

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

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

CASE NO. 23664

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 27-22 State Com #19H well
B-2	Subsea Structure Map
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

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23664	APPLICANT'S RESPONSE
Date	September 21, 2023
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 260297
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	Greyhound Resources Company
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	W/2 W/2 of Sections 22 and 27, Township 16 South, Range 36 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
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 27-22 State Com #19H (API # ---) SHL: 250' FSL & 1300' FWL (Unit M), Section 27, T16S, R36E BHL: 50' FNL & 660' FWL (Unit D), Section 22, T16S, R36E Completion Target: Approx. 11,540' 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
Requested Risk Charge	200%
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-2
Cross Section (including Landing Zone)	Exhibit B-3
Gross Isopach Map	Exhibit B-4

Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/19/2023

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

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

CASE NO. 23664

**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 W/2 W/2 of Section 27 and the W/2 W/2 of Section 22, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Capitan 22301 27-22 State Com #19H** 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 SW/4 SW/4 (Unit M) of Section 27 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.

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

**BTA Oil Producers, LLC
Case No. 23664
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

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

Adams Davenport
Adams Davenport

09/19/2023
Date

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

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

CASE NO. 23664

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) (“BTA” or “Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, 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 27-22 State Com #19H** well (“Well”), to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.
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. 23664
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

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

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

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

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 27-22 State Com #19H** well ("Well"), to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. 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.

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

BTA Oil Producers, LLC
Case No. 23664
Exhibit A-2

WELL LOCATION AND ACERAGE DEDICATION PLAT

¹ API Number	² Pool Code 98333	⁴ Pool Name WC025 G09 S173615C ; UPPER PENN
⁴ Property Code	⁵ Property Name CAPITAN 22301 27-22 STATE COM	⁶ Well Number 19H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3884'

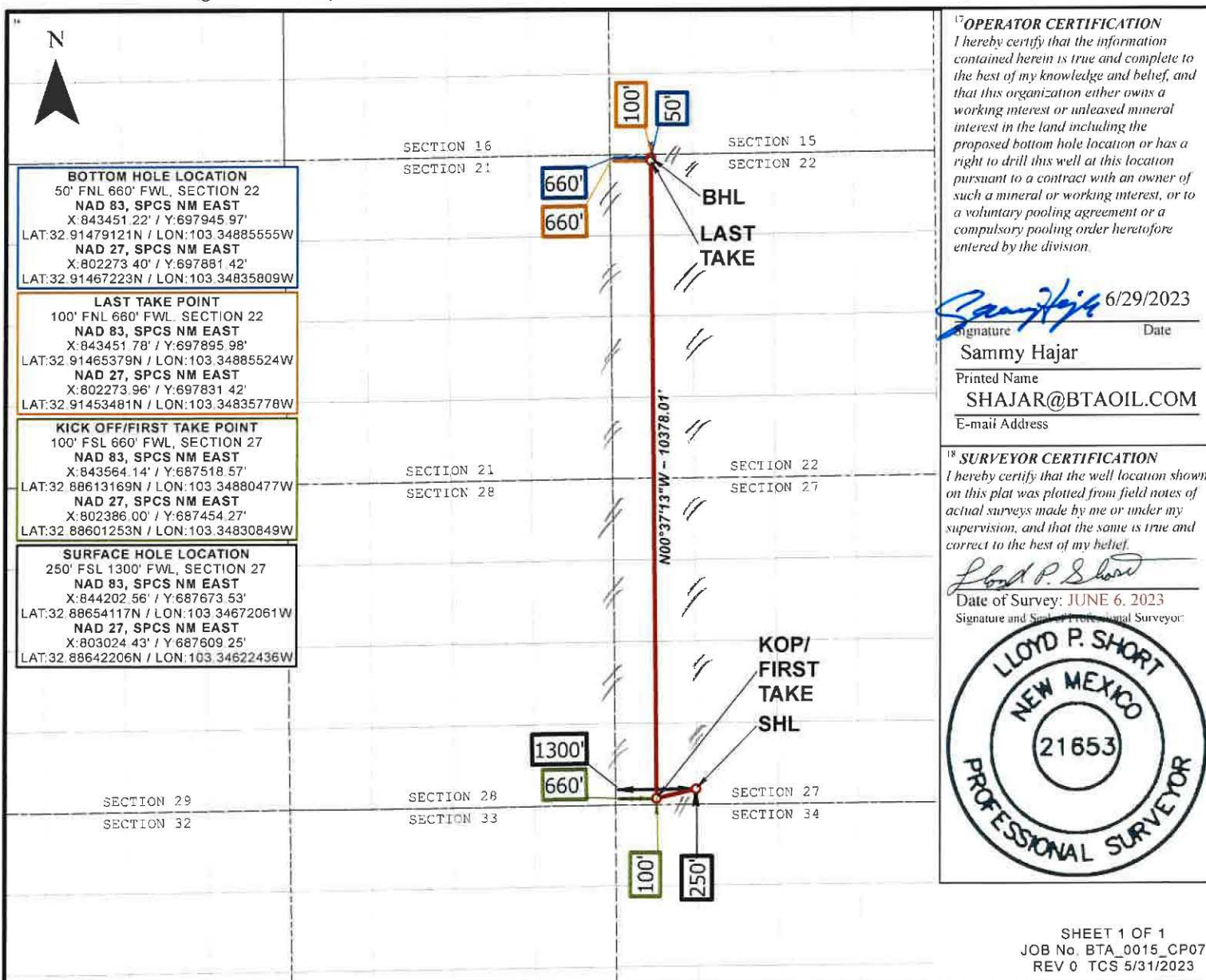
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	27	16S	36E		250	South	1300	West	LEA

