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

CASE NO. 23663

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Adams Davenport
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Location Map of the Capitan 22301 28-21 State Com #18H well
B-2	Pennsylvanian Shale Subsea Structure Map, Cross-Section Line
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for July 14, 2023

COMPULSORY POOLING APPLICATION CHECKLIST

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Case: 23663	APPLICANT'S RESPONSE
Date	August 3, 2023
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 260297
	Hinkle Shanor LLP
Applicant's Counsel: Case Title:	Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Capitan
Formation/Pool	
Formation Name(s) or Vertical Extent:	Pennsylvanian Shale
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Pennsylvanian Shale
Pool Name and Pool Code:	WC025 G09 S173615C; Upper Penn Pool (Code 98333)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	E/2 E/2 of Sections 21 and 28, Township 16 South, Range 36 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> <u>approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Νο
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Capitan 22301 28-21 State Com #18H (API #) SHL: 250' FSL & 1300' FEL (Unit P), Section 28, T16S, R36E BHL: 50' FNL & 660' FEL (Unit A), Section 21, T16S, R36E Completion Target: Pennsylvanian Shale (Approx. 11,515' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$12,000.00
Production Supervision/Month \$	\$1,200.00
Justification for Supervision Costs	Exhibit A
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Notice of Hearing		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-3	
Cross Section (including Landing Zone)	Exhibit B-3	1
Gross Isopach Map	Exhibit B-4	7
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in	this checklist is complete and accurate	

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Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:	8/1/2023	

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

CASE NO. 23663

SELF-AFFIRMED STATEMENT OF ADAMS DAVENPORT

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

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

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

4. BTA seeks an order pooling all uncommitted mineral interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 28 and the E/2 E/2 of Section 21, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Capitan 22301 28-21 State Com #18H** well ("Well"), which will be completed in the WC025 G09 S173615C; Upper Penn Pool (Code 98333). The Well will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 28 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21.

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

BTA Oil Producers, LLC Case No. 23663 Exhibit A 7. **Exhibit A-2** contains the C-102 for the Well.

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

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

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

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

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

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

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

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

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

Adams Davenport

08/01/2023 Date

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

CASE NO. 23663

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) ("BTA" or "Applicant") applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 21 and 28, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). In support of this application, BTA states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the **Capitan 22301 28-21 State Com #18H** well ("Well"), to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 28, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21.

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

4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

BTA Oil Producers, LLC Case No. 23663 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u> Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554

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dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com *Counsel for BTA Oil Producers, LLC* **Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 21 and 28, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 28-21 State Com #18H** well ("Well"), to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 28, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 3 miles south of Lovington, New Mexico.

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (55) 374 6178 Fay: (505) 374 6170

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr. Santa Fe, NM 87505

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

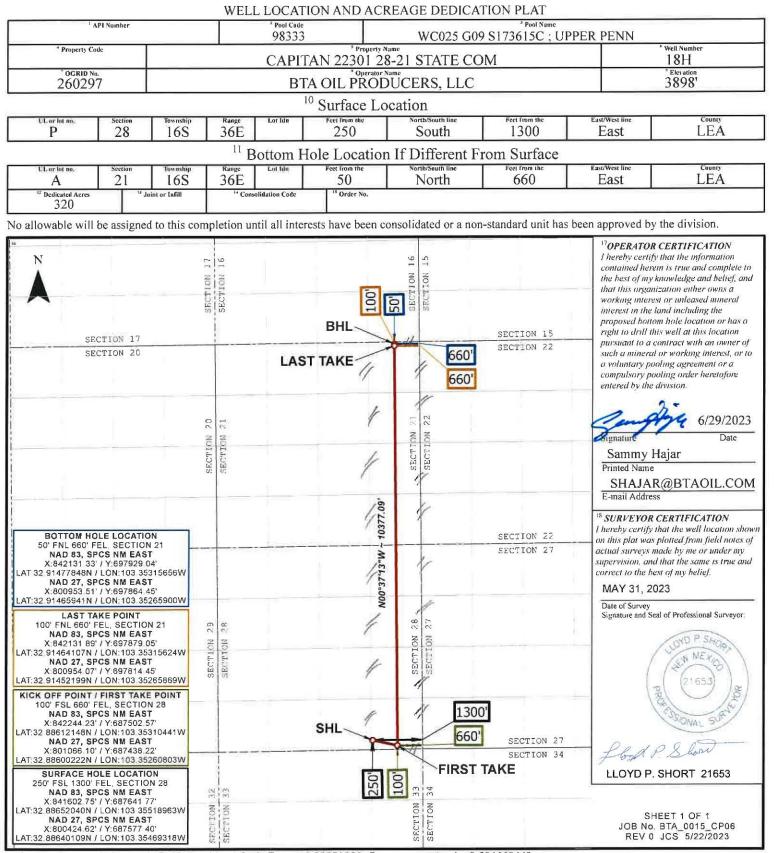
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

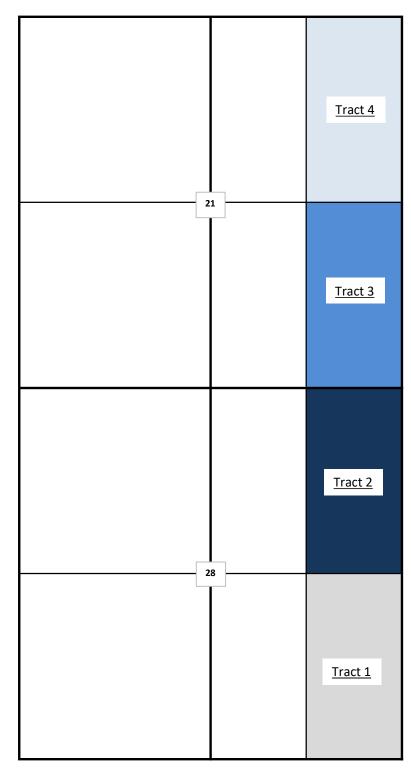
Page 12 of 52

BTA Oil Producers, LLC Case No. 23663 Exhibit A-2



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320 Acre Spacing Unit for the Capitan 22301 28-21 State Com #18H Well Covering the E/2 E/2 of Section 28 and E/2 E/2 of Section 21, T-16-S, R-36-E, N.M.P.M., Lea County, New Mexico



