

*Grama Ridge State Com*

— 2nd Bone Spring

— 3rd Bone Spring

□ Spacing Unit

■ Proposed Pad

34

35

1

3

Lat. Length 7,385'

Lat. Length 7,405'

2

3



SHL

NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 1  
May 11, 2017

0 1,235  
FEET



**EXHIBIT "A"**

**Attached to that certain A.A.P.L. FORM 610 – 2015 Model Form Operating Agreement  
dated December 23, 2016  
between Black Mountain Operating LLC as Operator,  
and GMT Exploration Company LLC, Devon Energy Corporation as Non-Operator(s)**

**CONTRACT AREA:**

SW of Section 35, 21S-34E and the W2 of Section 2, 22S-34E, Lea County New Mexico,  
containing 480.00 acres, more or less.

**DEPTH RESTRICTIONS:**

From Surface to 13,381'

**INTEREST OF THE PARTIES TO THIS AGREEMENT:**

<b>Interest Owners</b>	<b>Working Interest</b>
Black Mountain Operating LLC 500 Main St., Suite 1200 Fort Worth, TX 76102 Attn: Vice President of Land	59.31009%
GMT Exploration Company LLC 1560 Broadway Denver, Colorado 80205 Attn: Land Manager	33.33333%
Devon Energy Corporation 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102 Attn: Land Manager	7.356571%
Total:	100.00000%

**OIL AND GAS LEASS SUBJECT TO THIS AGREEMENT:**

Lessor: State of New Mexico  
L-723  
Lessee: Aztec Oil & Gas Company  
Description: T21S-R34E  
Sec. 35: SW/2  
Date: March 19, 1968

Lessor: State of New Mexico  
LG-1207  
Lessee: Getty Oil Company  
Description: T22S-R34E  
Sec. 2: NW/4  
Date: June 1, 1973

Lessor: State of New Mexico  
VB-2781  
Lessee: GMT Exploration Company LLC  
Description: T22S-R34E  
Sec. 2: SW/4  
Date: September 1, 2016

**BURDENS ON PRODUCTION:**

Burdens of record as of the effective date of this agreement

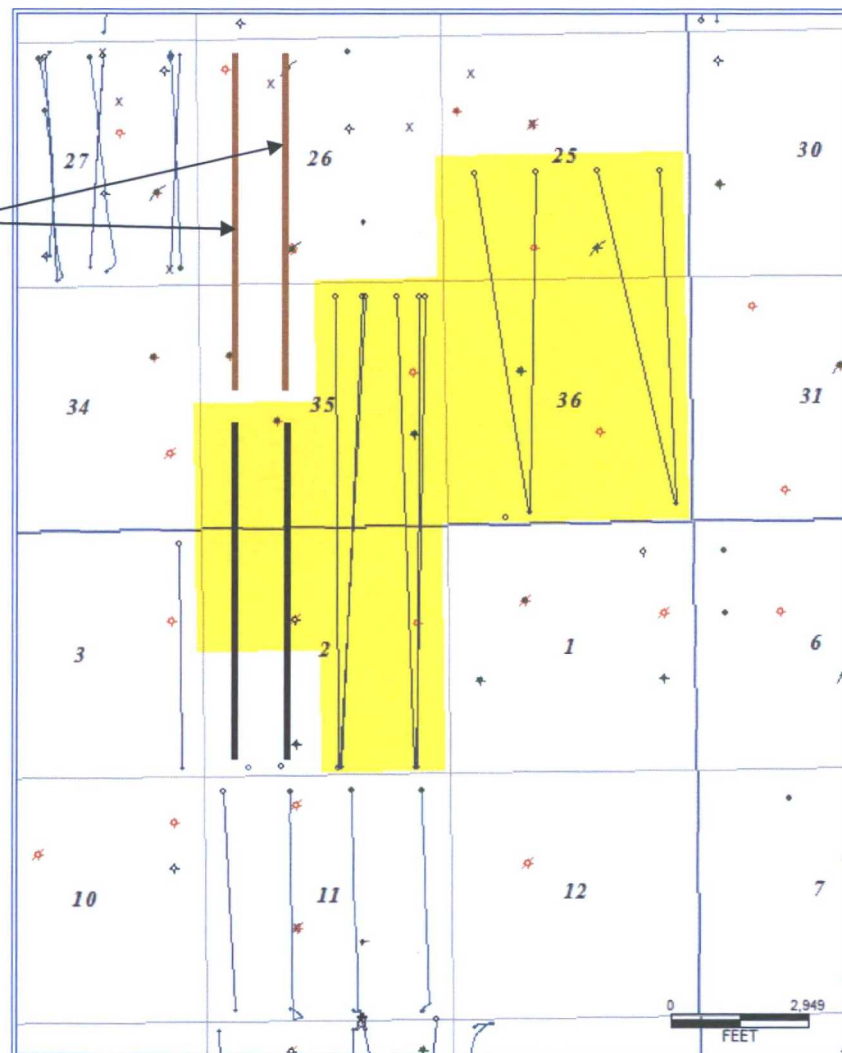
NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 2  
May 11, 2017



# Development Plan Option



Long lateral options for  
BTA's acreage







**BLACK MOUNTAIN OPERATING, LLC**

January 10, 2017

Devon Energy Corporation  
Attn: Land Department  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 3H  
E2SW4 of Section 35-21S-34E &  
E2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 3H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 971' FWL  
Bottom Hole Location: ..... 2387' FSL, 1707.7' FWL  
Proposed Project Area: ..... E2 SW4 Section 35, E2 W2 Section 2

According to ownership reports it appears that **Devon Energy Corporation** ("Devon") owns working interest in and to NW4 Section 2 and SW4 Section 35. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. BMO will provide Devon an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

Robbie Zimmerman  
Senior Landman

NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 4  
May 11, 2017





**BLACK MOUNTAIN OPERATING, LLC**

January 10, 2017

Devon Energy Corporation  
Attn: Land Department  
333 West Sheridan Ave.  
Oklahoma City, OK 73102

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 1H  
W2SW4 of Section 35-21S-34E &  
W2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 1H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 911' FWL  
Bottom Hole Location: ..... 2371' FSL, 330' FWL  
Proposed Project Area: ..... W2 SW4 Section 35, W2 W2 Section 2

According to ownership reports it appears that **Devon Energy Corporation** ("Devon") owns working interest in and to NW4 Section 2 and SW4 Section 35. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. BMO will provide Devon an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

Robbie Zimmerman  
Senior Landman



## Michael McCracken

---

**From:** Kyle Biery  
**Sent:** Tuesday, May 9, 2017 8:28 AM  
**To:** Michael McCracken  
**Subject:** Fwd: Black Mountain Grama Ridge State Com #1H & #3H Protest

Sent from my iPhone

Begin forwarded message:

**From:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Date:** April 25, 2017 at 11:13:33 AM CDT  
**To:** "Kent O. Christensen" <[KChristensen@btaoil.com](mailto:KChristensen@btaoil.com)>  
**Subject:** RE: Black Mountain Grama Ridge State Com #1H & #3H Protest

Kent,

Sorry I missed this email when I was out of the office – let me talk with my technical guys and get back to you. Thanks, Kyle

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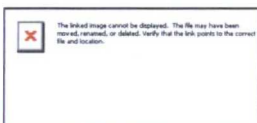
**From:** Kent O. Christensen [<mailto:KChristensen@btaoil.com>]  
**Sent:** Monday, April 17, 2017 9:36 AM  
**To:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Subject:** Black Mountain Grama Ridge State Com #1H & #3H Protest

Morning Kyle,

NMOCD Case No. 15656 has been continued until May 11<sup>th</sup>. BTA intends to present its case in the protest of the captioned wells due to our acreage being stranded. BTA is moving forward with a 1 mile horizontal development program in the W/2 of Sec 35, T-21-S, R-34-E, which is typical in the Grama Ridge area. We would like to discuss a mutually beneficial resolution of this matter.

Respectfully,

Kent Christensen



Kent Christensen  
BTA Oil Producers, LLC  
Landman  
Phone (432) 682-3753  
[kchristensen@btaoil.com](mailto:kchristensen@btaoil.com)

NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 5  
May 11, 2017



## Michael McCracken

---

**From:** Kyle Biery  
**Sent:** Tuesday, May 9, 2017 8:29 AM  
**To:** Michael McCracken  
**Subject:** Fwd: Black Mountain Grama Ridge State Com #1H & #3H Protest

Sent from my iPhone

Begin forwarded message:

**From:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Date:** April 25, 2017 at 11:23:29 AM CDT  
**To:** "Kent O. Christensen" <[KChristensen@btaoil.com](mailto:KChristensen@btaoil.com)>  
**Cc:** Luke Mildren <[luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)>, Michael McCracken <[michael.mccracken@blackmtn.com](mailto:michael.mccracken@blackmtn.com)>  
**Subject:** RE: Black Mountain Grama Ridge State Com #1H & #3H Protest

Kent,

Are you free for a 2pm call? Thanks, Kyle

---

**From:** Kent O. Christensen [<mailto:KChristensen@btaoil.com>]  
**Sent:** Monday, April 17, 2017 9:36 AM  
**To:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Subject:** Black Mountain Grama Ridge State Com #1H & #3H Protest

Morning Kyle,

NMOCD Case No. 15656 has been continued until May 11<sup>th</sup>. BTA intends to present its case in the protest of the captioned wells due to our acreage being stranded. BTA is moving forward with a 1 mile horizontal development program in the W/2 of Sec 35, T-21-S, R-34-E, which is typical in the Grama Ridge area. We would like to discuss a mutually beneficial resolution of this matter.

Respectfully,

Kent Christensen



Kent Christensen  
BTA Oil Producers, LLC  
Landman  
Phone (432) 682-3753  
[kchristensen@btaoil.com](mailto:kchristensen@btaoil.com)



## Michael McCracken

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**Sent:** Tuesday, May 9, 2017 8:28 AM  
**To:** Michael McCracken  
**Subject:** Fwd: Black Mountain Grama Ridge State Com #1H & #3H Protest

Sent from my iPhone

Begin forwarded message:

**From:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>  
**Date:** April 28, 2017 at 10:21:01 AM CDT  
**To:** "Kent O. Christensen" <[KChristensen@btaoil.com](mailto:KChristensen@btaoil.com)>  
**Cc:** Luke Mildren <[luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)>, Michael McCracken <[michael.mccracken@blackmtn.com](mailto:michael.mccracken@blackmtn.com)>  
**Subject:** RE: Black Mountain Grama Ridge State Com #1H & #3H Protest

Kent,

Are you free to jump on a call this afternoon?

Thanks,

Kyle M. Biery  
Vice President of Business Development



### BLACK MOUNTAIN OIL & GAS

500 Main Street, Suite 1200

Fort Worth, TX 76102

817-698-9901 ph.

817-698-9902 fax

[Kyle.biery@blackmtn.com](mailto:Kyle.biery@blackmtn.com)

[www.blackmountainoilandgas.com](http://www.blackmountainoilandgas.com)

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**From:** Kyle Biery  
**Sent:** Tuesday, April 25, 2017 11:23 AM  
**To:** 'Kent O. Christensen' <[KChristensen@btaoil.com](mailto:KChristensen@btaoil.com)>  
**Cc:** Luke Mildren <[luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)>; Michael McCracken <[michael.mccracken@blackmtn.com](mailto:michael.mccracken@blackmtn.com)>  
**Subject:** RE: Black Mountain Grama Ridge State Com #1H & #3H Protest

Kent,



Are you free for a 2pm call? Thanks, Kyle

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**Sent:** Monday, April 17, 2017 9:36 AM

**To:** Kyle Biery <[kyle.biery@blackmtn.com](mailto:kyle.biery@blackmtn.com)>

**Subject:** Black Mountain Grama Ridge State Com #1H & #3H Protest

Morning Kyle,

NMOCD Case No. 15656 has been continued until May 11<sup>th</sup>. BTA intends to present its case in the protest of the captioned wells due to our acreage being stranded. BTA is moving forward with a 1 mile horizontal development program in the W/2 of Sec 35, T-21-S, R-34-E, which is typical in the Grama Ridge area. We would like to discuss a mutually beneficial resolution of this matter.

Respectfully,

Kent Christensen



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BTA Oil Producers, LLC

Landman

Phone (432) 682-3753

[kchristensen@btaoil.com](mailto:kchristensen@btaoil.com)