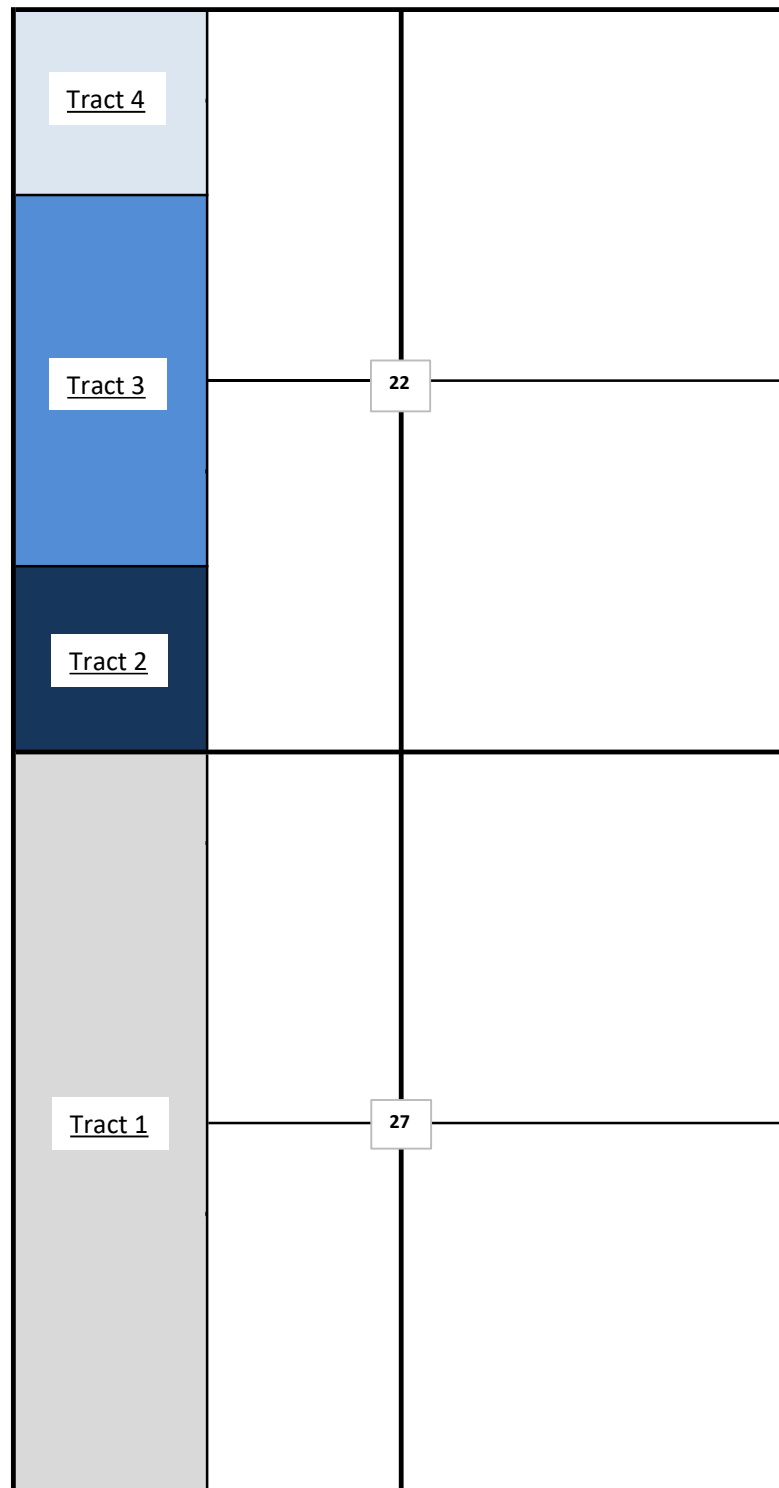
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	22	16S	36E		50	North	660	West	LEA
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