BTA Oil Producers, LLC Case No. 23663 Exhibit A-3

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Capitan 22301 28-21 State Com #18H Unit Recapitulation

Tract 1	Leasehold Owner	WI	80 Acres
State of New Mexico OGL VC-0807 E/2 SE/4 Section 28, T16S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 2	Leasehold Owner	WI	80 Acres
Fee E/2 NE/4 Section 28, T16S-R36E, Lea County, New Mexico	BTA Oil Producers, LLC Broughton Petroleum Inc. Hay Family Trust dated 06/24/2005	85.4167% 11.2500% 3.3333%	68.3333 9.0000 2.6667
Tract 3	Leasehold Owner	WI	80 Acres
State of New Mexico OGL VB-2428 E/2 SE/4, Section 21, T16S-R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 4	Leasehold Owner	WI	80 Acres
Fee E/2 NE/4 Section 21, T16S-R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Recapitulation	Leasehold Owner	WI	320 Acres
Capitan 22301 28-21 State Com #18H Total	BTA Oil Producers, LLC Broughton Petroleum Inc. Hay Family Trust dated 06/24/2005	96.3542% 2.8125% 0.8333% 100.0000%	308.3333 9.0000 2.6667 320.0000
	Uncommitted Royalty Interests Dean Team LLC Dingus Royalty LLC Eight Boots Holdings LLC Eight Energy Percy Engineer Kennedy Family Partnership Matt Corser Pin Oak Royalty Company Robert S Palmore Solis Resources Stephen T. Mitchell Twenty Wild LLC		

*Parties seeking to pool are highlighted in yellow.



BTA OIL PRODUCERS, LLC

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

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

 ROCKY MOUNTAIN DISTRICT

 600 17TH STREET, STE. 2230 SOUTH

 DENVER, COLORADO 80202

 303-534-4404
 FAX 303-534-4661

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

CARLTON BEAL, JR.

BARRY BEAL

SPENCER BEAL

April 20, 2023

In re: Well Proposal Capitan 22301 28-21 State Com #18H SHL: 250' FSL & 1,300' FEL Section 28, T16S, R36E BHL: 50' FNL & 660' FEL Section 21, T16S, R36E Lea County, New Mexico BTA 22300 Arbor 2

Hay Family Trust dated 06/24/2005 Norman L. Hay, Jr. & Louise Hay, Co-Trustees 5901 Mount Rockwood Circle Waco, Texas 76710

Mr. and Mrs. Hay:

BTA Oil Producers, LLC ("BTA") proposes to drill the Capitan 22301 28-21 State Com #18H (the "Well"), a horizontal, communitized, Pennsylvanian Shale Well with a TVD of 11,515' and a MD of 21,770'. The Well will be drilled as a two mile horizontal well at the above captioned location (the "Operation"). The Cumulative Well Costs of the Operation are estimated to be \$13,946,261.00 as detailed in our enclosed Authority for Expenditure ("AFE").

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

- 300% / 100% / 300% non-consent penalty;
- \$12,000.00 / \$1,200.00 drilling and producing rates;
- Contract Area of 320 acres, being the E2 E2 of Section 28, T16S-R36E and E2 E2 of Section 21, T16S, R36E, limited to the Pennsylvanian Shale formation; and
- BTA Oil Producers, LLC named as Operator.

If you do not wish to participate in the proposed wells, BTA would like to lease your interest. The Oil, Gas and Mineral Lease will contain these general provisions:

- Three Year Primary Term;
- \$500/net acre
- 25% Royalty

BTA Oil Producers, LLC Case No. 23663 Exhibit A-4 Page 2

Find enclosed a copy of our AFE for the drilling of the Capitan 22301 28-21 State Com #18H. If you elect to participate in the drilling of the Well, please so indicate by returning a signed copy of this letter along with a signed copy of the AFE to this office using the enclosed envelope. Please note the Well is a horizontal well and there will not be a casing point election.

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

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

Sincerely,

adams B. Davenport

Adams B. Davenport Business Development 432-553-5049

 Elect to Participate in the Capitan 22301 28-21 State Com #18H Well (Send well information requirements to BTA)
 Elect to not to participate in the Capitan 22301 28-21 State Com #18H Well

Hay Family Trust dated 06/24/2005

By:			
Title:			
Date:			

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BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