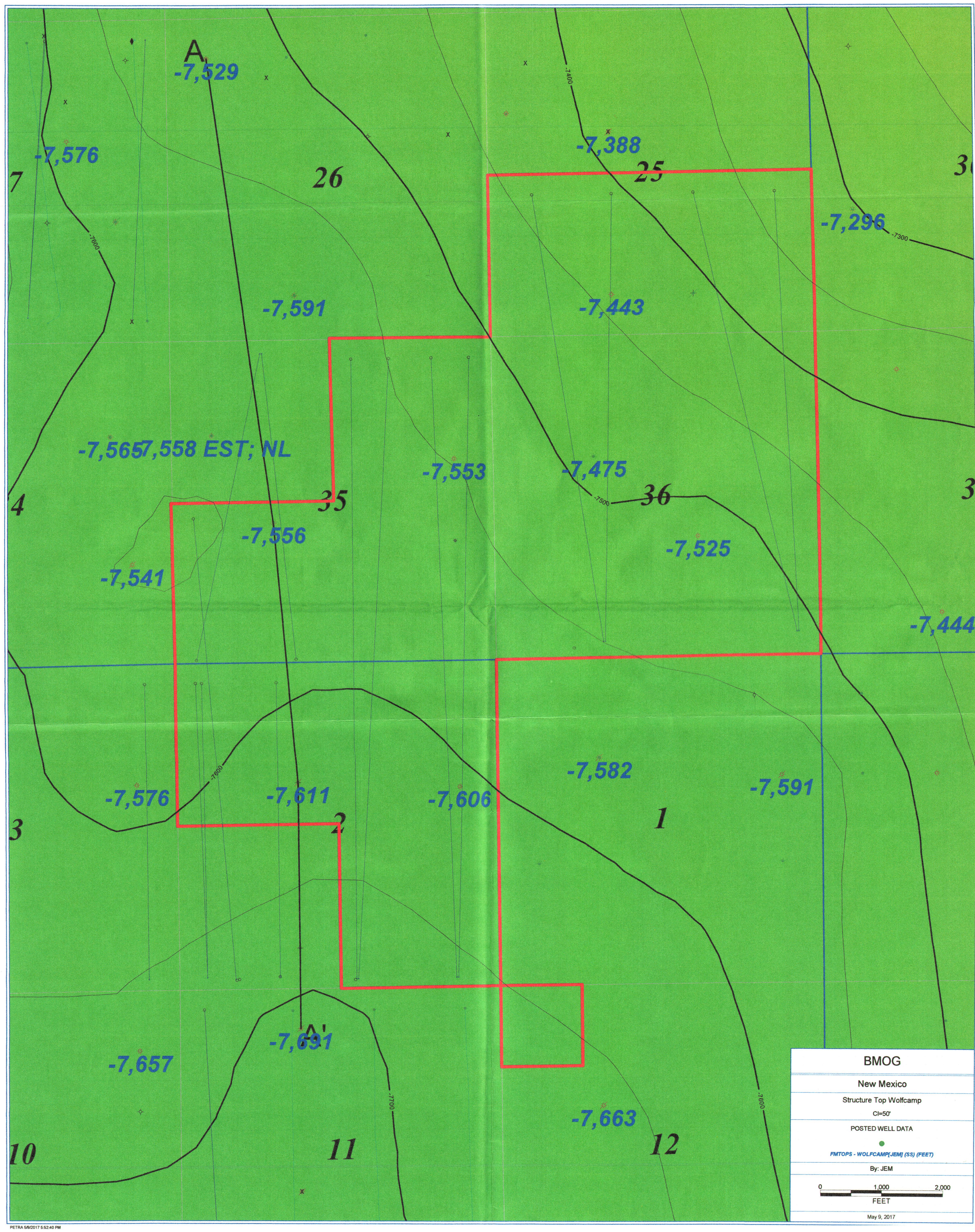


<b>BLACK MOUNTAIN OPERATING, LLC</b>		<b>AFE#:</b>	<b>16002</b>
<b>AUTHORIZATION FOR EXPENDITURE</b>			
<b>DRILL &amp; COMPLETE NEW WELL</b>			
Date: 12/23/2016		County/State: Lea, NM	
Lease: Grama Ridge		Well No: 3H	
Surface Location: SEC 2, T-22S, R-34E; 144.3' FSL & 911' FWL			
Proposed Depth: 18,600' MD			
Objective: Drill & Complete Horizontal Well In 3rd Bone Spring Formation, 7500' lateral, 30 frac stages			
<b>Grama Ridge State Com #1H - AFE</b>			
<b>Madera Development AFE</b>			
Description		AFE Amounts	
SURVEY / LOCATION / PERMITS		\$150,000	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$20,000	
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE		\$25,000	
CONTRACT DRILLING - FOOTAGE & TURNKEY		\$0	
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU		\$752,500	
FUEL		\$77,500	
MOB / DE-MOB		\$82,500	
RENTAL TOOL & EQUIPMENT		\$175,000	
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$45,000	
BITS		\$120,500	
FISHING TOOLS & SERVICES		\$0	
PIPE INSPECTION & COATING		\$0	
BOP TESTING		\$2,500	
MUD MATERIALS & CHEMICALS		\$225,000	
DISPOSAL / FLOWBACK		\$50,000	
WATER		\$15,000	
CREW QUARTERS		\$50,000	
SPECIAL SERVICES / DIRECTIONAL		\$292,500	
LOGGING / WIRELINE / PERFORATING		\$50,000	
DRILL STEM & PRODUCTION TESTS		\$0	
CORING & CORE ANALYSIS		\$0	
MUD LOGGING		\$30,000	
CEMENT & CEMENT SERVICES		\$82,500	
PLUG, ABANDON & RESTORE		\$0	
TRUCKING & HAULING		\$20,000	
COMPANY SUPERVISION		0	
SUPERVISION - CONTRACT		\$70,500	
OVERHEAD		\$0	
CASING CREWS / CONTRACT LABOR		\$25,000	
MISCELLANEOUS / OTHER DRILLING COSTS		\$5,500	
DRILLING WELL INSURANCE		\$0	
CONTINGENCY		\$236,650	
Intangible Drilling		\$2,603,150	
SURFACE CASING		\$42,375	
INTERMEDIATE CASING		\$180,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$27,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES		\$15,000	
CONTINGENCY		\$26,488	
Tangible Drilling		\$291,363	
SURVEY / LOCATION / PERMITS		\$0	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$35,000	
STIMULATION TREATMENT / FRACTURING / ACIDIZING		\$2,990,000	
SAND CONTROL		\$0	
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN		\$30,000	
FUEL		\$0	
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$7,500	
SURFACE RENTAL TOOL & EQUIPMENT		\$225,000	
COIL TUBING/SNUBBING		\$150,000	
BITS		\$3,500	
FISHING TOOLS & SERVICES		\$0	
PIPE INSPECTION & COATING		\$0	
BOP TESTING		\$0	
MUD MATERIALS & CHEMICALS		\$60,000	
DISPOSAL / FLOWBACK		\$50,000	
WATER		\$200,000	
CREW QUARTERS		\$0	
LOGGING / WIRELINE / PERFORATING		\$156,000	
CEMENT & CEMENTING SERVICES		\$85,250	
SLICK LINE		\$0	
TRUCKING & HAULING		\$15,000	
COMPANY SUPERVISION		\$0	
SUPERVISION - CONTRACT		\$12,600	
OVERHEAD		\$0	
CASING CREWS / CONTRACT LABOR		\$25,000	
FLOWBACK / WELL TESTS		\$90,000	
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS		\$72,500	
DRILLING WELL INSURANCE		\$0	
CONTINGENCY		\$419,210	
Intangible Completion		\$4,611,310	
PRODUCTION CASING		\$204,600	
TUBING		\$60,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$35,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT		\$8,500	
CONTINGENCY		\$30,860	
Tangible Completion		\$339,460	
GAS LIFT		\$0	
PUMPING UNIT / PRIME MOVER / ASSEMBLY		\$0	
SUCKER RODS / POLISH RODS		\$0	
MISC FITTINGS & SUPPLIES		\$77,500	
SUBSURFACE EQUIPMENT		\$7,500	
PACKERS		\$25,000	
FACILITY LABOR COST		\$77,500	
TANK BATTERY		\$65,000	
SEPARATORS / HEATERS / TREATERS		\$60,000	
COMPRESSOR		\$0	
METERING EQUIPMENT / LACT UNIT		\$9,750	
UTILITY EQUIPMENT		\$0	
PIPELINES & CONNECTIONS		\$82,500	
COMPANY SUPERVISION		\$7,500	
CONTINGENCY		\$41,225	
Facilities		\$453,475	
Total Estimated Well Cost		\$8,298,758	
<b>Black Mountain Operating, LLC</b>			
Approved By:		Title:	Date:
Authorization Requested From:			
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG LLC			
OWNERSHIP:		COST TO COMPLETE:	
DATE:		PARTICIPANTS ESTIMATED COST:	
APPROVED BY:		TITLE:	



<b>BLACK MOUNTAIN OPERATING, LLC</b>		<b>AFE#:</b>	<b>16003</b>
<b>AUTHORIZATION FOR EXPENDITURE</b>			
<b>DRILL &amp; COMPLETE NEW WELL</b>			
Date: 11/16/2016		County/State: Lea, NM	
Lease: Grama Ridge		Well No: 3H	
Surface Location: SEC 2, T-22S, R-34E, 144.3' FSL & 971' FWL			
Proposed Depth: 18,600' MD			
Objective: Drill & Complete Horizontal Well In 3rd Bone Spring Formation, 7500' lateral, 30 frac stages			
<b>Grama Ridge State Com #3H - AFE</b>			
<b>Madera Development AFE</b>			
Description		AFE Amounts	
SURVEY / LOCATION / PERMITS		\$150,000	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$20,000	
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE		\$25,000	
CONTRACT DRILLING - FOOTAGE & TURNKEY		\$0	
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU		\$732,500	
FUEL		\$77,500	
MOB / DE-MOB		\$82,500	
RENTAL TOOL & EQUIPMENT		\$175,000	
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$45,000	
BITS		\$120,500	
FISHING TOOLS & SERVICES		\$0	
PIPE INSPECTION & COATING		\$0	
BOP TESTING		\$2,500	
MUD MATERIALS & CHEMICALS		\$225,000	
DISPOSAL / FLOWBACK		\$50,000	
WATER		\$15,000	
CREW QUARTERS		\$50,000	
SPECIAL SERVICES / DIRECTIONAL		\$292,500	
LOGGING / WIRELINE / PERFORATING		\$50,000	
DRILL STEM & PRODUCTION TESTS		\$0	
CORING & CORE ANALYSIS		\$0	
MUD LOGGING		\$30,000	
CEMENT & CEMENT SERVICES		\$82,500	
PLUG, ABANDON & RESTORE		\$0	
TRUCKING & HAULING		\$20,000	
COMPANY SUPERVISION		0	
SUPERVISION - CONTRACT		\$70,500	
OVERHEAD		\$0	
CASING CREWS / CONTRACT LABOR		\$25,000	
MISCELLANEOUS / OTHER DRILLING COSTS		\$5,500	
DRILLING WELL INSURANCE		\$0	
CONTINGENCY		\$234,650	
Intangible Drilling		\$2,581,150	
SURFACE CASING		\$42,375	
INTERMEDIATE CASING		\$180,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$27,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES		\$15,000	
CONTINGENCY		\$26,488	
Tangible Drilling		\$291,363	
SURVEY / LOCATION / PERMITS		\$0	
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$35,000	
STIMULATION TREATMENT / FRACTURING / ACIDIZING		\$2,990,000	
SAND CONTROL		\$0	
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN		\$30,000	
FUEL		\$0	
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$7,500	
SURFACE RENTAL TOOL & EQUIPMENT		\$225,000	
COIL TUBING/SNUBBING		\$150,000	
BITS		\$3,500	
FISHING TOOLS & SERVICES		\$0	
PIPE INSPECTION & COATING		\$0	
BOP TESTING		\$0	
MUD MATERIALS & CHEMICALS		\$60,000	
DISPOSAL / FLOWBACK		\$50,000	
WATER		\$200,000	
CREW QUARTERS		\$0	
LOGGING / WIRELINE / PERFORATING		\$156,000	
CEMENT & CEMENTING SERVICES		\$85,250	
SLICK LINE		\$0	
TRUCKING & HAULING		\$15,000	
COMPANY SUPERVISION		\$0	
SUPERVISION - CONTRACT		\$12,600	
OVERHEAD		\$0	
CASING CREWS / CONTRACT LABOR		\$25,000	
FLOWBACK / WELL TESTS		\$90,000	
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS		\$72,500	
DRILLING WELL INSURANCE		\$0	
CONTINGENCY		\$419,210	
Intangible Completion		\$4,611,310	
PRODUCTION CASING		\$204,600	
TUBING		\$60,000	
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$35,500	
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT		\$8,500	
CONTINGENCY		\$30,860	
Tangible Completion		\$339,460	
GAS LIFT		\$0	
PUMPING UNIT / PRIME MOVER / ASSEMBLY		\$0	
SUCKER RODS / POLISH RODS		\$0	
MISC FITTINGS & SUPPLIES		\$77,500	
SUBSURFACE EQUIPMENT		\$7,500	
PACKERS		\$25,000	
FACILITY LABOR COST		\$77,500	
TANK BATTERY		\$65,000	
SEPARATORS / HEATERS / TREATERS		\$60,000	
COMPRESSOR		\$0	
METERING EQUIPMENT / LACT UNIT		\$9,750	
UTILITY EQUIPMENT		\$0	
PIPELINES & CONNECTIONS		\$82,500	
COMPANY SUPERVISION		\$7,500	
CONTINGENCY		\$41,225	
Facilities		\$453,475	
Total Estimated Well Cost		\$8,276,758	
<b>Black Mountain Operating, LLC</b>			
Approved By:		Title:	Date:
Authorization Requested From:			
PLEASE INDICATE YOUR APPROVAL AND AUTHOIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG LLC			
OWNERSHIP:		COST TO COMPLETE:	
DATE:		PARTICIPANTS ESTIMATED COST:	
APPROVED BY:		TITLE:	