**320 Acre Spacing Unit for the Capitan 22301 27-22 State Com #19H Well
Covering the W/2 W/2 of Section 27 and W/2 W/2 of Section 22,
T-16-S, R-36-E, N.M.P.M., Lea County, New Mexico**



**BTA Oil Producers, LLC
Case No. 23664
Exhibit A-3**

Capitan 22301 27-22 State Com #19H Unit Recapitulation

Tract 1	Leasehold Owner	WI	160 Acres
State of New Mexico OGL VC-0833 W/2 W/2 Section 27, T16S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	160.0000
Tract 2	Leasehold Owner	WI	40 Acres
State of New Mexico OGL VC-0842 SW/4 SW/4 Section 22, T16S, R36E, Lea County, New Mexico	Slash Exploration	88.0000%	35.2000
	Broughton Petroleum Inc.	12.0000%	4.8000
Tract 3	Leasehold Owner	WI	80 Acres
Fee	BTA Oil Producers, LLC	68.7500%	55.0000
NW/4 SW/4, SW/4 NW/4	Black Shale Minerals, LLC	12.5000%	10.0000
Section 22, T16S-R36E,	Chisos, Ltd	12.5000%	10.0000
Lea County, New Mexico	Macdonald 1996 Revocable Trust, dated January 11, 1996	6.2500%	5.0000
Tract 4	Leasehold Owner	WI	40 Acres
State of New Mexico OGL VC-0879 NW/4 NW/4 Section 22, T16S, R36E, Lea County, New Mexico	Greyhound Resources, LLC	100.0000%	40.0000
Recapitulation	Leasehold Owner	WI	320 Acres
Capitan 22301 27-22 State Com #19H	BTA Oil Producers, LLC	67.1875%	215.0000
	Slash Exploration	11.0000%	35.2000
	Broughton Petroleum Inc.	1.5000%	4.8000
	Black Shale Minerals, LLC	3.1250%	10.0000
	Chisos, Ltd	3.1250%	10.0000
	Macdonald 1996 Revocable Trust, dated January 11, 1996	1.5625%	5.0000
	Greyhound Resources, LLC	12.5000%	40.0000
Total		100.0000%	320.0000
	Uncommitted Royalty Interests		
	Black Shale Minerals, LLC		
	Chisos, Ltd		

***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

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

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

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

April 19, 2023

In re: Well Proposal
Capitan 22301 27-22 State Com #19H
SHL: 250' FSL & 1,300' FWL Section 27, T16S, R36E
BHL: 50' FNL & 660' FWL Section 22, T16S, R36E
Lea County, New Mexico

BTA 22300 Arbor 2

Macdonald 1996 Revocable Trust, dated January 11, 1996
PO Box 5870
Ketchum, ID 83340

To whom it may concern:

BTA Oil Producers, LLC ("BTA") proposes to drill the Capitan 22301 27-22 State Com #19H (the "Well"), a horizontal, communitized, Pennsylvanian Shale Well with a TVD of 11,540' and a MD of 21,795'. 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;
- \$8,000.00 / \$800.00 drilling and producing rates;
- Contract Area of 320 acres, being the W2 W2 of Section 27, T16S-R36E and W2 W2 of Section 22, 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;
- \$200/net acre
- 20% Royalty

BTA Oil Producers, LLC
Case No. 23664
Exhibit A-4

Page 2

Find enclosed a copy of our AFE for the drilling of the Capitan 22301 27-22 State Com #19H. 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
Business Development

_____ Elect to Participate in the Capitan 22301 27-22 State Com #19H Well
(Send well information requirements to BTA)

_____ Elect to not to participate in the Capitan 22301 27-22 State Com #19H Well

Macdonald 1996 Revocable Trust, dated January 11, 1996

By: _____

Title: _____

Date: _____

Well Name:	Capitan 22301 27-22 State Come #19H (PSMD)	Total Depth:	~11,540' TVD
Location:	SHL: 250 FSL & 1300 FWL Sec 27, 16S, 36E FTP: 100 FSL & 660 FWL Sec 27, 16S, 36E LTP: 100 FNL & 660 FWL Sec 22, 16S, 36E BHL: 50 FNL & 660 FWL, Sec 22, 16S, 36E Lea County, NM		~21,795' MD
Date Prepared:	4/14/2023	Formation:	Penn Shale

Initial Routing Date:

NE RTW BMM SB, CR, LJH, RMD, SEB, BBJ

Land Approval Block:

APPROVED BY: _____

COMPANY: _____

DATE: _____

CHRONOLOGY OF CONTACT
Capitan 22301 27-22 State Com #19H

Alexander Macdonald II and Augusta G. Macdonald or their successors, Trustees of the Macdonald 1996 Revocable Trust, dated January 11, 1996

08/18/2022 Mailed lease offer via Certified USPS (7021 2720 0000 4598 9387). Signed for on 08/25/2022 by L. Brown as agent. No response.