	Location:	SHL: 250 FSL & 1300 FEL Sec 28, 1 FTP: 100 FSL & 660 FEL Sec 28, 16 LTP: 100 FNL & 660 FEL Sec 21, 16 BHL: 50 FNL & 660 FEL, Sec 21, 16	S, 36E S, 36E			~21,770' M
		Lea County, NM	0, 00L		Formation:	Penn Shale
	Date Prepared:	4/14/2023		Prepared By:		
			NE DRY	NE CASED HOLE	TW COMPLETION	TOTAL COST
ODE	INTANGIBLE COST FORMAT	S TON EVALUATION	\$	s	\$	\$
203 204	Logs Cores		8,000		20,000	28
205	DST	DN & ACCESS				
211 212	Survey & Damage	Stake	5,000 50,000			5 50
213 214	Road & L Other Lo	ocation	85,000 130,000		100,000	185 130
223	DRILLIN	G RIG	205.000			205
225 225 226	Daywork		971,500	134,000		1,105
227	Turnkey	G SUPPLIES				
232 233	Bits BHA	S SUFFLIES	115,000 55,000		65,000	115 120
233 234 236	Fue	nnling	282,750	39,000	03,000	321
	Other Su MUD RE	LATED	105 000	5 000		
241 242	Mud Pure Mud Ren	ta	135,000	5,000		140
244 245	Fresh Wa Brine		55,000 45,000	1,000	720,000	776 45
246 247	Solids Co Mud Mor	itor	43,500 28,000	6,000		49 28
249	DRILLIN	ated Other G SERVICES	8,000			8
252 253	BOP Rel Casing R		15,000 38,000	4,000 95,000		19 133
254 255	Welding Trucking		8,000 22,500	2,000 10,000	15,000 70,000	25 102
256 257	Rental E Other Se		82,000 391,500	8,000	400,000	490 391
261	CEMENT Casing C	- ementing	115,000	185,000		300
262	Other Ce	menting CT SERVICES			150,000	150
266 267	Engineer Geologic	ing	8,000 22,000			8 22
268 269	Roustabo	- out Supervision	6,000 107,300	14,800	80,000 70,000	86 192
270	Other Co	ntract Services	25,000	11,000	10,000	25
272 273	Pulling U Drilling R	nit			20,000	20
276 277	Perforate Stimulatio				364,000 3,840,000	364 3,840
278		mpl. Services			220,000	220
280		Administrative	10,000 \$ 3,072,050	\$ 503,800	10,000 \$ 6,144,000	\$ 9,719
	TANGIBLE COSTS	_ 00313	\$ 5,072,050	\$ 505,600	3 0,144,000	φ 3,713
ODE 311	TUBULA Surface (201,000			201
312 313	ntermed	iate Casing (9 5/8" @ 4,650') r & Hanger (7-5/8" 4600' - 11100')	390,000 440,000			390
314 315	Productio	on Casing (5-1/2" x 5" @ TD) on Liner & Hanger (10,000 - TD)	440,000	915,000		915
316	Other Tu					
321 322	Well Hea Flowline		25,000	27,000	85,000 225.000	137 225
325	Tubing				135,000	135
326 327	Rods Pumps	11.7				
328 329		ce Equipment	115 000	05.000	35,000	35
331	LEASE E	Il Equipment QUIPMENT	115,000	25,000	3,000	143
361 362	Tanks Separato				173,000 113,000	173 113
363 364	Heater T Pumps				5,000	5
365 366	Electrical Meters				75,000 35,000	75 35
367 368	Connecto Lact Equ	ipment			250,000 65,000	250 65
369		ase Equipment			100,000	100
		AL - TANGIBLES	1,171,000	967,000	1,299,000	3,437
353	SYSTEN Gas Line	Tangibles				
353 381	Compres					
382 382	Gas Plan	t Tangibles t Intangibles				
384	Dehydrat					
		AL - SYSTEMS				
	TOTAL TANGIBLE		\$ 1,171,000	\$ 967,000	\$ 1,299,000	\$ 3,437
		L CONTINGENCIES	254,583	88,248	446,580	789
	TOTALS BY PHASE		\$ 4,497,633	\$ 1,559,048	\$ 7,889,580	\$ 13,946
	CUMULATIVE WEL		\$ 4,497,633	\$ 6,056,681	\$ 13,946,261	
	Initial Routing Date: NE RTW	BMM SB, CR, LJH, RMD, SEB, BBJ				
	Land Approval Bloc					
	APPROVED BY:					

CHRONOLOGY OF CONTACT

Capitan 22301 28-21 State Com #18H

Hay Family Trust dated 06/24/2005

- 08/10/2022 Sent via Certified USPS Mail (Tracking No. 7021 2720 0000 4599 0253) lease offer to the Hay Family Trust dated 06/24/2005.
- 08/12/2022 E. L. Mainor signed for the packet as Agent of the Hay Family Trust dated 06/24/2005. No response received by BTA.
- 03/14/2023 Found a phone number for E. L. Mainor. Called listed phone number with no answer.
- 03/15/2023 found a phone number for Norman Hay, Jr. Called listed phone number with no answer. No voicemail option available.
- 03/27/2023 Called Louise Hay at two possible phone numbers no answer and no call back. Called and left message for Christine Goldstein (daughter of Norman and Louise Hay) - no call back. Called Brandt Goldstein (Christine's husband) – answered and said he would have Christine call back.
- 04/19/2023 Called Brandt Goldstein. Explained that BTA is interested in leasing his wife's family's minerals. Mr. Goldstein said he would talk to his wife and have her call.
- 04/24/2023 Sent via Certified USPS Mail (Tracking No. 9214 8969 0099 9790 1824 4284 80) the well proposal/lease offer to the Hay Family Trust dated 06/24/2005. No response received by BTA.
- 04/27/2023 Packet was signed for. Signature is illegible.
- 04/28/2023 Spoke with Christine Goldstein. She said that her family is interested in leasing. She is getting in contact with their attorney to work through Trust Agreement.
- 05/01/2023 Left a message with Ms. Goldstein to discuss leasing. Ms. Goldstein is working through the Trust Agreement with their attorney and has been advised not to lease at this time.

BTA Oil Producers, LLC Case No. 23663 Exhibit A-5

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

CASE NO. 23663

SELF-AFFIRMED STATEMENT OF DAVID CHILDERS

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

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

3. Exhibit B-1 is a project location map that shows the location of the proposed Capitan 22301 28-21 State Com #18H well.

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

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

BTA Oil Producers, LLC Case No. 23663 - Exhibit B

1

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

7. Exhibit B-4 is a Gross Isopach map of the Pennsylvanian Shale Formation interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 375 to 425 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-3 is also shown as a blue line on this map.