A

30025371660000  
OXY USA WTP LP  
OXY GR 26 STATE

1

<7,670FT>

30025258240000  
BMOG LLC  
GETTY '35' STATE

1

<4,304FT>

30025256170000  
MITCHELL ENERGY CORP  
TWO STATE

1

<4,023FT>

30025279070000  
GREAT WESTERN ONSHORE  
STATE

1

Subsea  
Depth(ft)  
-6650 -

-6750 -

-6850 -

-6950 -

-7050 -

-7150 -

-7250 -

-7350 -

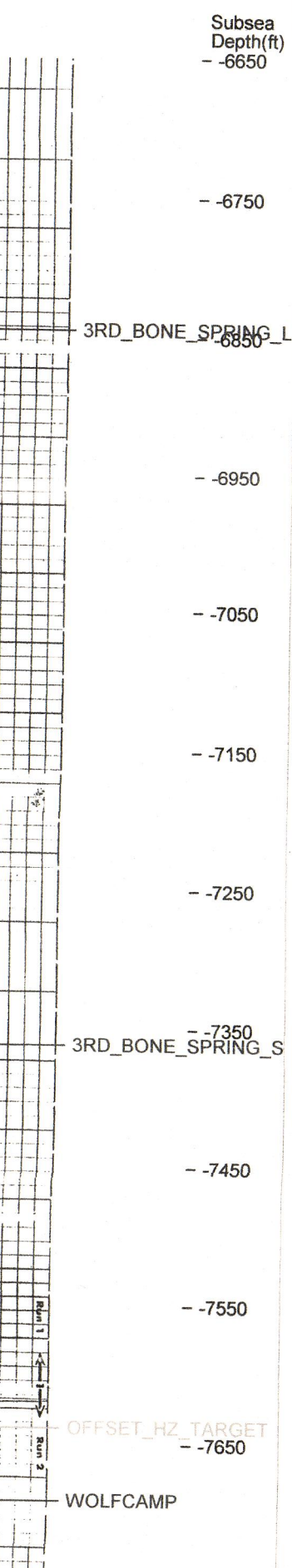
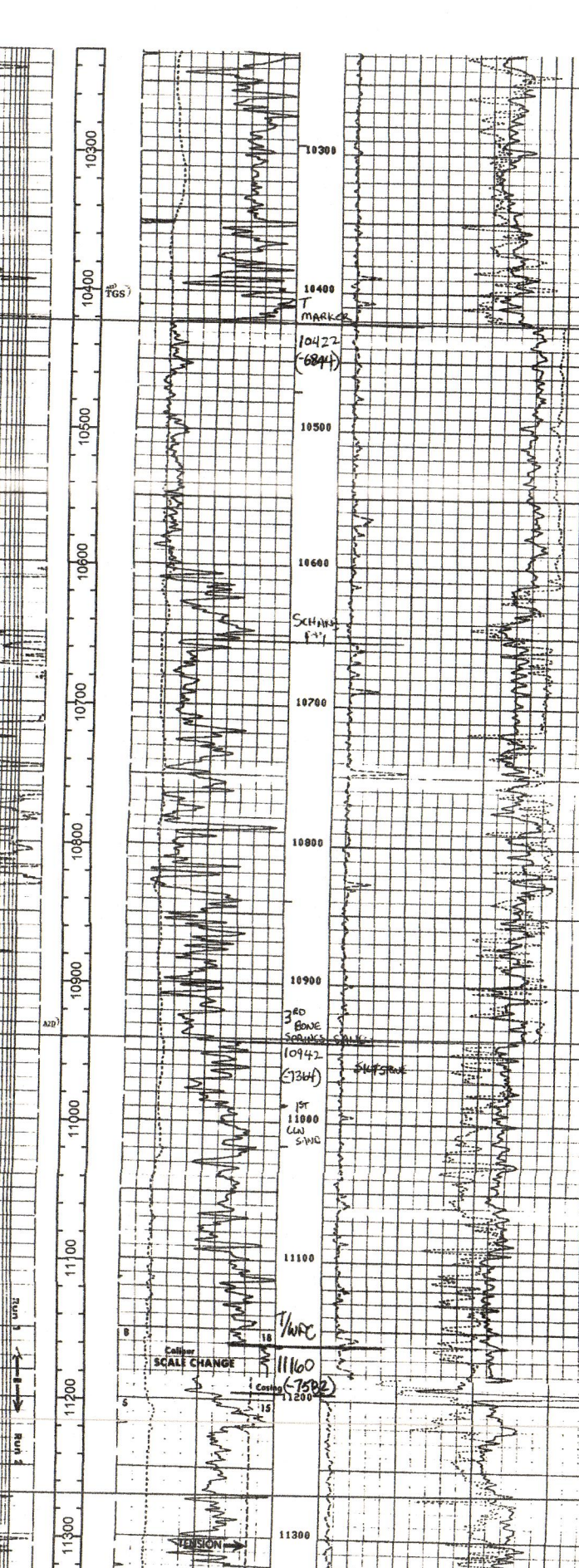
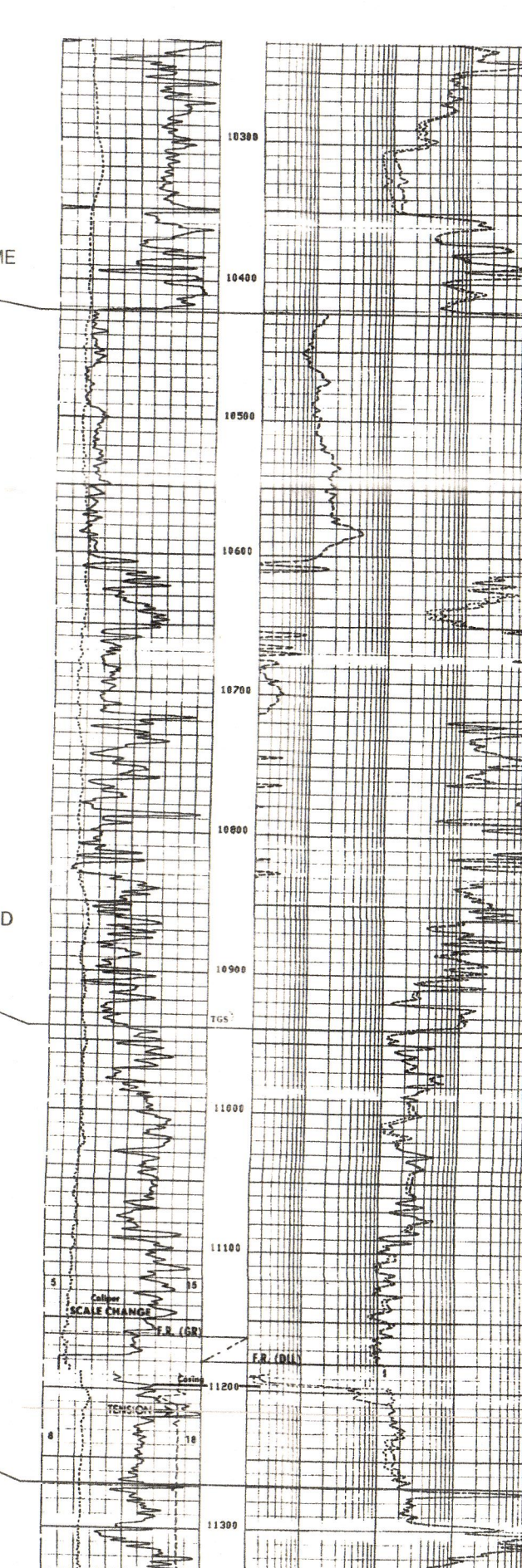
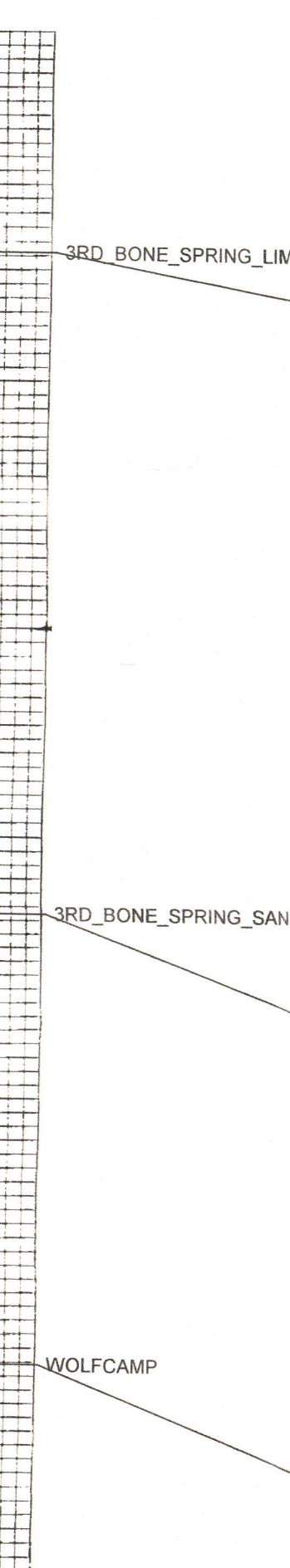
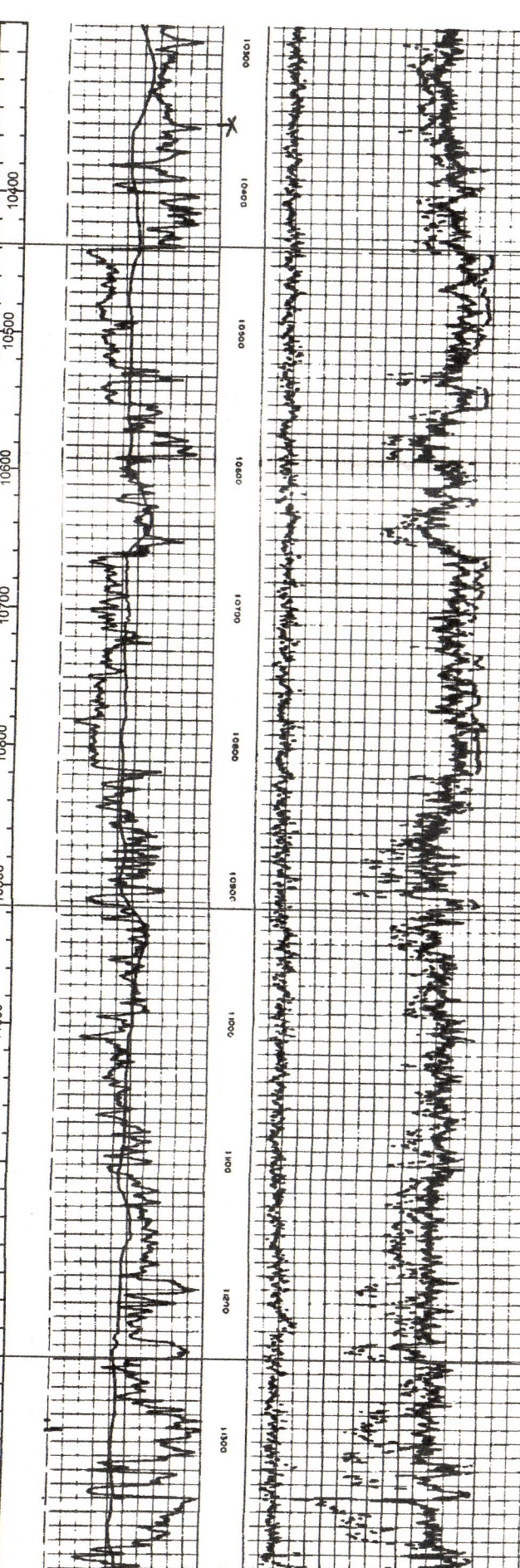
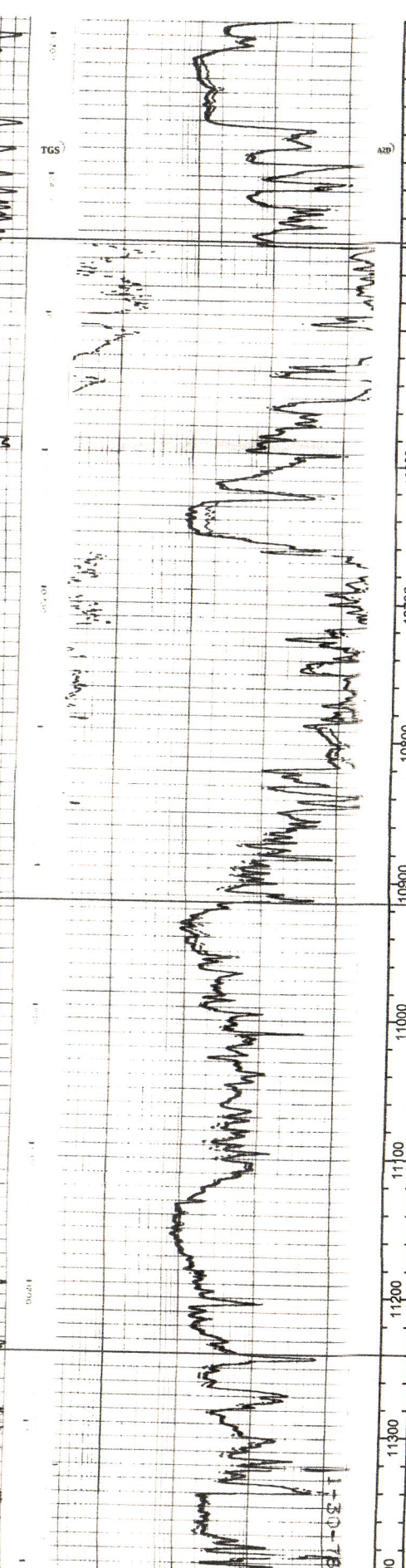
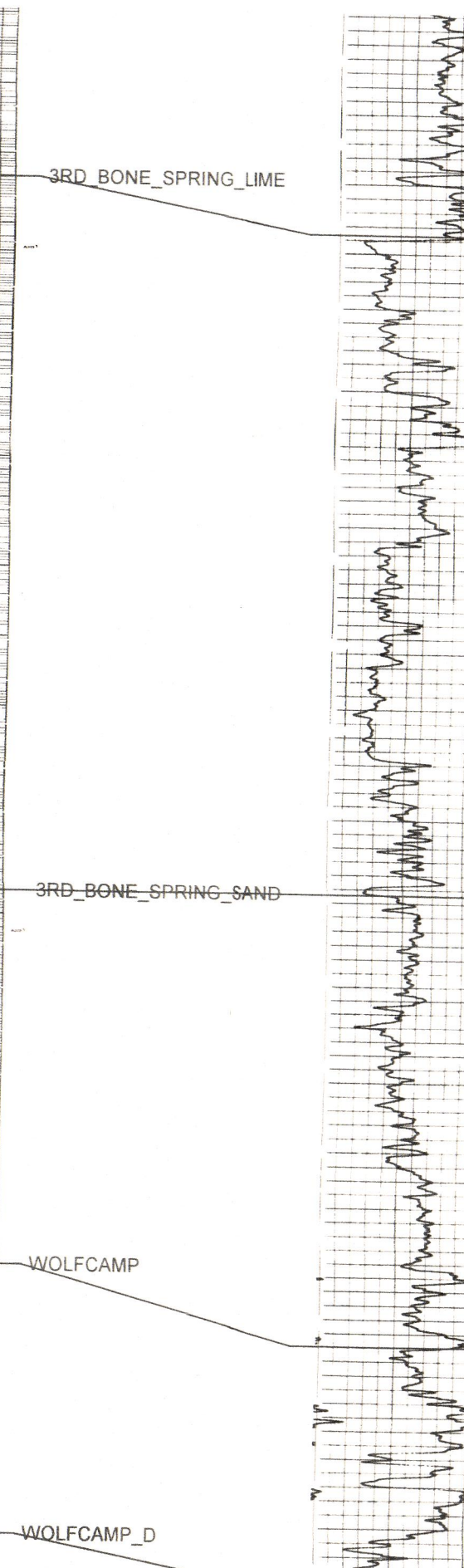
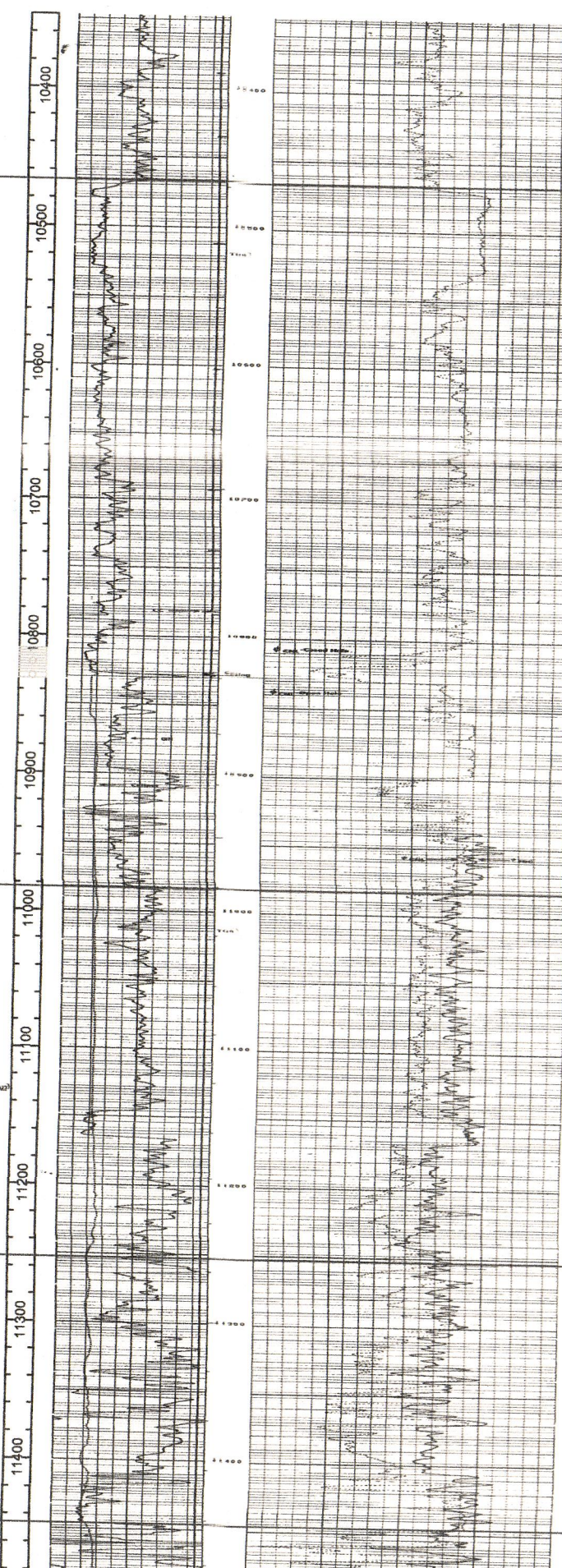
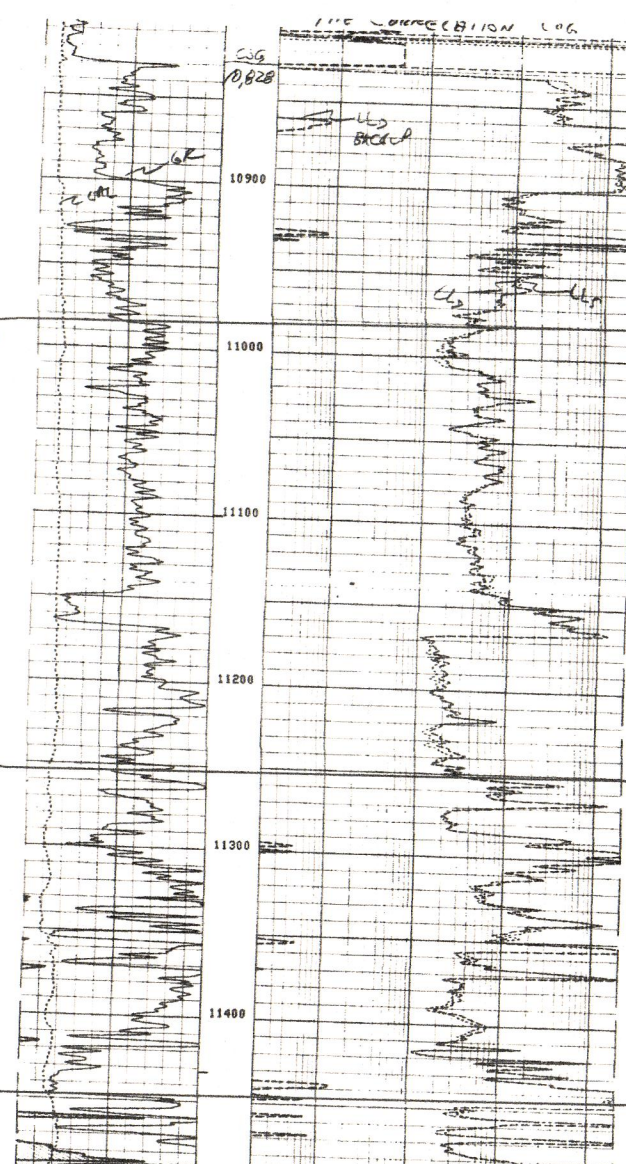
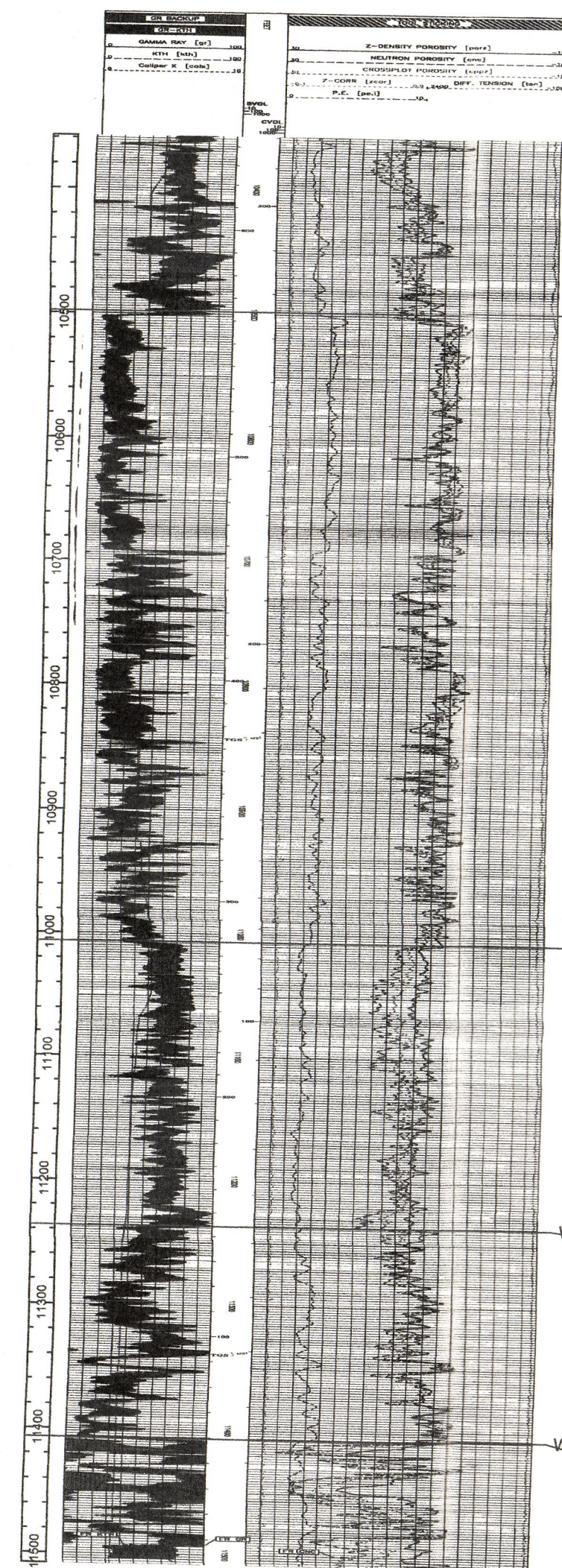
-7450 -