08/31/2022 Mailed revised lease offer via Certified USPS (7021 2720 0000 4599 0079). Packet was signed for on 09/07/2022 by L. Brown as agent. No response.

04/20/2023 Mailed well proposal via Certified USPS (9214 8969 0099 9790 1824 1570 69). Packet was signed for on 4/25/2023. No response.

07/12/2023 Called phone number listed for the Trustees' son, Alexander G. MacDonald, III. The phone rang and never went to voicemail.

Greyhound Resources, LLC

04/20/2023 Sent via Certified USPS Mail (Tracking No. 9214 8969 0099 9790 1824 1570 45) the well proposal/lease offer to Greyhound Resources, LLC. Packet was signed for on 4/24/2023. No response received by BTA.

05/02/2023 Spoke with Clay Wooten at Greyhound about the well proposals.

05/03/2023 Emailed Mr. Wooten BTA's proposed JOA.

05/22/2023 Mr. Wooten requested we set up a technical call to discuss BTA's development plan.

05/23/2023 Offered to have a technical call on 05/31/2023.

05/31/2023 BTA's technical team met with Greyhound's technical team to answer questions they had pertaining to BTA's Capitan 22301 27-22 State Com #19H development plans.

07/05/2023 Followed up with Mr. Wooten via email to see if Greyhound had a chance to make an election on BTA's well proposal.

07/10/2023 Mr. Wooten replied to the 07/05/2023 follow-up email to say that he would follow up with his technical team to see where they are with their evaluation.

- 07/20/2023 Followed up with Mr. Wooten via email to see if Greyhound had a chance to make an election on BTA's well proposal and restated a term assignment offer BTA made Greyhound for their acreage within BTA's proposed Capitan 22301 27-22 State Com #19H unit.
- 07/27/2023 Followed up with Mr. Wooten via email to see if Greyhound had a chance to make an election on BTA's well proposal and/or review BTA's term assignment offer.
- 08/14/2023 Followed up with Mr. Wooten via email to see if Greyhound had a chance to make an election on BTA's well proposal and/or review BTA's term assignment offer.
- 08/21/2023 Received an email from Mr. Wooten indicating that the team is still evaluating and that he would try to get BTA an answer soon.

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

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

CASE NO. 23664

**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 27-22 State Com #19H 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. 23664
Exhibit B**

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 400 to 450 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-3 is also shown as a blue line on this map.

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

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

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

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

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

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

David Childers
David Childers

7-14-2023
Date


BTA Oil Producers, LLC

Case No. 23664

Capitan 22301 27-22 State Com #19H

320.00 Acre Horizontal Well Spacing Unit Base Map

Lea County, New Mexico

LEGEND:
 Proposed 320.00 Acre Spacing Unit
WELL:SHL:  BHL: **T16S-R36E****DESCRIPTION:**

The horizontal well spacing unit includes 320.00 acres being in the W/2 W/2 of Section 27 and the W/2 W/2 of Section 22, Township 16 South, Range 36 East.

Bottom Hole Location: 50' FNL & 660' FWL

Last Take Point: 100' FNL & 660' FWL

Surface Hole Location: 250' FSL & 1300' FWL

First Take Point: 100' FSL & 660' FWL


 0 3000
 FEET
EXHIBIT: B-1



BTA Oil Producers, LLC

Case No. 23664

Capitan 22301 27-22 State Com #19H

Top of Strawn Structure Map

C.I.=100'