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

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

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

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

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

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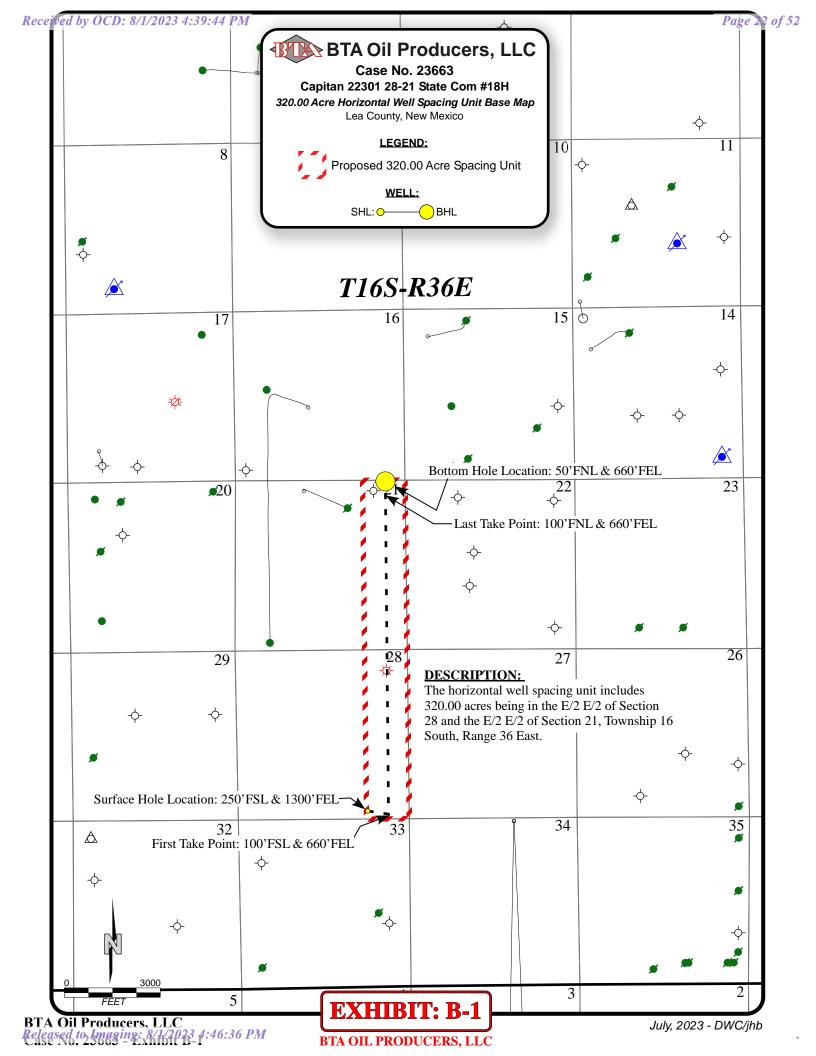
the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

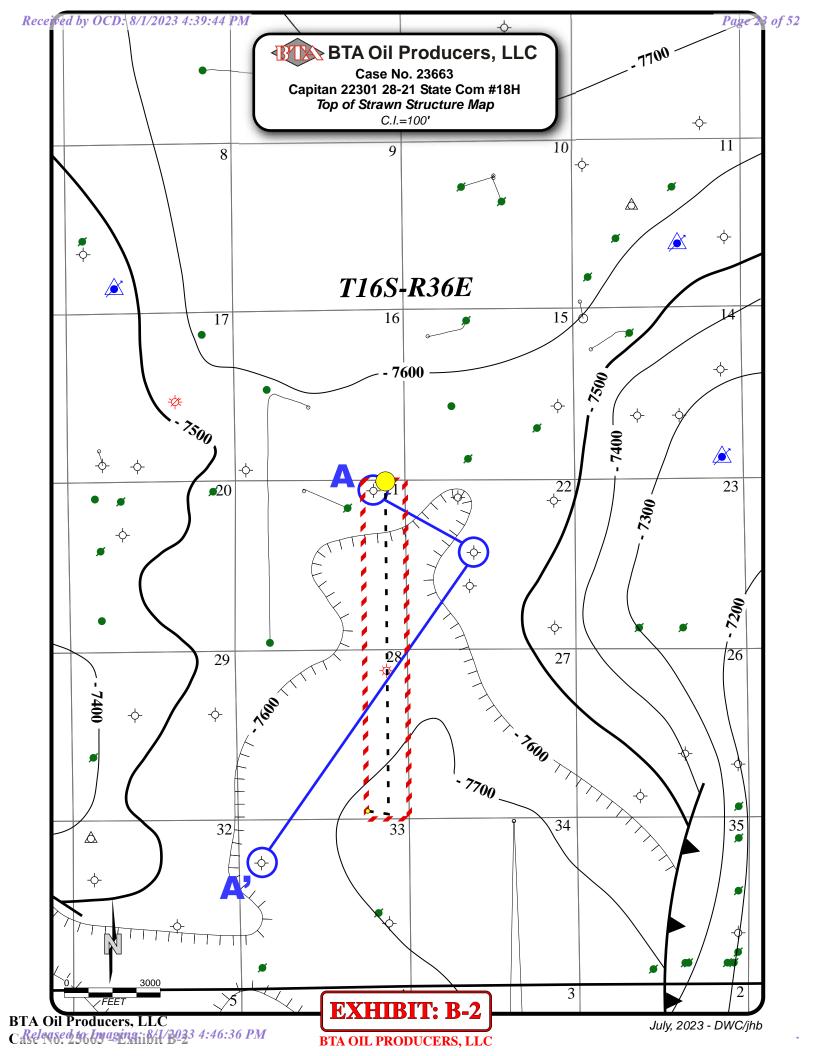
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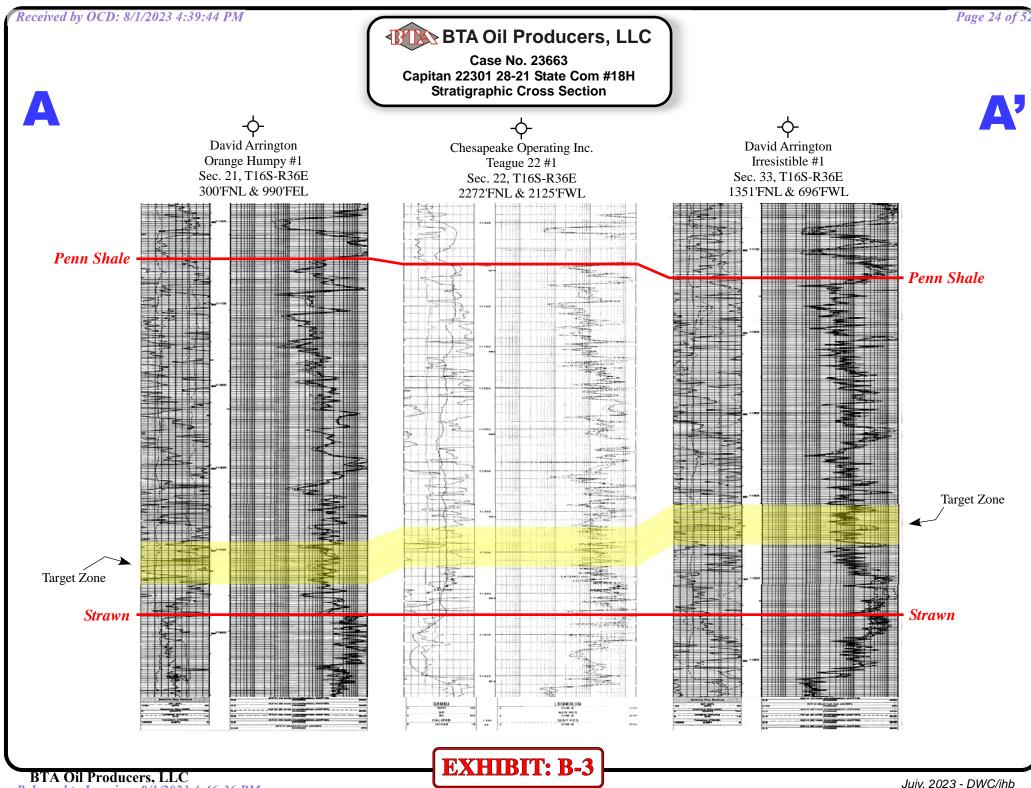
David Childers