-7550 -

-7650 -

-7750 -

NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 8  
May 11, 2017



Subsea  
Depth(ft)  
-6650 -

-6750 -

-6850 -

-6950 -

-7050 -

-7150 -

-7250 -

-7350 -

-7450 -

-7550 -

-7650 -

-7750 -

OFFSET\_HZ\_TARGET  
-7650  
WOLFCAMP

-7750 -

-7850 -

-7950 -

-8050 -

-8150 -

-8250 -

-8350 -

-8450 -

-8550 -

-8650 -

-8750 -

-8850 -

-8950 -

-9050 -

-9150 -

-9250 -

-9350 -

-9450 -

-9550 -

-9650 -

-9750 -

-9850 -

-9950 -

-10050 -

-10150 -

-10250 -

-10350 -

-10450 -

-10550 -

-10650 -

-10750 -

-10850 -

-10950 -

-11050 -

-11150 -

-11250 -

-11350 -

-11450 -

-11550 -

-11650 -

-11750 -

-11850 -

-11950 -

-12050 -

-12150 -

-12250 -

-12350 -

-12450 -

-12550 -

-12650 -

-12750 -

-12850 -

-12950 -

-13050 -

-13150 -

-13250 -

-13350 -

-13450 -

-13550 -

-13650 -

-13750 -

-13850 -

-13950 -

-14050 -

-14150 -

-14250 -

-14350 -

-14450 -

-14550 -

-14650 -

-14750 -

-14850 -

-14950 -

-15050 -

-15150 -

-15250 -

-15350 -

-15450 -

-15550 -

-15650 -

-15750 -

-15850 -

-15950 -

-16050 -

-16150 -

-16250 -

-16350 -

-16450 -

-16550 -

-16650 -

-16750 -

-16850 -

-16950 -

-17050 -

-17150 -

-17250 -

-17350 -

-17450 -

-17550 -

-17650 -

-17750 -

-17850 -

-17950 -

-18050 -

-18150 -

-18250 -

-18350 -

-18450 -

-18550 -

-18650 -

-18750 -

-18850 -

-18950 -

-19050 -

-19150 -

-19250 -

-19350 -

-19450 -

-19550 -

-19650 -

-19750 -

-19850 -

-19950 -

-20050 -

-20150 -

-20250 -

-20350 -

-20450 -

-20550 -

-20650 -

-20750 -

-20850 -

-20950 -

-21050 -

-21150 -

-21250 -

-21350 -

-21450 -

-21550 -

-21650 -

-21750 -

-21850 -

-21950 -

-22050 -

-22150 -

-22250 -

-22350 -

-22450 -

-22550 -

-22650 -

-22750 -

-22850 -

-22950 -

-23050 -

-23150 -

-23250 -

-23350 -

-23450 -

-23550 -

-23650 -

-23750 -

-23850 -

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-24150 -

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-24450 -

-24550 -

-24650 -

-24750 -

-24850 -

-24950 -

-25050 -

-25150 -

-25250 -

-25350 -

-25450 -

-25550 -

-25650 -

-25750 -

-25850 -

-25950 -

-26050 -

-26150 -

-26250 -

-26350 -

-26450 -

-26550 -

-26650 -

-26750 -

-26850 -

-26950 -

-27050 -

-27150 -

-27250 -

-27350 -

-27450 -

-27550 -

-27650 -

-27750 -

-27850 -

-27950 -

-28050 -

-28150 -

-28250 -

-28350 -

-28450 -

-28550 -

-28650 -

-28750 -

-28850 -

-28950 -

-29050 -

-29150 -

-29250 -

-29350 -

-29450 -

-29550 -

-29650 -

-29750 -

-29850 -

-29950 -

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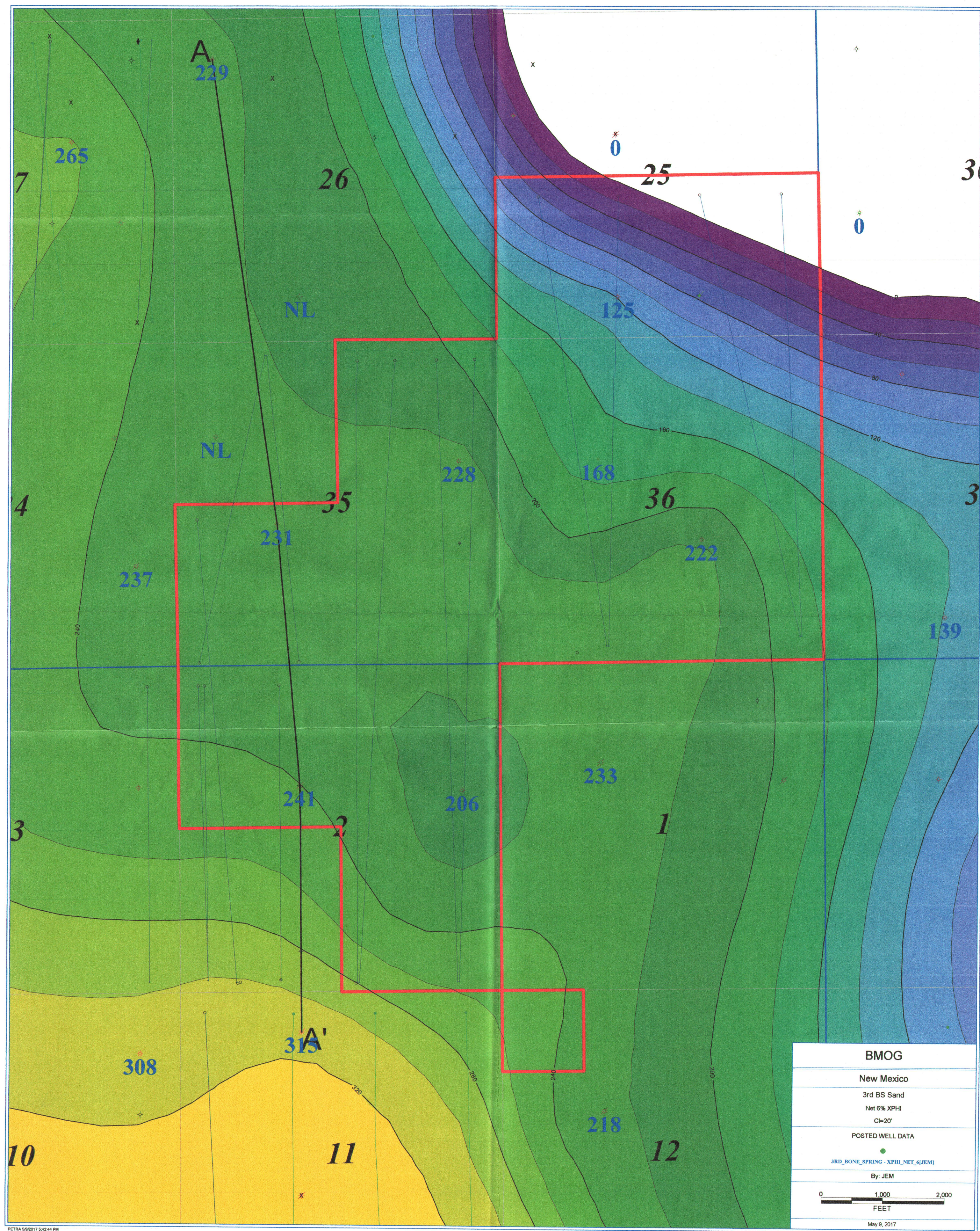
-31050 -

-31150 -

-31250 -

-31350 -









BLACK MOUNTAIN OIL & GAS

Compulsory Pooling Hearing

May 11, 2017

NMOCD Case Nos. 15655 and 15656  
BLACK MOUNTAIN OPERATING  
Exhibit 10  
May 11, 2017



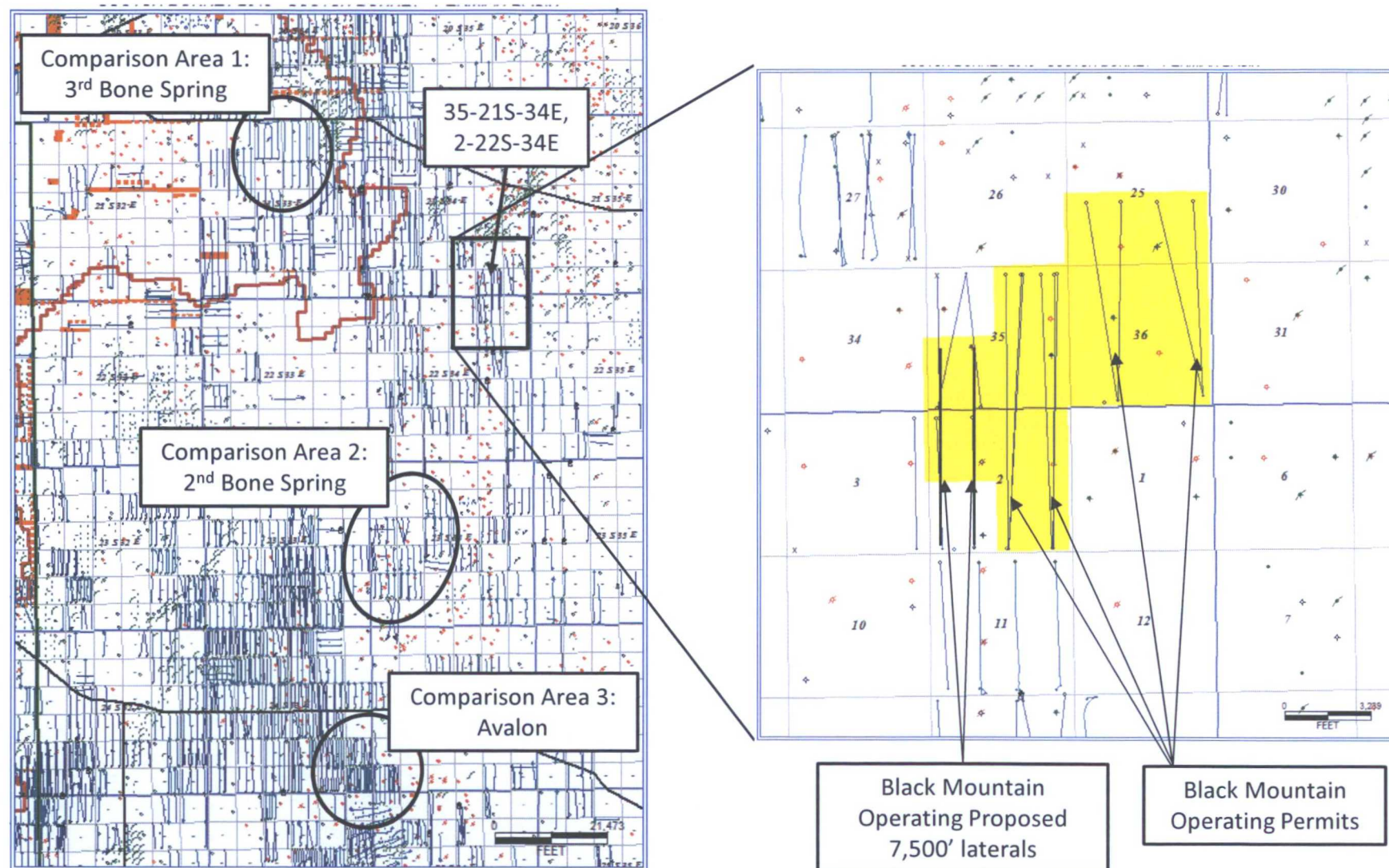
# Executive Summary



- BMOG's development proposal maximizes the economic recovery of hydrocarbons by employing long laterals
  - BMOG plans to drill section and a half laterals and has submitted well proposals to the other interest owners
  - Long laterals are well known in the industry to reduce waste and provide the maximum economic returns due to the following:
    - Increasing recovery (EUR) in a nearly linear trend while reducing the number of vertical penetrations
    - Eliminating lost recovery in acreage dedicated to lease line setbacks
    - Increasing economic well life because wells have higher production for a longer duration which offsets fixed operational costs
    - Reducing surface footprint
- GMT's development plan calls for 5,000' laterals, which would:
  - Reduce economic efficiency and increase waste via lost hydrocarbon recovery
- BMOG's plan retains development options for BTA's acreage to the north
  - Continuous Bone Spring section and open acreage allowing for 7,500' laterals

