North A Street, Suite 105
 Midland, Texas 79705

23426 - BTA TX Standard

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

HINKLE SHANOR LLP
 ATTORNEYS AT LAW
 POST OFFICE BOX 2068
 SANTA FE, NEW MEXICO 87504

CERTIFIED MAIL®



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 02 7H
 0006052409 MAR 09 2023

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APR 19 2023

Texas Standard Operating NM, LLC
 One Petroleum Center, Bldg One
 3300 North A Street, Suite 105
 Midland, Texas 79705

Hinkle Shanor LLP
 Santa Fe NM 87504

799 DE 1 0004/12/23

RETURN TO SENDER
 UNCLAIMED
 UNABLE TO FORWARD

001 07104200000 * 0700-02000-00-41

87504-2068
 79705-540220