<u>7-14-2023</u> Date

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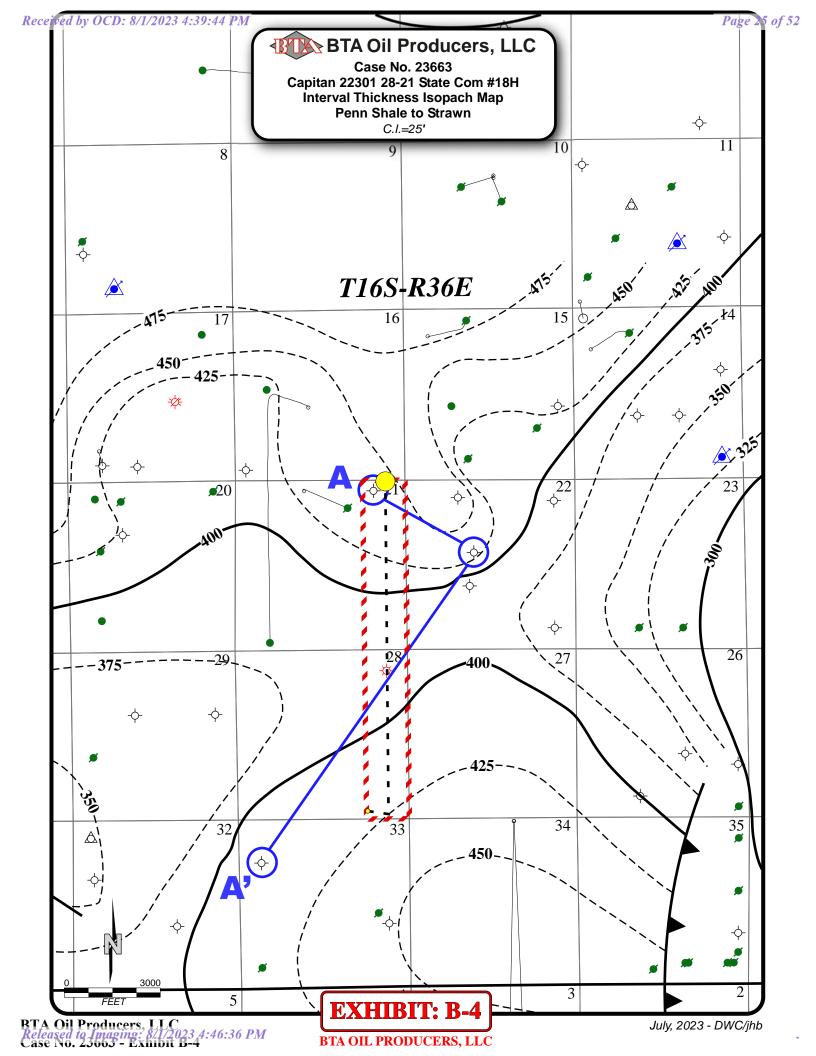




BTA OIL PRODUCERS, LLC

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

CASE NO. 23663

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

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

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

as Exhibit C-2.

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

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

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

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

/s/ Dana S. Hardy Dana S. Hardy August 1, 2023 Date

> BTA Oil Producers, LLC Case No. 23663 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

July 10, 2023

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

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23663 – Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 3**, **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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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 contact Adams Davenport, at BTA Oil Producers, LLC, by phone at 432-682-3753 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

> BTA Oil Producers, LLC Case No. 23663 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

Enclosure

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

CASE NO. 23663

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Broughton Petroleum Inc.	07/10/23	07/18/23
Attn: Bill Foran		
1125 N Loop W, Suite #1055		
Houston, TX 77008		
Matt Corser	07/10/23	07/14/23
8100 Wyoming Blvd NE, Ste M4		
#419		
Albuquerque, NM 87113		
Dean Team, LLC	07/10/23	Per USPS Tracking
4805 Island Drive		(Last Checked 07/27/23):
Midland, TX 79707		
		07/17/23 – Item in transit
		to next facility.
Dingus Royalty, LLC	07/10/23	07/19/23
PO Box 11120		
Midland, TX 79705		
Eight Boots Holdings, LLC	07/10/23	Per USPS Tracking
6800 St Stephens School Cove		(Last Checked 07/27/23):
Austin, TX 78746		
		07/17/23 – Item in transit
	07/10/22	to next facility.
Eight Energy Percy Engineer 303 West Wall Street Suite 1902	07/10/23	07/24/23
Midland, TX 79701	07/10/23	07/17/23
Graham Ranch, LLC Attn: Mike Davis	07/10/23	0//1//23
PO Box 1117		
Lovington, New Mexico 88260		
Norman L. Hay, Jr. & Louise Hay,	07/10/23	07/18/23
Co-Trustees	07/10/23	07/18/23
Hay Family Trust dated 06/24/2005		
5901 Mount Rockwood Circle		
Waco, Texas 76710		
Kennedy Family Partnership	07/10/23	07/24/23
2707 Albans Road		
Houston, TX 77005		
Pin Oak Royalty Company	07/10/23	07/20/23
PO Box 3123		
Midland, TX 79702		