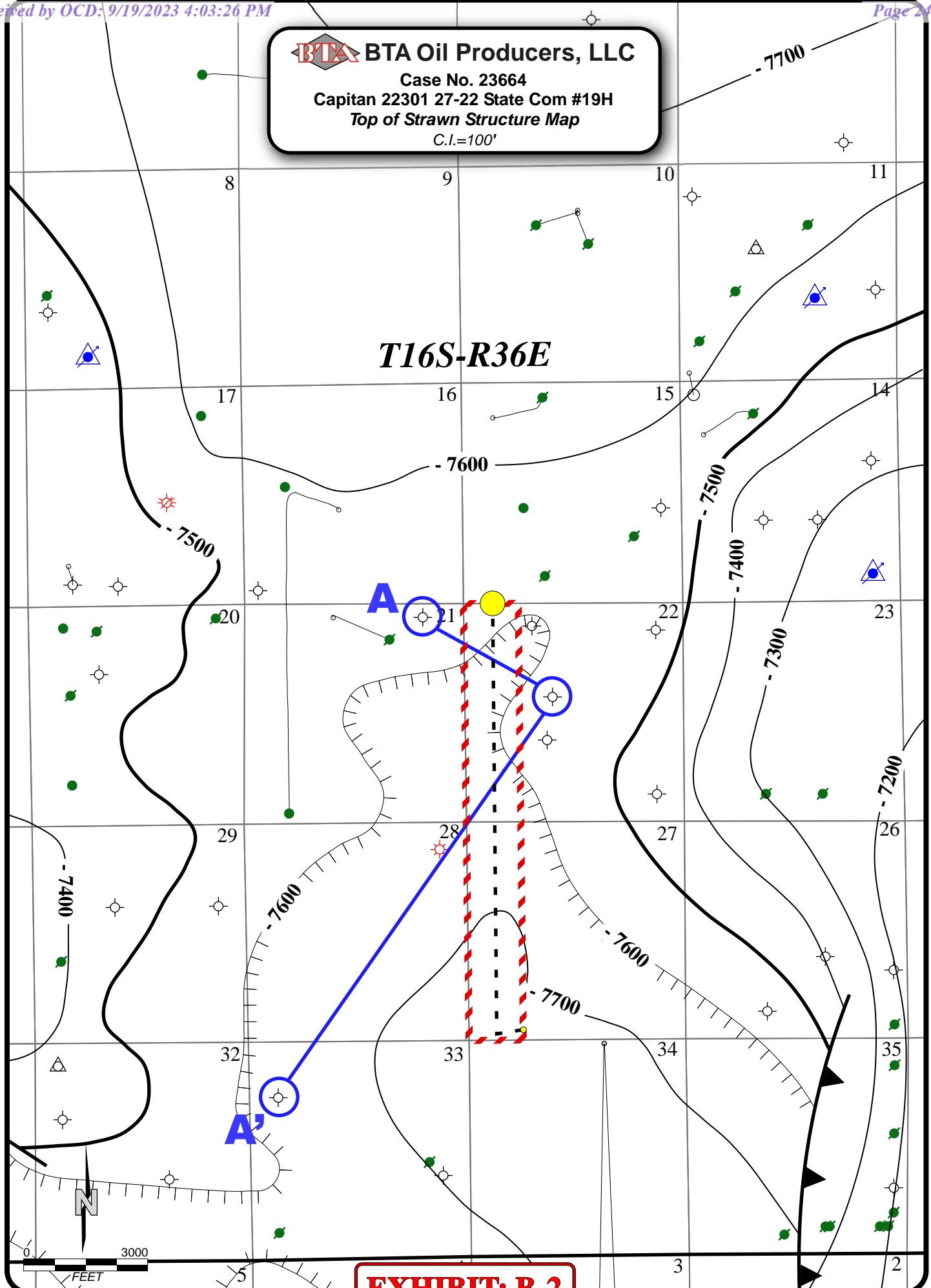


EXHIBIT: B-2

BTA Oil Producers, LLC