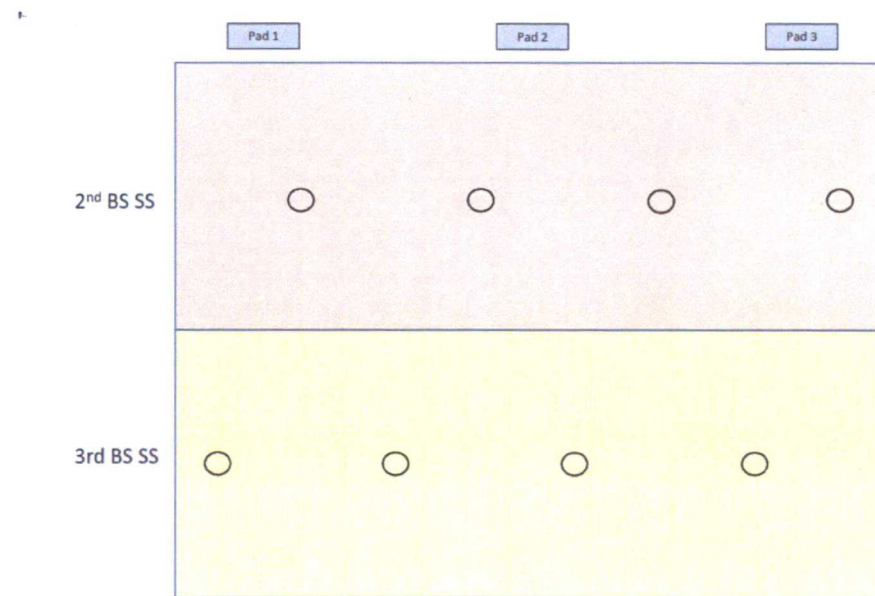
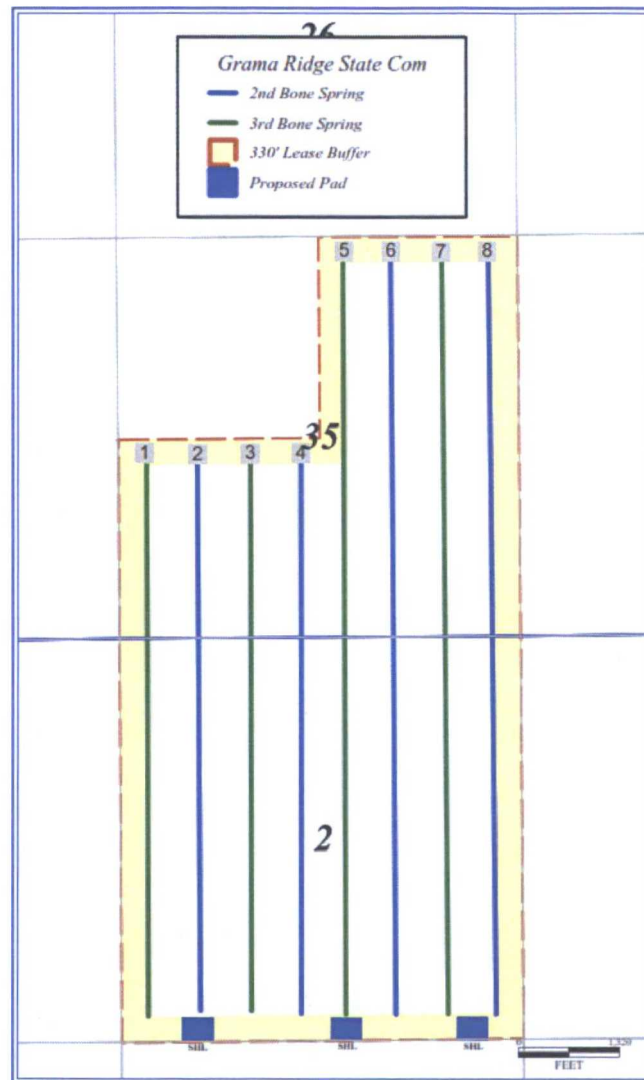


# Locator Map





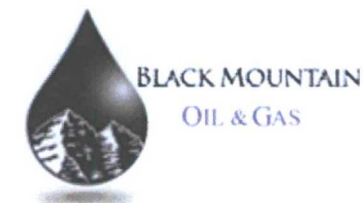
# BMOG Bone Spring Development Plan



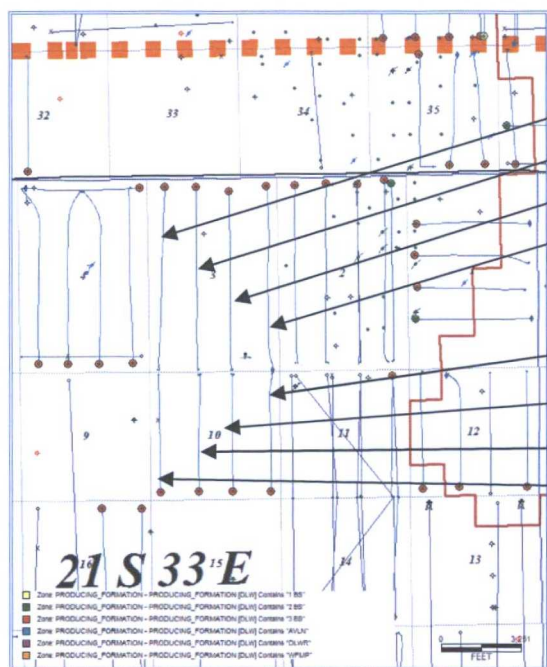


# Effects of Lateral Length on Well Performance

## Comparison Area 1: 3<sup>rd</sup> Bone Spring



- Longer laterals EURs are higher than shorter laterals
- EUR scales greater than linear (108%) with lateral length for these wells
- Average proppant load is similar between long and short laterals (within 1%)



COG: Corazon State Unit 5H (3 BS)  
 COG: Corazon State Unit 3H (3 BS)  
 COG: Corazon State Unit 2H (3 BS)  
 COG: Corazon State Unit 1H (3 BS)  
  
 COG: Corazon State Unit 9H (3 BS)  
 COG: Corazon State Unit 8H (3 BS)  
 COG: Corazon State Unit 7H (3 BS)  
 COG: Corazon State Unit 6H (3 BS)

-	1 section long laterals
-	1.5 section long laterals

Well Name	API	1st Prod Date (MM/YY)	CLL (ft)	Proppant (lb/ft)	Gross Cum To-Date		Gross Rem. Reserves		Gross EUR		
					Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	BOE
CORAZON STATE UNIT 6H	30025409480000	Oct-13	4380	754	74	90	53	60	127	149	152
CORAZON STATE UNIT 7H	30025409490000	Aug-14	4303	1588	99	178	217	395	316	573	411
CORAZON STATE UNIT 8H	30025409500000	Jun-13	4264	768	106	106	123	178	230	284	277
CORAZON STATE UNIT 9H	30025409510000	Jul-14	4214	826	126	216	303	341	429	557	522
Short Lateral Averages			4290	984	101	147	174	243	275	391	341
CORAZON STATE UNIT 5H	30025409470000	Sep-14	6866	1590	244	451	579	1748	823	2199	1190
CORAZON STATE UNIT 3H	30025409460000	Jan-14	6868	784	137	195	18	16	155	212	190
CORAZON STATE UNIT 2H	30025409450000	Apr-14	6784	797	201	323	227	434	428	758	554
CORAZON STATE UNIT 1H	30025407140100	Mar-13	7052	807	195	307	131	279	326	586	423
Long Lateral Averages			6893	995	194	319	239	619	433	939	589
Ratios			1.61	1.01					1.57	2.40	1.73

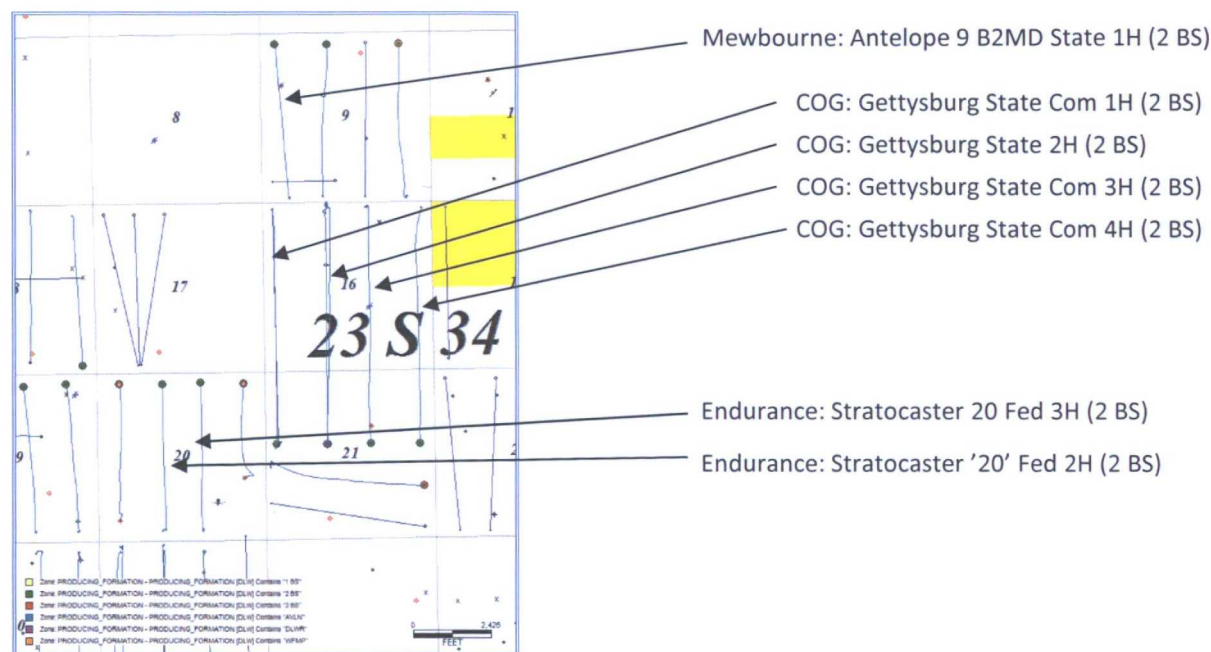


# Effects of Lateral Length on Well Performance

## Comparison Area 2: 2<sup>nd</sup> Bone Spring



- Longer laterals EURs are higher than shorter laterals
- EUR scales slightly less than linear (82%) with lateral length for these wells, but shorter wells have 18% more proppant per foot on average



- 1 section long laterals
- 1.5 section long laterals

Well Name	API	1st Prod Date (MM/YY)	CLL (ft)	Proppant (lb/ft)	Gross Cum To-Date		Gross Rem. Reserves		Gross EUR		
					Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	BOE
ANTELOPE 9 B2MD STAT 1H	30025423660000	Jun-15	4120	1572	119	105	32	58	152	163	179
STRATOCASTER 20 FEDE 3H	30025414470000	Apr-14	3802	893	217	373	320	747	537	1120	723
STRATOCASTER '20' FE 2H	30025413810000	Mar-14	3911	880	84	171	158	530	242	701	359
Short Lateral Averages			3944	1115	140	216	170	445	310	661	420
GETTYSBURG STATE COM 1H	30025419280100	Jun-15	6480	1697	221	287	508	948	729	1234	935
GETTYSBURG STATE 2H	30025408740100	Aug-13	6930	525	114	116	179	290	292	405	360
GETTYSBURG STATE COM 3H	30025409160000	Feb-14	6988	756	187	236	360	649	547	885	694
GETTYSBURG STATE COM 4H	30025419290000	Dec-14	6797	797	141	326	111	448	252	774	381
Long Lateral Averages			6799	944	166	241	289	584	455	825	592
Ratios			1.72	0.85					1.47	1.25	1.41

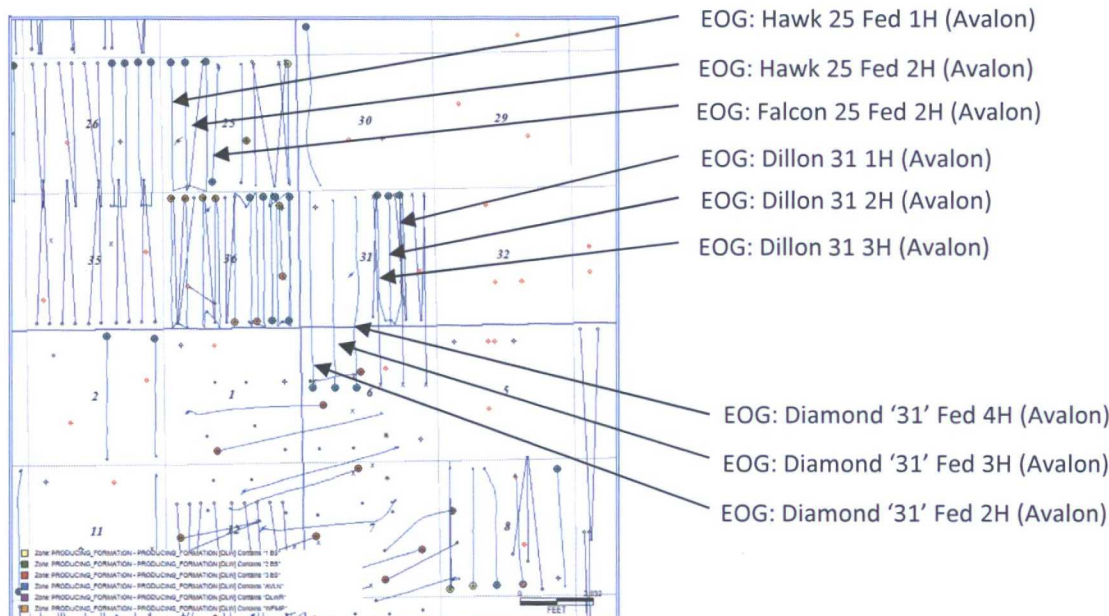


# Effects of Lateral Length on Well Performance

## Comparison Area 3: Avalon



- Longer laterals EURs are higher than shorter laterals
- EUR scales greater than linear (128%) with lateral length for these wells
- Average proppant load is similar between long and short laterals (within 1%)