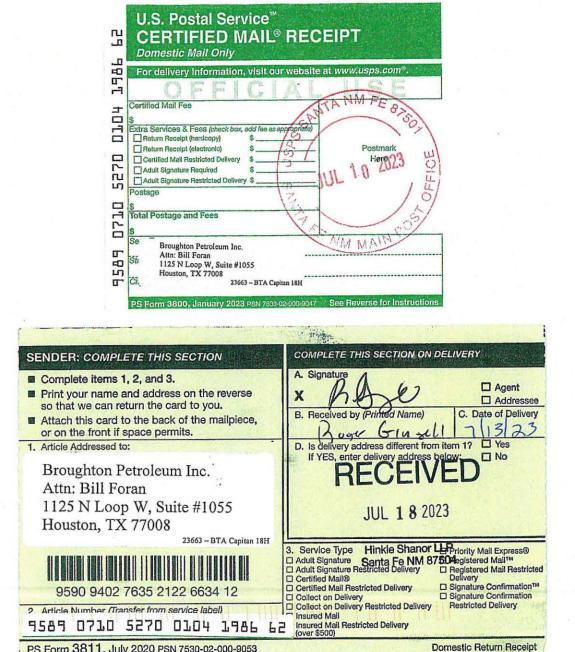
BTA Oil Producers, LLC Case No. 23663 Exhibit C-2

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

CASE NO. 23663

NOTICE LETTER CHART

Stephen T Mitchell	07/10/23	Per USPS Tracking
6212 Homestead Blvd		(Last Checked 07/27/23):
Midland, TX 79707		
		07/19/23 – Delivery
		attempted.
Robert S Palmore	07/10/23	Per USPS Tracking
10000 Dogwood Trail		(Last Checked 07/27/23):
College Station, TX 77845		
		07/13/23 – Item delivered
		to individual at the address.
Solis Resources	07/10/23	07/19/23
PO Box 51451		
Midland, TX 79710		
Twenty Wild, LLC	07/10/23	07/20/23
PO Box 1071		
Midland, TX 79702-1071		



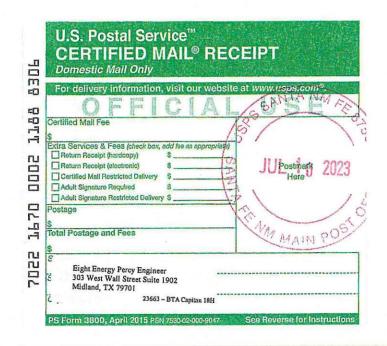
PS Form 3811, July 2020 PSN 7530-02-000-9053

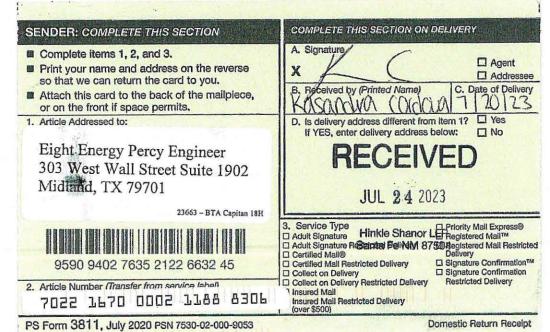
BTA Oil Producers, LLC Case No. 23663 Exhibit C-3

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9589	Matt Corser 8100 Wyoming Blvd NE, Ste M4 #419 Albuquerque, NM 87113 C 23663 - BTA Cepitan 18H
	PS Form 3800, January 2023 PSN 7550-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON D	ELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery
1. Article Addressed to: Matt Corser 8100 Wyoming Blvd NE, Ste M4 #419 Albuquerque, NM 87113	D. Is delivery address different from If YES, enter delivery address be RECEIV JUL 1 ⁴ 202	
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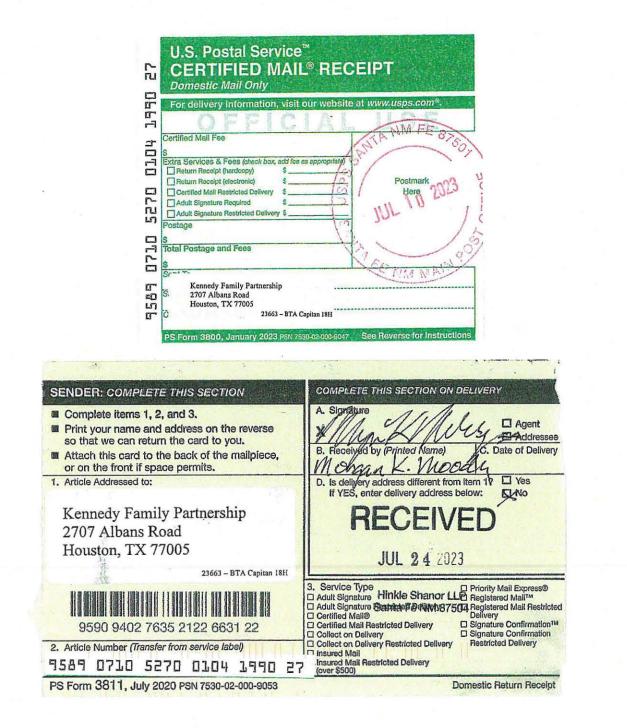