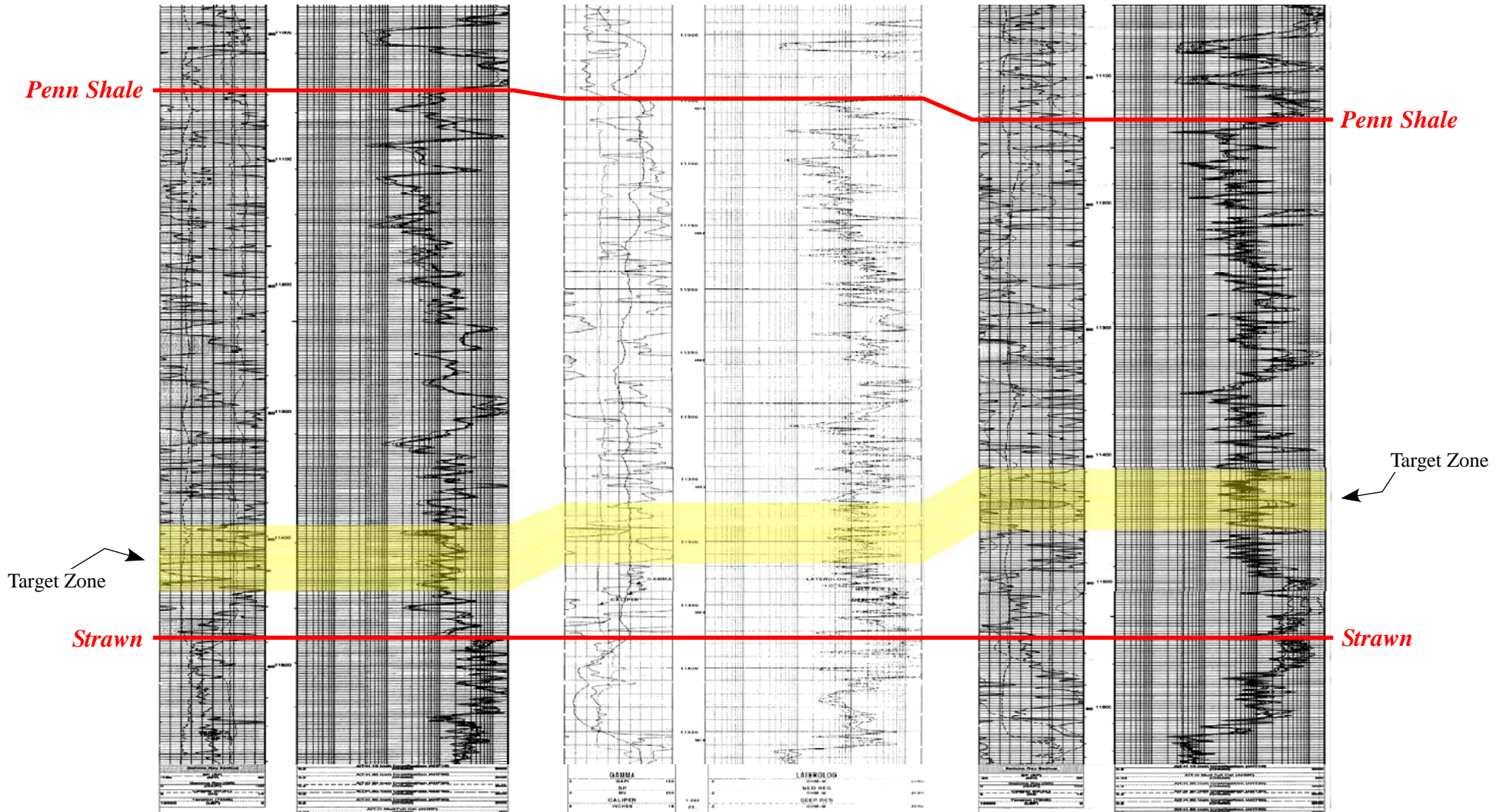
Case No. 23664
Capitan 22301 27-22 State Com #19H
Stratigraphic Cross Section