-	1 section long laterals
-	1.5 section long laterals

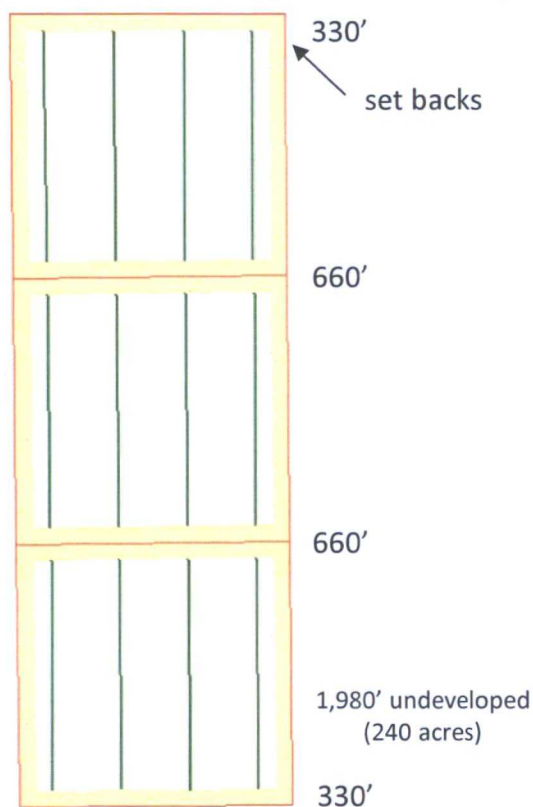
Well Name	API	1st Prod Date (MM/YY)	CLL (ft)	Proppant (lb/ft)	Gross Cum To-Date		Gross Rem. Reserves		Gross EUR		
					Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	Oil (MB)	Gas (MMCF)	BOE
DILLON 31 1H	30025413080000	Jan-14	4340	1338	115	1187	44	3940	159	5127	1014
DILLON 31 2H	30025413090000	Jan-14	4515	1332	114	1113	67	3985	181	5098	1031
DILLON 31 3H	30025413100000	Jan-14	4340	1343	160	933	148	3127	308	4060	985
HAWK 25 FEDERAL 2H	30025414190000	May-14	4799	1528	123	1171	59	5909	181	7081	1361
HAWK 25 FEDERAL 1H	30025414940000	May-14	4810	1469	152	1011	44	2553	195	3564	789
FALCON 25 FEDERAL 2H	30025414180100	May-14	4515	1362	102	849	74	2686	177	3536	766
Short Lateral Averages			4553	1395	128	1044	73	3700	200	4744	991
DIAMOND '31' FEDERAL 2H	30025404840000	May-13	7139	1376	266	1197	117	8253	383	9450	1958
DIAMOND '31' FEDERAL 4H	30025404860000	Jun-13	6966	1379	296	1708	133	7597	429	9305	1980
Long Lateral Averages			7053	1378	281	1452	125	7925	406	9377	1969
Ratios			1.55	0.99					2.03	1.98	1.99



# Illustration of Productive Acreage Loss with Section Long Laterals



**5,000' lateral development**



**7,500' lateral development**

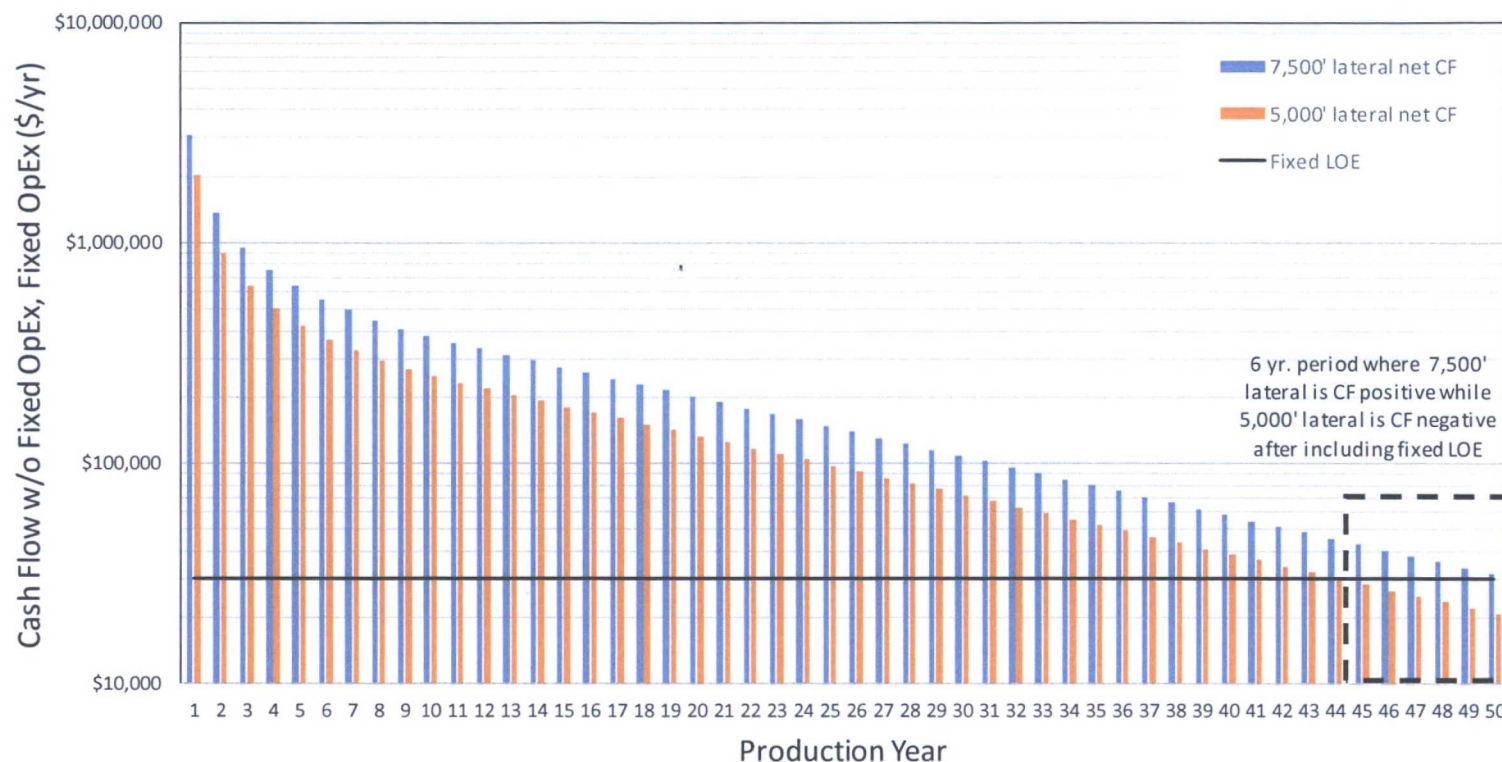


Economic Analysis of State Revenues		
Undev acres with 5,000' laterals	240	acres
Undev acres with 7,500' laterals	160	acres
"Wasted" acres	80	acres
% Waste	4.2%	
Avg. Oil EUR for 2nd BS (160 ac spacing)	310	MBO
Avg. Gas EUR for 2nd BS (160 ac spacing)	661	MMCF
"Lost" Oil EUR	12.9	MBO
"Lost" Gas EUR	27.5	MMCF
Lost State Oil Revenue at \$50/bo (8.13%)	\$ 52.5	\$M
Lost State Gas Revenue at \$2.75/mcf (8.92%)	\$ 6.8	\$M
Total Lost Revenue per well per zone	\$ 59.3	\$M
Prospective intervals	4	
Wells per section per drilling unit	4	
Total Lost Revenue for the development area	\$ 948.2	\$M

- 80 acres more are developed over a 3 section area using 7,500' laterals vs. 5,000' laterals. This is a reduction in waste of 4% (80 undeveloped acres / 1920 gross acres)
- Typical perforation cluster spacing is 35' - 50' which is far smaller than the 660' separation called for in most setbacks.
- 7,500' laterals could result in an incremental \$948,200 in state revenues by reducing the amount of acreage that is undeveloped



# Illustration of Increased Well Life, Recovery with Long Laterals



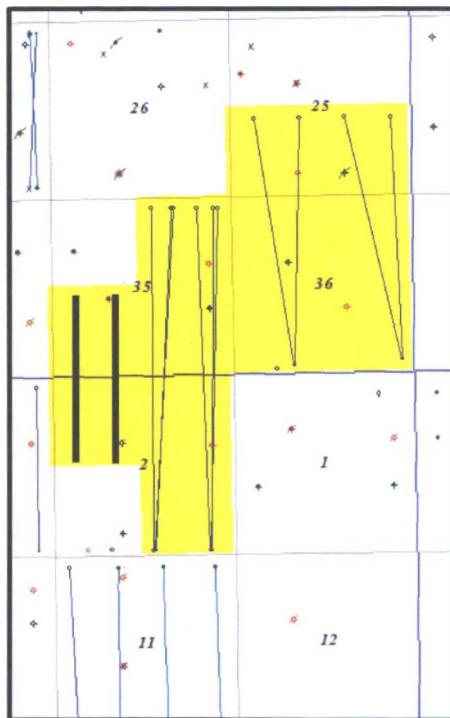
- Longer laterals remain economic for a longer period of time due to the ability to produce cash flow positive above the fixed LOE cost for longer
- The above example uses a type curve similar to offset wells in the area of interest (371 MBO and 600 MMCF for 5,000' laterals and 556 MBO and 923 MMCF for 7,500' laterals)
- In this scenario, the 7,500' lateral can produce CF positive for 6 yrs. longer, yielding an extra \$21,851 in severance taxes per well.
- Normalizing to a 5,000' lateral (2/3rds), that is \$14,567 in lost severance taxes per well or \$305,914 for BMOG's 21 well development plan



# Development Plan Options

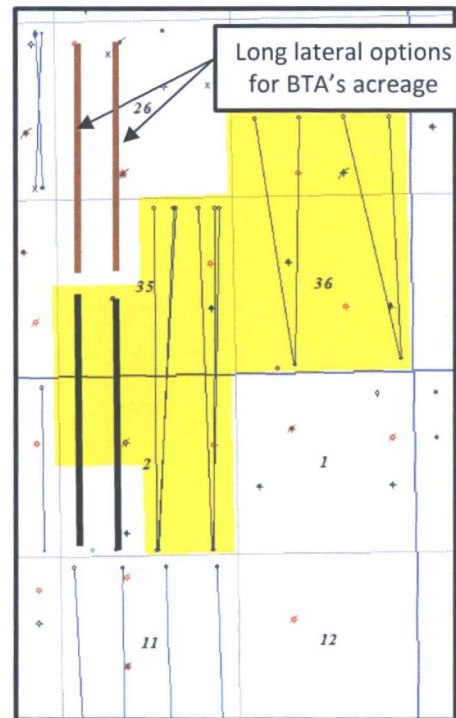


**BMOG's Original  
Development Plan  
(12/2015)**



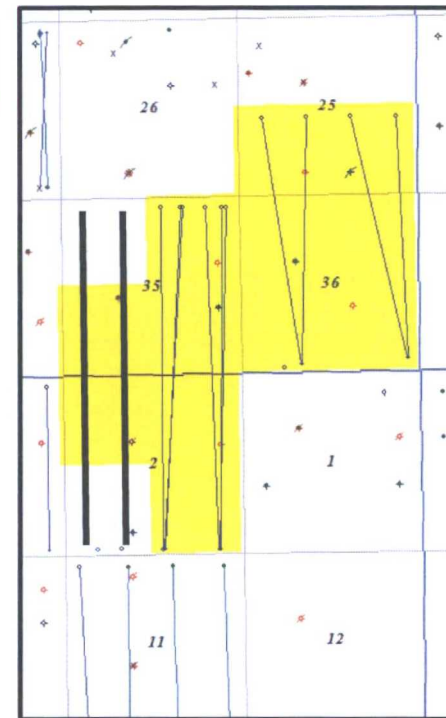
BMOG WI = 90%

**BMOG's Current  
Development Plan  
(1Q16 - present)**



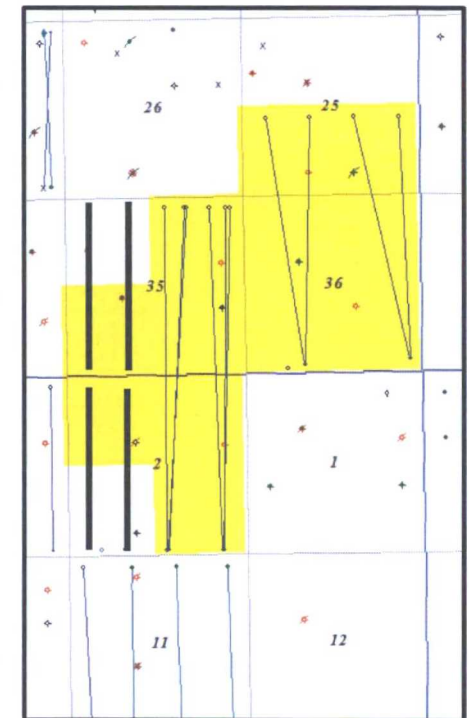
BMOG WI = 60%

**BMOG's Alternative  
Development Plan**



BMOG WI = 45%

**GMT / BTA  
Development Plan**



BMOG WI = 47% (sec 2)  
BMOG WI = 42% (sec 35)