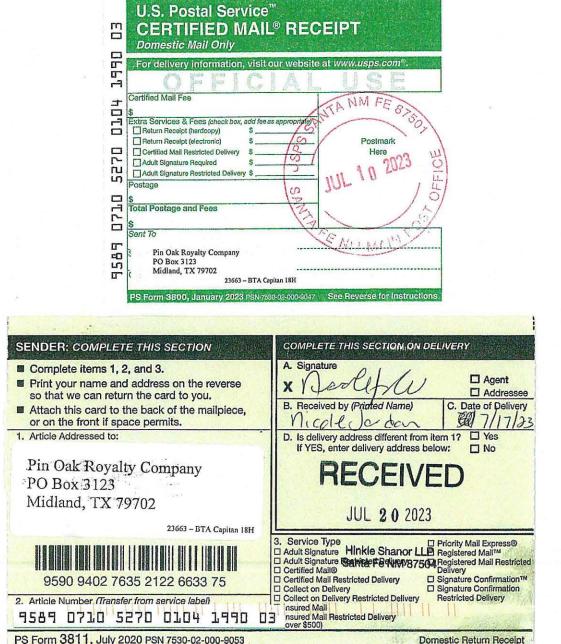


CERTIFIED MAIL® RECEIPT -0 + Domestic Mail Only _ 1981 For deli www.usps.com NTA NM FE 8 Certified Mail Fee HO Extra Services & Fees (check box, add fee as appro 11 Return Receipt (electronic) JUL Postmark 20 Certified Mail Restricted Delivery Adult Signature Required 12 сл С Adult Signature Restricted Delivery \$ Postage DT7D Total Postage and Fees MM MAIN PC Graham Ranch, LLC 589 Attn: Mike Davis PO Box 1117 Si Lovington, New Mexico 88260 23663 - BTA Capitan 18H П Ĉ PS Form 3800, January 2023 PSN 7530-02-000-9047

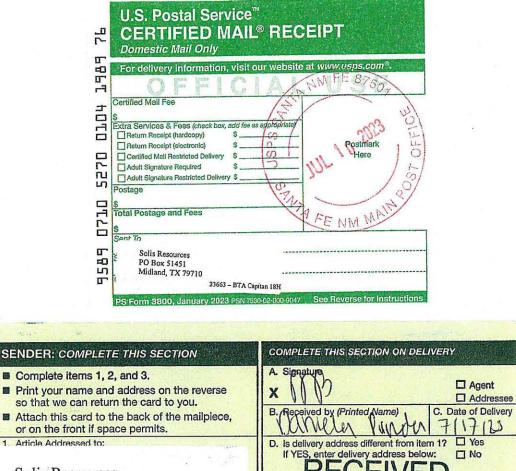




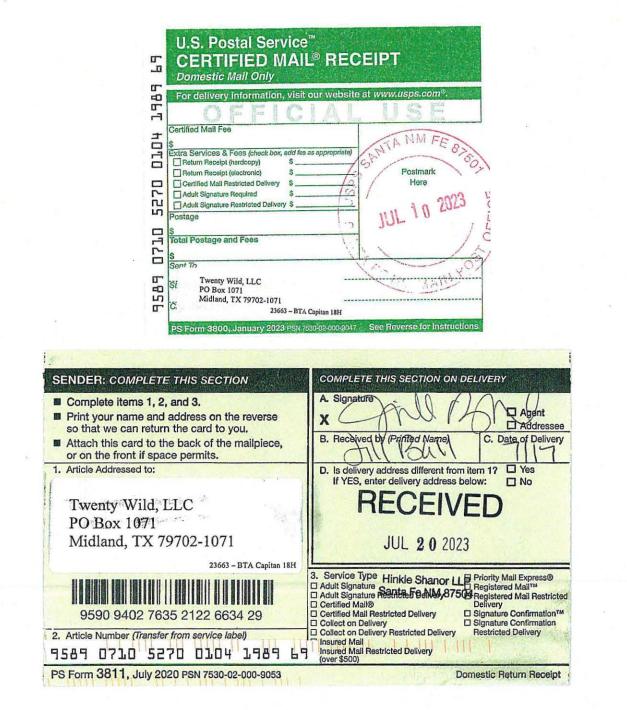




PS Form 3811, July 2020 PSN 7530-02-000-9053







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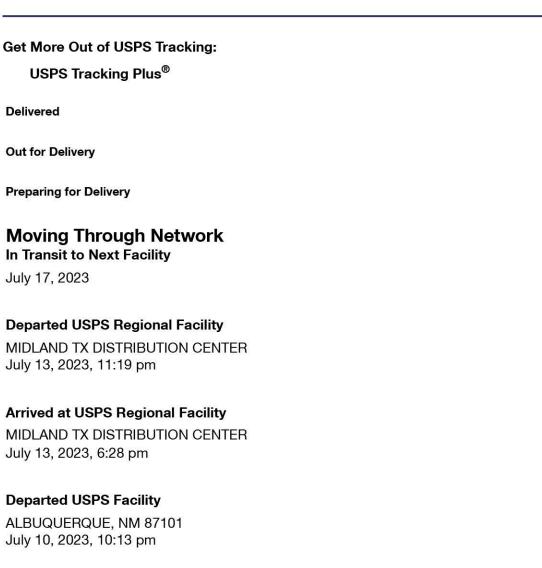
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Latest Update

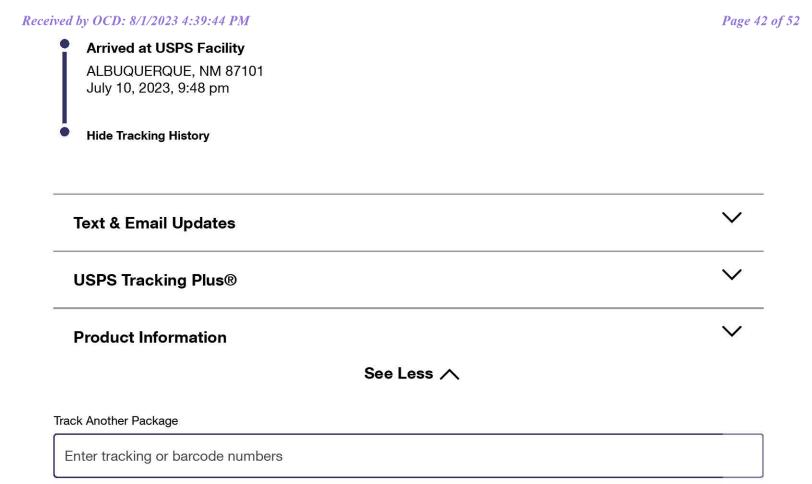
Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.