A**A'**

David Arrington
Orange Humpy #1
Sec. 21, T16S-R36E
300'FNL & 990'FEL

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

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

**EXHIBIT: B-3**



BTA Oil Producers, LLC

Case No. 23664

Capitan 22301 27-22 State Com #19H

Interval Thickness Isopach Map

Penn Shale to Strawn

C.I.=25'

T16S-R36E

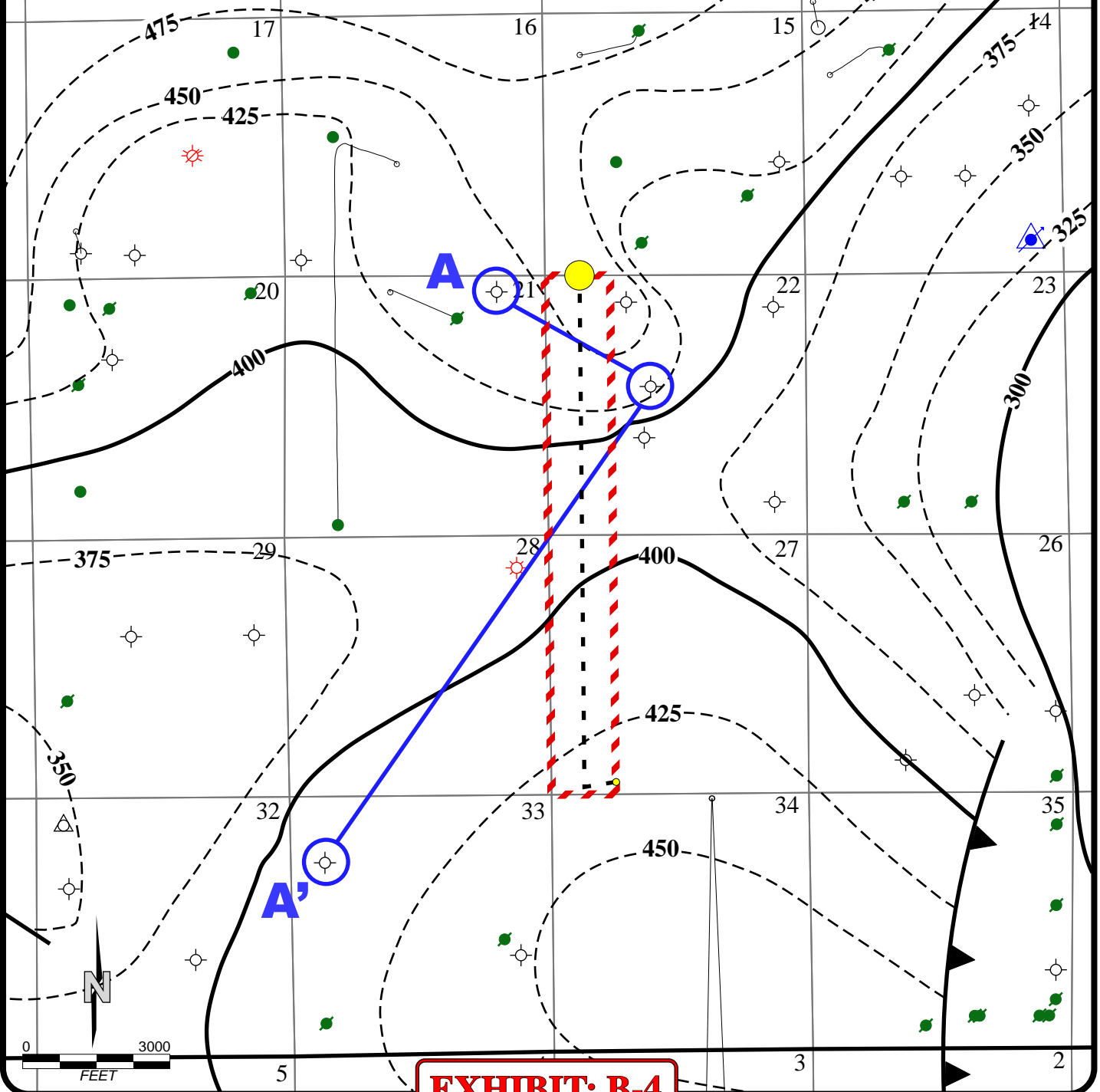


EXHIBIT: B-4

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

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

CASE NO. 23664

**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

September 18, 2023
Date

**BTA Oil Producers, LLC
Case No. 23664
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

July 10, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23664 – 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: <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 contact Adams Davenport, at BTA Oil Producers, LLC, by phone at 432-682-3753 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

Exhibit C-1 (Case No. 23664)

BTA Oil Producers, LLC

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

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

CASE NO. 23664

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Black Shale Minerals, LLC Attn: Andy Scott 5006 TX-31 N Longview, TX 75603	07/10/23	07/24/23 Return to sender.
Broughton Petroleum Inc. Attn: Bill Foran 1125 N Loop W, Suite #1055 Houston, TX 77008	07/10/23	07/18/23
Chisos, Ltd Attn: Land Department 1331 Lamar Street, Suite 1077 Houston, TX 77010	07/10/23	08/04/23
Greyhound Resources, LLC Attn: Land Department 5400 LBJ. Freeway, Suite 1500 Dallas, TX 75240	07/10/23	07/17/23 No signature.
Macdonald 1996 Revocable Trust, dated January 11, 1996 PO Box 5870 Ketchum, ID 83340	07/10/23	07/21/23
Slash Exploration Attn: Kevin Klein P.O. Box 1973 Roswell, NM 88202-1973	07/10/23	07/19/23

**BTA Oil Producers, LLC
Case No. 23664
Exhibit C-2**

9589 0710 5270 0104 1987 16

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 \$
 \$
 Broughton Petroleum Inc.
 Attn: Bill Foran
 1125 N Loop W, Suite #1055
 Houston, TX 77008
 23664 - BTA Capitan 19H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM MAIN POST OFFICE
JUL 10 2023
 Postmark Here

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature X <i>R. G. Shanor</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Roger G. Shanor</i> C. Date of Delivery <i>7/13/23</i></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>1. Article Addressed to:</p> <p>Broughton Petroleum Inc. Attn: Bill Foran 1125 N Loop W, Suite #1055 Houston, TX 77008 23664 - BTA Capitan 19H</p> <p>9590 9402 7635 2122 6633 68</p>	<p>RECEIVED JUL 18 2023</p>
<p>2. Article Number (Transfer from service label) 9589 0710 5270 0104 1987 16</p>	<p>3. Service Type Hinkle Shanor LLP <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Santa Fe NM 87504 <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation 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>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

BTA Oil Producers, LLC
 Case No. 23664
 Exhibit C-3

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 \$
 Sent To
 Chisos, Ltd
 Attn: Land Department
 1331 Lamar Street, Suite 1077
 Houston, TX 77010
 23664 - BTA Capitan 19H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE NM MAIN POST OFFICE
JUL 10 2023
 Postmark Here

9589 0710 5270 0104 1986 79

SENDER: COMPLETE THIS SECTION

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

Article Addressed to:
 Chisos, Ltd
 Attn: Land Department
 1331 Lamar Street, Suite 1077
 Houston, TX 77010
 23664 - BTA Capitan 19H

Barcode: 9590 9402 7635 2122 6634 98

2. Article Number (Transfer from service label)
 9589 0710 5270 0104 1986 79

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ X ☐ Agent
☐ Addressee

B. Received by (Printed Name) *Andrew Hernandez* C. Date of Delivery *7/18/23*

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

RECEIVED
 AUG 4 2023

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

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

9589 0710 5270 0104 1987 09

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

For delivery information, visit our website at www.usps.com®.