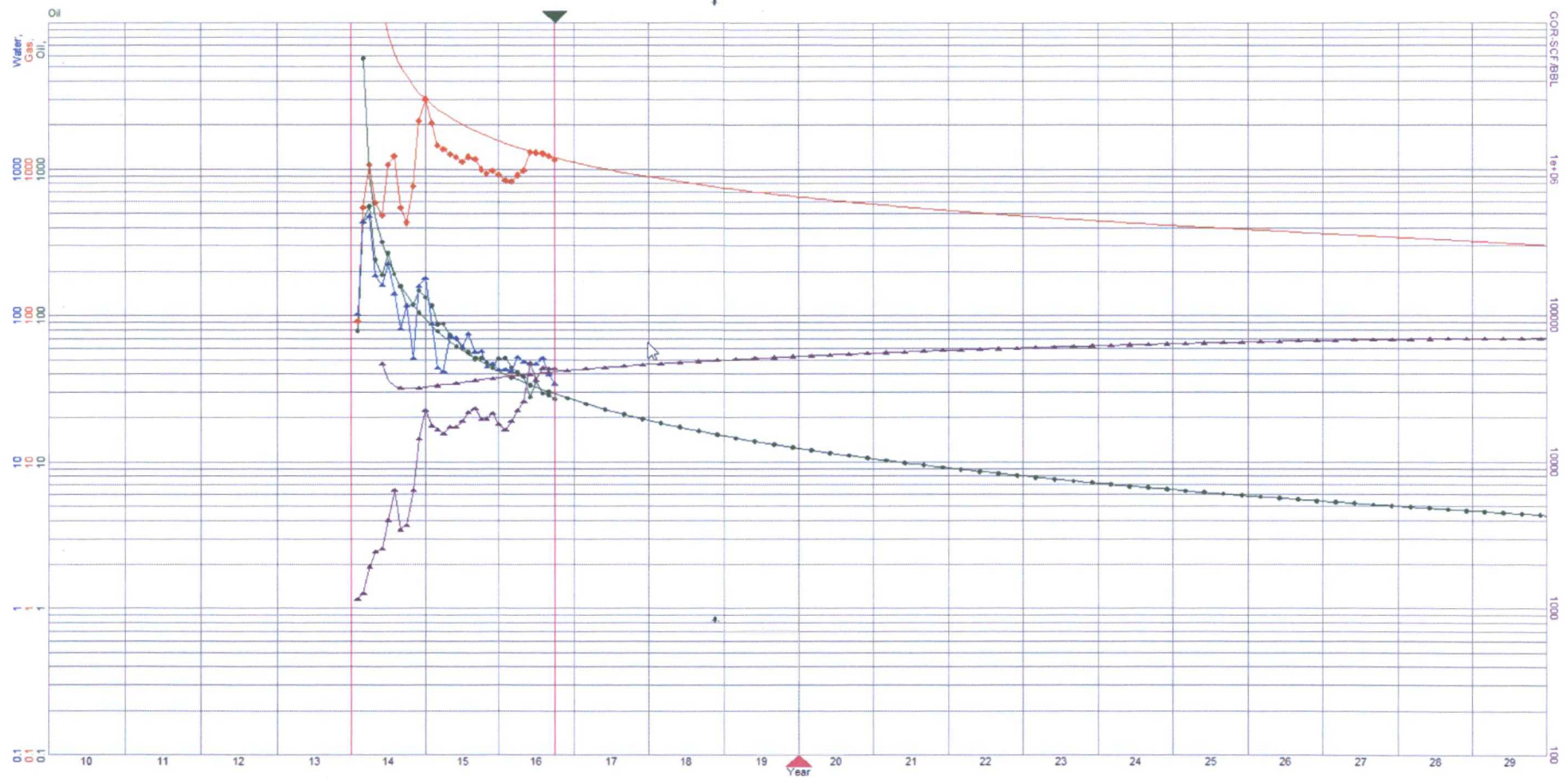
- BMOG's current development plan does not strand acreage, but allows BTA to drill 7,500' laterals to the north
- GMT and BTA are teaming up to collectively create the only scenario where they would each have the majority WI in a well drilled in the subject lands