FAQs >

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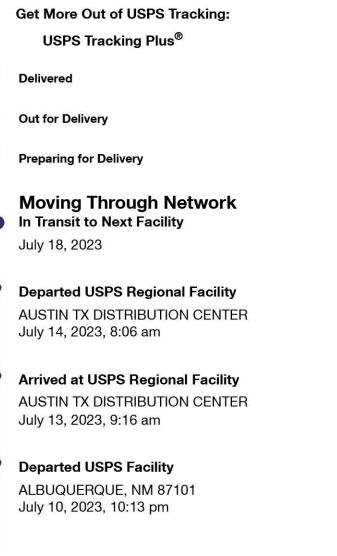
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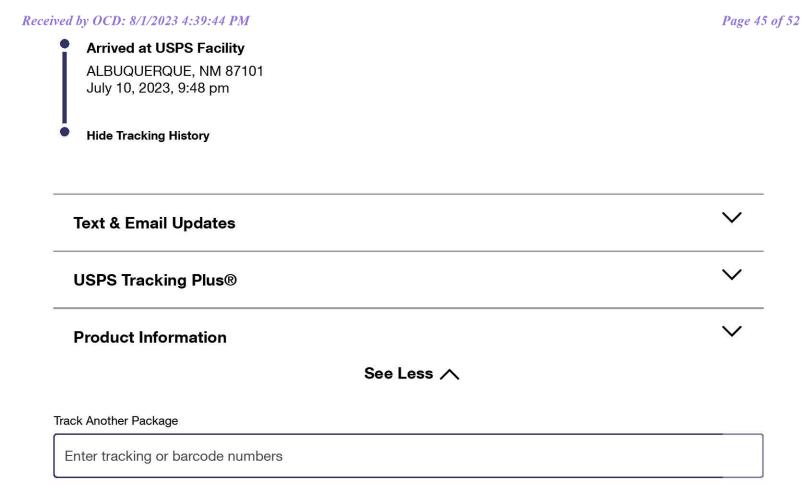
Latest Update

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9589	Stephen T Mitchell 6212 Homestead Blvd Midland, TX 79707 23663 - BTA Capitan 18H
	PS Form 3800, January 2023 PSN 7580-02-000-9947 See Reverse for Instructions

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FAQs >

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Tracking Number: 9589071052700104198983

Copy Schedule a Redelivery (https://tools.usps.com/redelivery.htm)

Latest Update

This is a reminder to arrange for redelivery of your item before July 28, 2023 or your item will be returned on July 29, 2023. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice.

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USPS Tracking Plus[®]

Delivery Attempt: Action Needed Reminder to Schedule Redelivery of your item before July 28, 2023 July 19, 2023

Notice Left (No Authorized Recipient Available) MIDLAND, TX 79707 July 14, 2023, 1:27 pm

Departed USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER July 13, 2023, 10:48 pm

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER July 13, 2023, 6:28 pm

In Transit to Next Facility July 12, 2023

Departed USPS Facility

-

ALBUQUERQUE, NM 87101 July 10, 2023, 10:13 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 July 10, 2023, 9:48 pm

Hide Tracking History

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Track Another Package

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Received by OCD: 8/1/2023 4:39:44 PM



Tracking Number:

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Latest Update

Your item was delivered to an individual at the address at 3:18 pm on July 13, 2023 in COLLEGE STATION, TX 77845.

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USPS Tracking Plus®

Delivered Delivered, Left with Individual COLLEGE STATION, TX 77845

July 13, 2023, 3:18 pm

Departed USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER July 13, 2023, 12:06 am

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER July 12, 2023, 9:15 am

In Transit to Next Facility July 11, 2023

Departed USPS Facility ALBUQUERQUE, NM 87101 July 10, 2023, 10:13 pm

Arrived at USPS Facility

Page 50 of 52

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FAQs >

ALBUQUERQUE, NM 87101 July 10, 2023, 9:48 pm

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 Enter tracking or barcode numbers
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Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated July 14, 2023 and ending with the issue dated July 14, 2023.

Publisher

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

Business Manager

My commission expires January 29, 2027 (Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said 02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00280627

BTA Oil Producers, LLC Case No. 23663 Exhibit C-4

LEGAL NOTICE July 14, 2023

This is to notify all interested parties, including Broughton Petroleum Inc.; Hay Family Trust dated 06/24/2005; Graham Ranch, LLC; Dean Team, LLC; Dingus Royalty, LLC; Eight Boots Holdings, LLC; Eight Energy Percy Engineer; Kennedy Family Partnership; Matt Corser; Pin Oak Royalty Company; Robert S Palmore; Solls Resources; Stephen T Mitchell; Twenty Wild, LLC; and their successors and assigns, that the New Mexico Oil Conservation pivbmited by BTA Oil Producers, LLC (Case No. 23663). The hearing will be conducted remotely on August 3, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the nstructions posted on the OCD Hearings website for that date: https://www.emnrd.m.gov/ocd/hearinginfo/. Applicant applies for an order pooling all formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 21 and 28, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 28-21 State Com #18H weil** ("Weil"), to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 28, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 21. The completed interval of the Weil will be orthodox. Also to be considered will be the cost of drilling and completing the Weil and the allocation of the cost, the designation of Applicant as operator of the Weil, and a 200% charge for the risk involved in drilling and completing the Weil. The Weil is located approximately 3 miles south of Lovington, New Mexico.