Certified Mail Fee
 \$

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

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage
 \$

Total Postage and Fees
 \$

Sent To
 Greyhound Resources, LLC
 Attn: Land Department
 5400 LBJ. Freeway, Suite 1500
 Dallas, TX 75240

23664 - BTA Capitan 19H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

OFFICIAL USE
 JUL 10 2023
 Postmark Here
 SANTA FE NM MAIN POST OFFICE

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Greyhound Resources, LLC
 Attn: Land Department
 5400 LBJ. Freeway, Suite 1500
 Dallas, TX 75240

23664 - BTA Capitan 19H

9590 9402 7635 2122 6633 82

2. Article Number (Transfer from service label)

9589 0710 5270 0104 1987 09

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X ☐ Agent
☐ Addressee

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

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

RECEIVED
 JUL 17 2023

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery ☐ Registered Mail™
☐ Certified Mail® ☐ Certified Mail Restricted Delivery
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™
☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)

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

Domestic Return Receipt

9589 0710 5270 0104 1986 86

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only
For delivery information, visit our website at www.usps.com®.

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

\$

 Macdonald 1996 Revocable Trust, dated
 January 11, 1996
 PO Box 5870
 Ketchum, ID 83340

23664 - BTA Capitan 19H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

 Macdonald 1996 Revocable Trust,
 dated January 11, 1996
 PO Box 5870
 Ketchum, ID 83340

23664 - BTA Capitan 19H



9590 9402 7635 2122 6634 81

2. Article Number (Transfer from service label)

9589 0710 5270 0104 1986 86

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☒ Agent☐ Addressee

B. Received by (Printed Name)

L. BROWN

C. Date of Delivery

7-17-23

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No**RECEIVED**

JUL 21 2023

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☐ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Insured Mail☐ Insured Mail Restricted Delivery

(over \$500)

☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery
 Hinkle Shanor LLP
 Santa Fe, NM 87501

Return Receipt

9589 0710 5270 0104 2033 11

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

For delivery information, visit our website at www.usps.com

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

\$

Slash Exploration
Attn: Kevin Klein
P.O. Box 1973
Roswell, NM 88202-1973

23664 - BTA Capitan 19H

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐ Agent
☐ Addressee

B. Received by (Printed Name)

A. Alvarado

C. Date of Delivery

7-14-23

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

RECEIVED

JUL 19 2023

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Slash Exploration
Attn: Kevin Klein
P.O. Box 1973
Roswell, NM 88202-1973

23664 - BTA Capitan 19H



9590 9402 7635 2122 6633 51

2. Article Number (Transfer from service label)

9589 0710 5270 0104 2033 11

3. Service Type

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

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

Domestic Return Receipt

9589 0710 5270 0104 1986 93

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CERTIFIED MAIL® RECEIPT
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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 \$

Sent To
 Str Black Shale Minerals, LLC
 Attn: Andy Scott
 5006 TX-31 N
 Longview, TX 75603
 Oil 23664 - BTA Capitan 19H

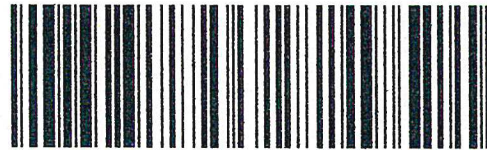
Postmark Here
 JUL 10 2023

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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

UTF

CERTIFIED MAIL®



9589 0710 5270 0104 1986 93

FIRST-CLASS



US POSTAGE IMPIPITNEY BOWES

ZIP 87501 \$ 008.77⁰
 02 7H
 0006052409 JUL 10 2023

RECEIVED

JUL 24 2023

Hinkle Shanor LLP
 Santa Fe NM 87504

Black Shale Minerals, LLC
 Attn: Andy Scott
 5006 TX-31 N
 Longview, TX 75603

23664 -

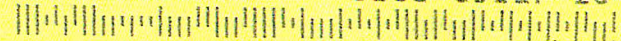
UTF

7560652409 2068

NIXIE 711 FE 1 0007/17/23

RETURN TO SENDER
 NOT DELIVERABLE AS ADDRESSED
 UNABLE TO FORWARD

BC: 87504206868 *0268-05217-10-43



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

LEGAL NOTICE
July 14, 2023

This is to notify all interested parties, including Slash Exploration; Greyhound Resources, LLC; Broughton Petroleum Inc.; Black Shale Minerals, LLC; Alexander Macdonald II and Augusta G. Macdonald or their successors, Trustees of the Macdonald 1996 Revocable Trust, dated January 11, 1996; Chisos, Ltd; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 23664). The hearing will be conducted remotely on August 3, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, Township 18 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 27-22 State Com #19H well** ("Well"), to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. 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.

#00280628

02107475

00280628

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

BTA Oil Producers, LLC
Case No. 23664
Exhibit C-4