Back up

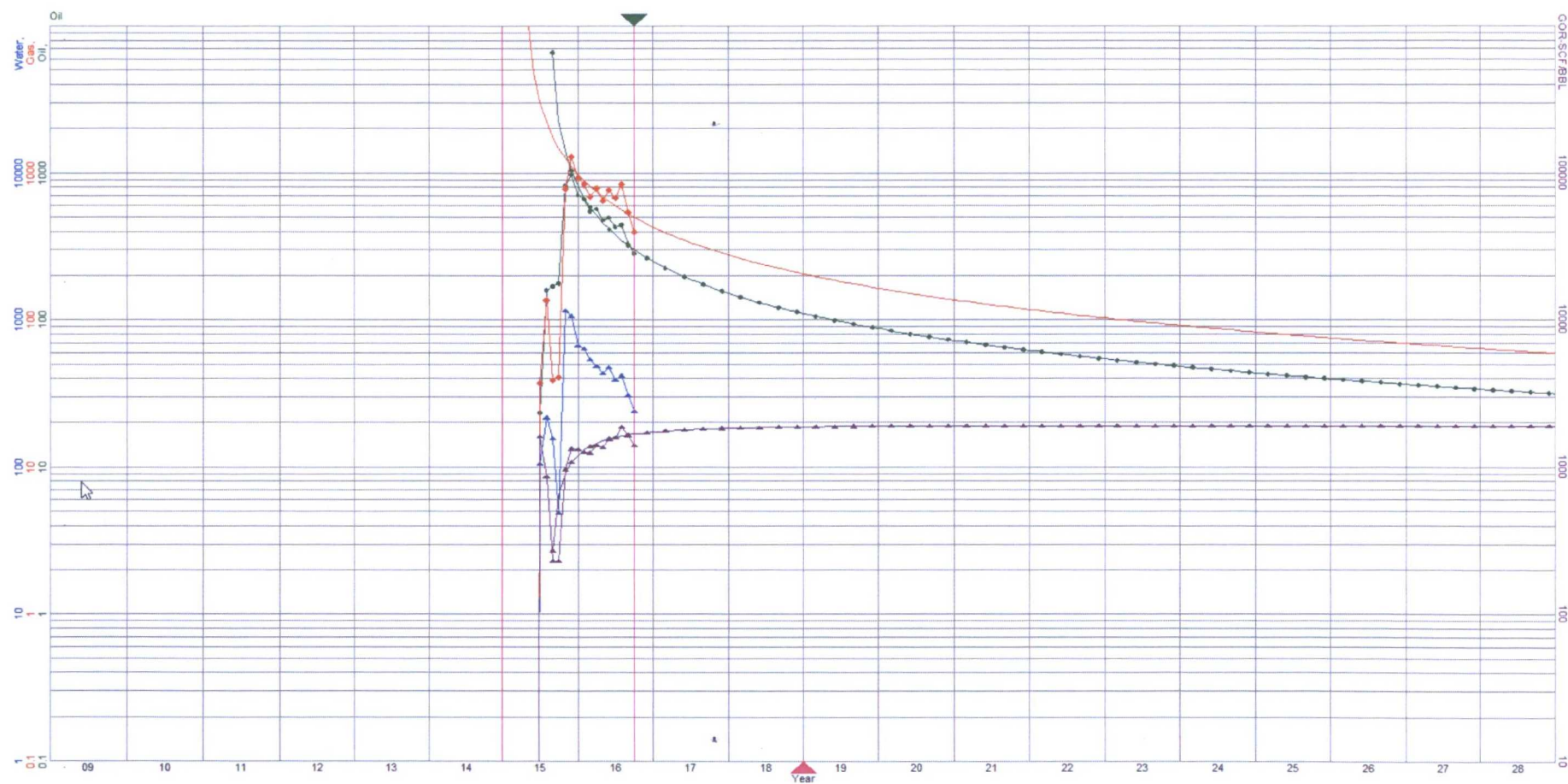


# Forecasts – Dillon 31 2H



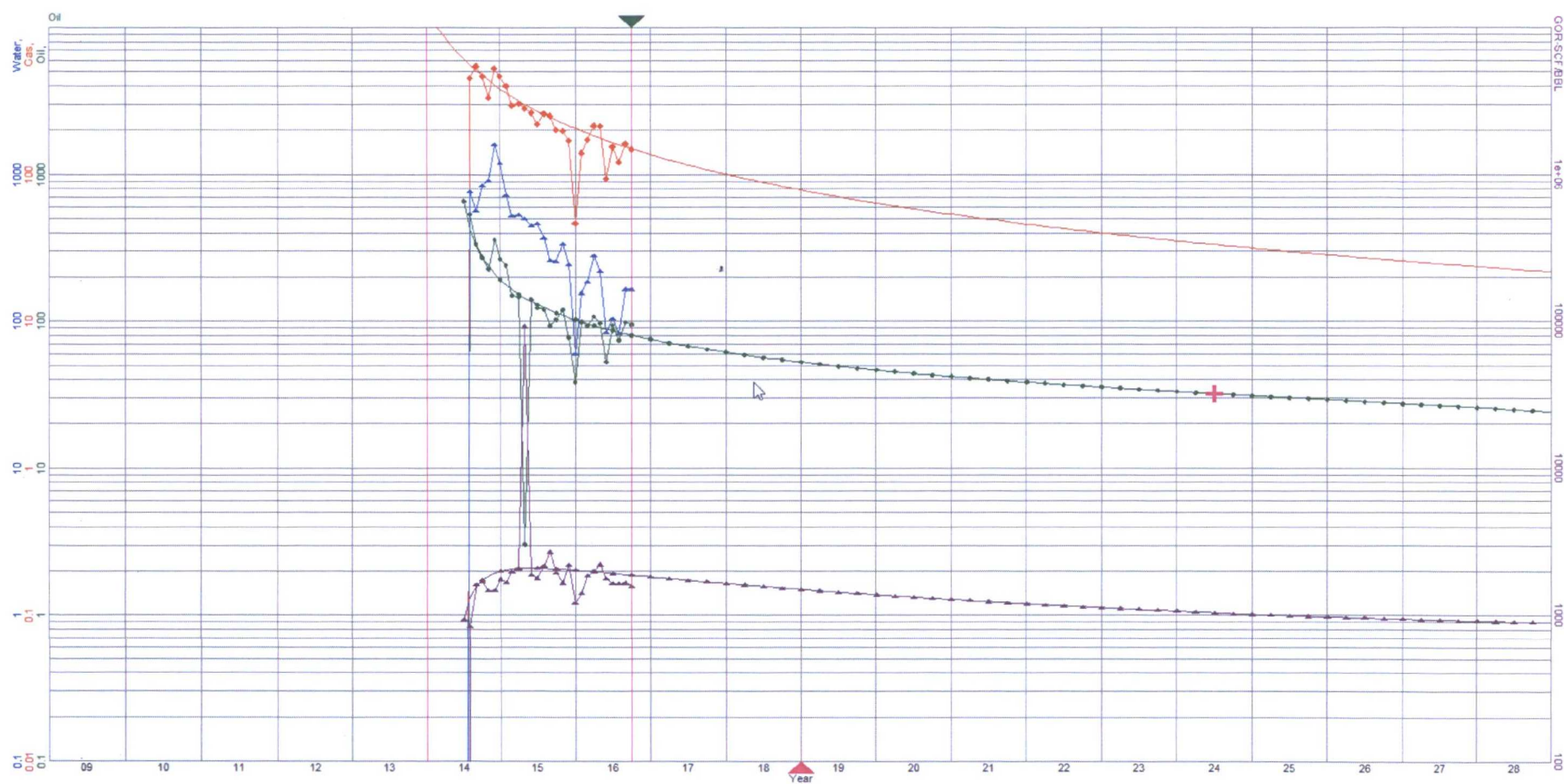


# Forecasts – Gettysburg State Com 1H



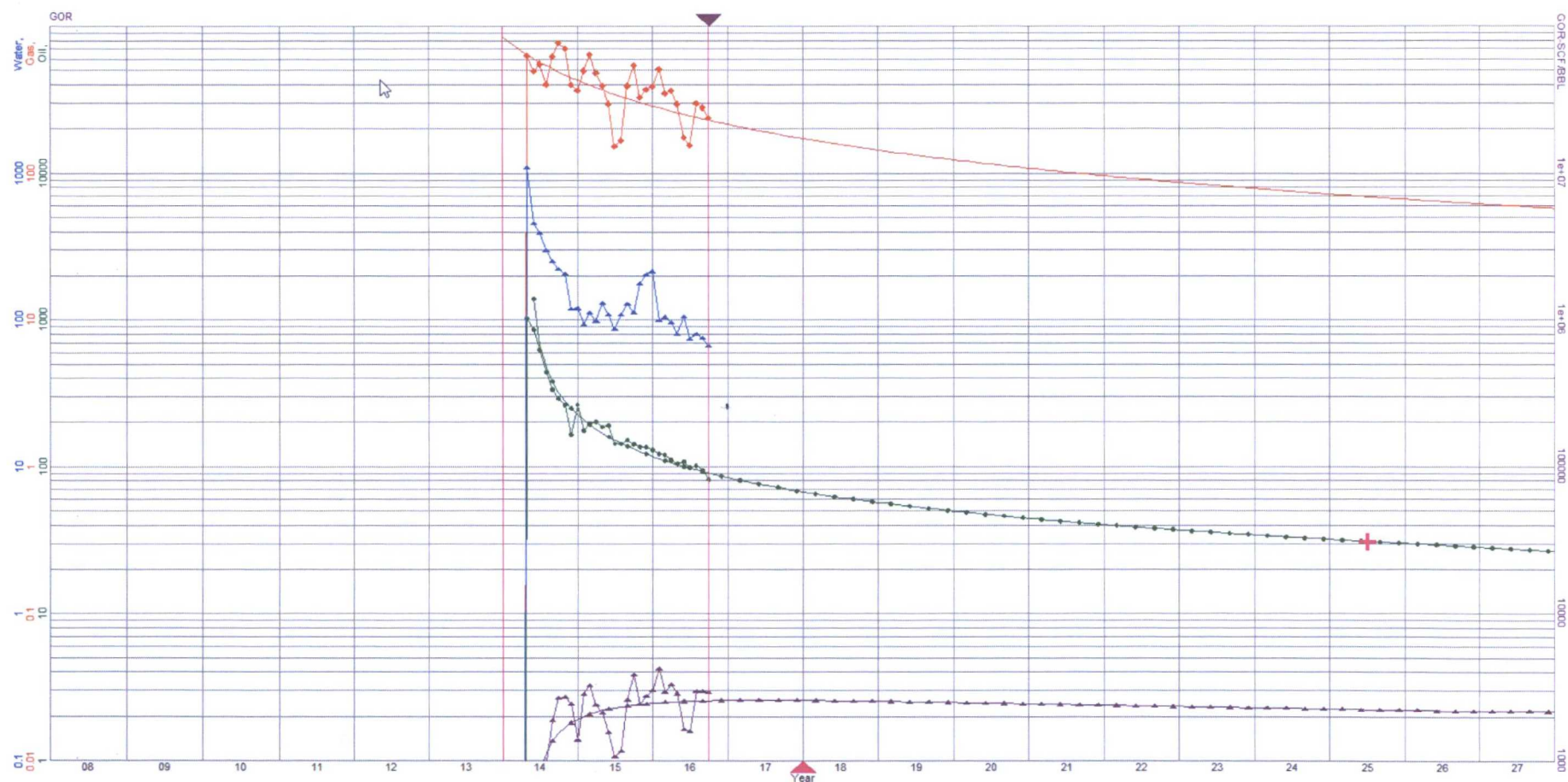


# Forecasts – Carazon State Unit 9H



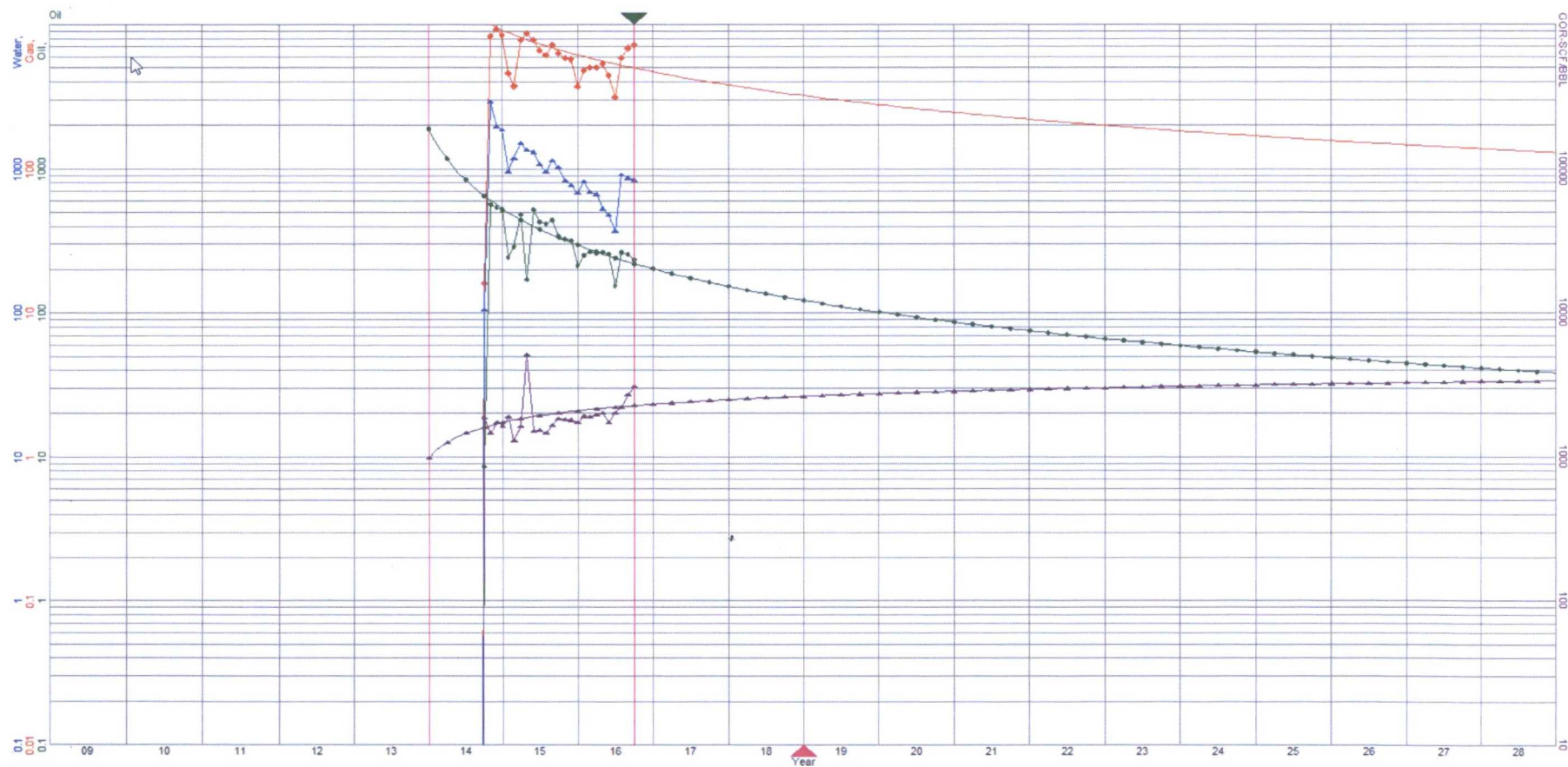


# Forecasts – Stratocaster 20 Fed 3H



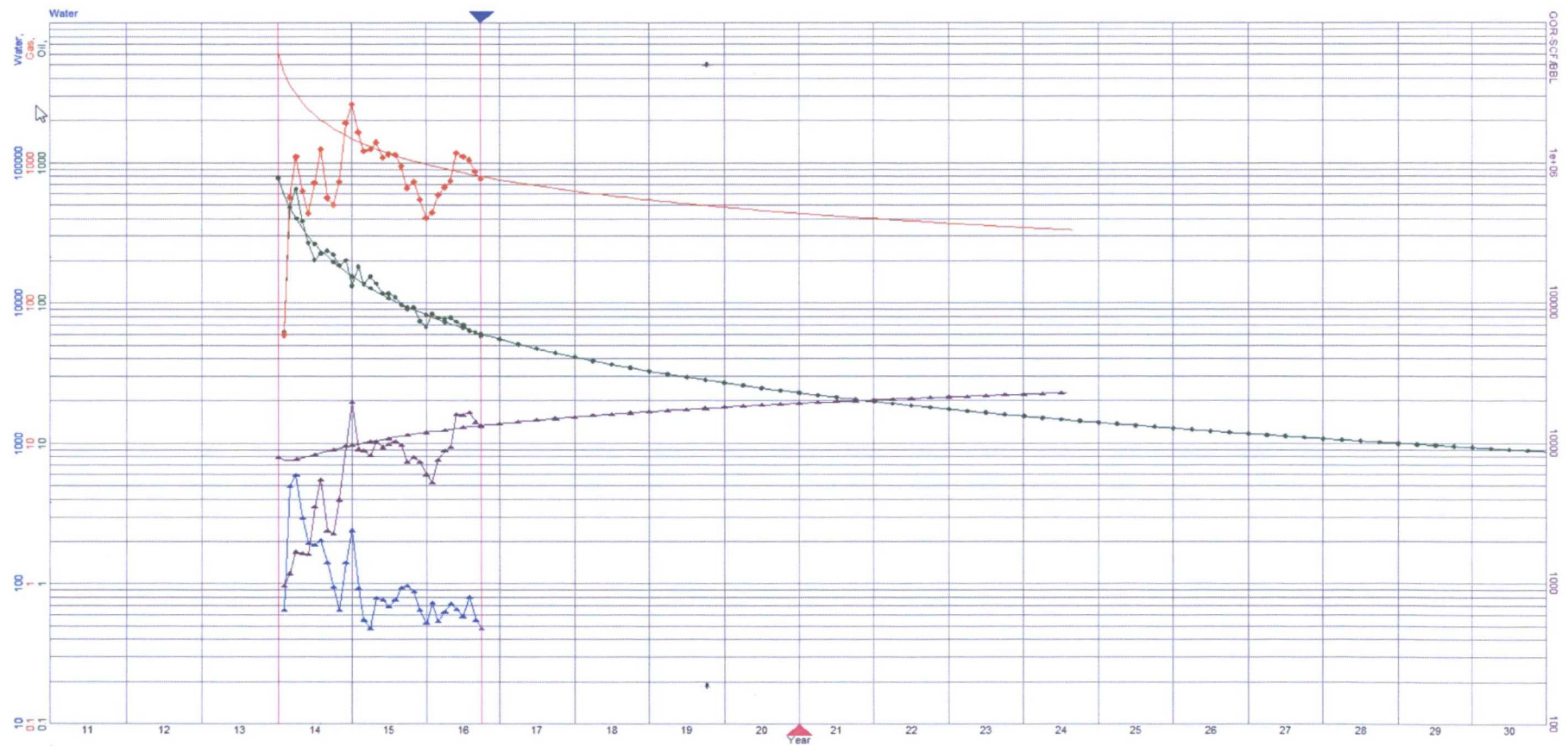


# Forecasts – Carazon State Unit 5H



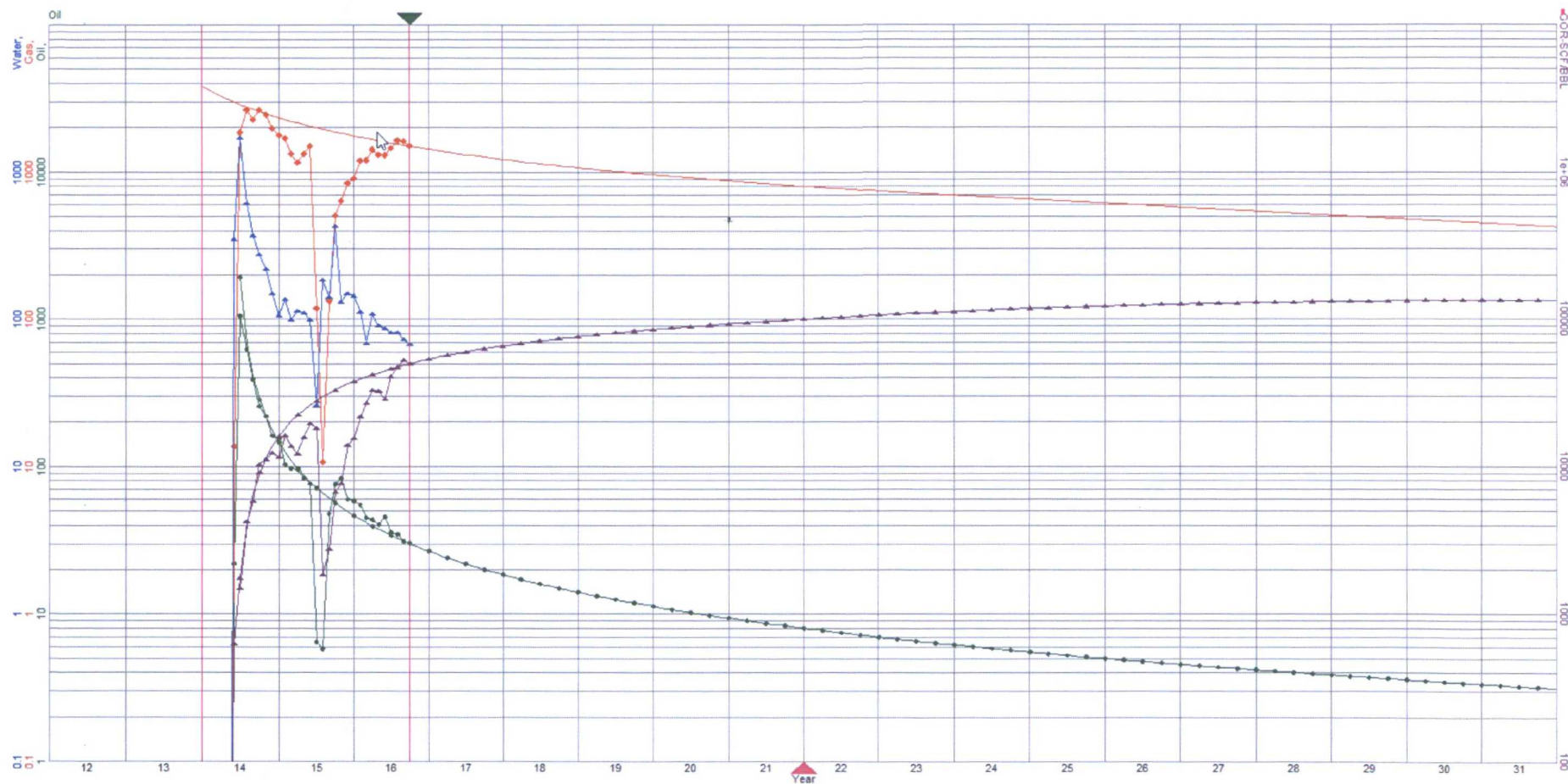


# Forecasts – Dillon 31 3H



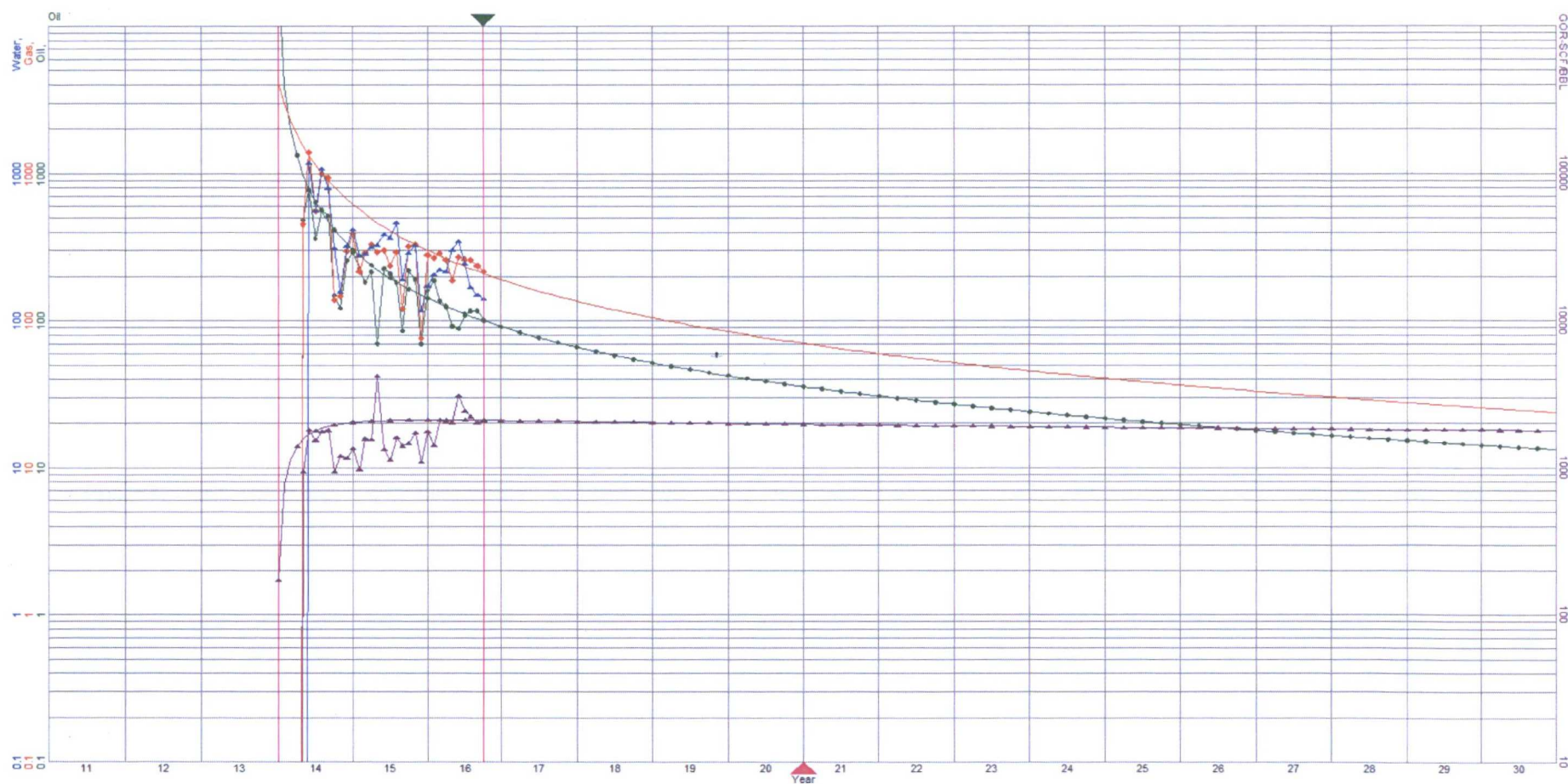
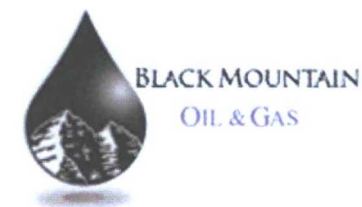


# Forecasts – Hawk 25 Feb 2H



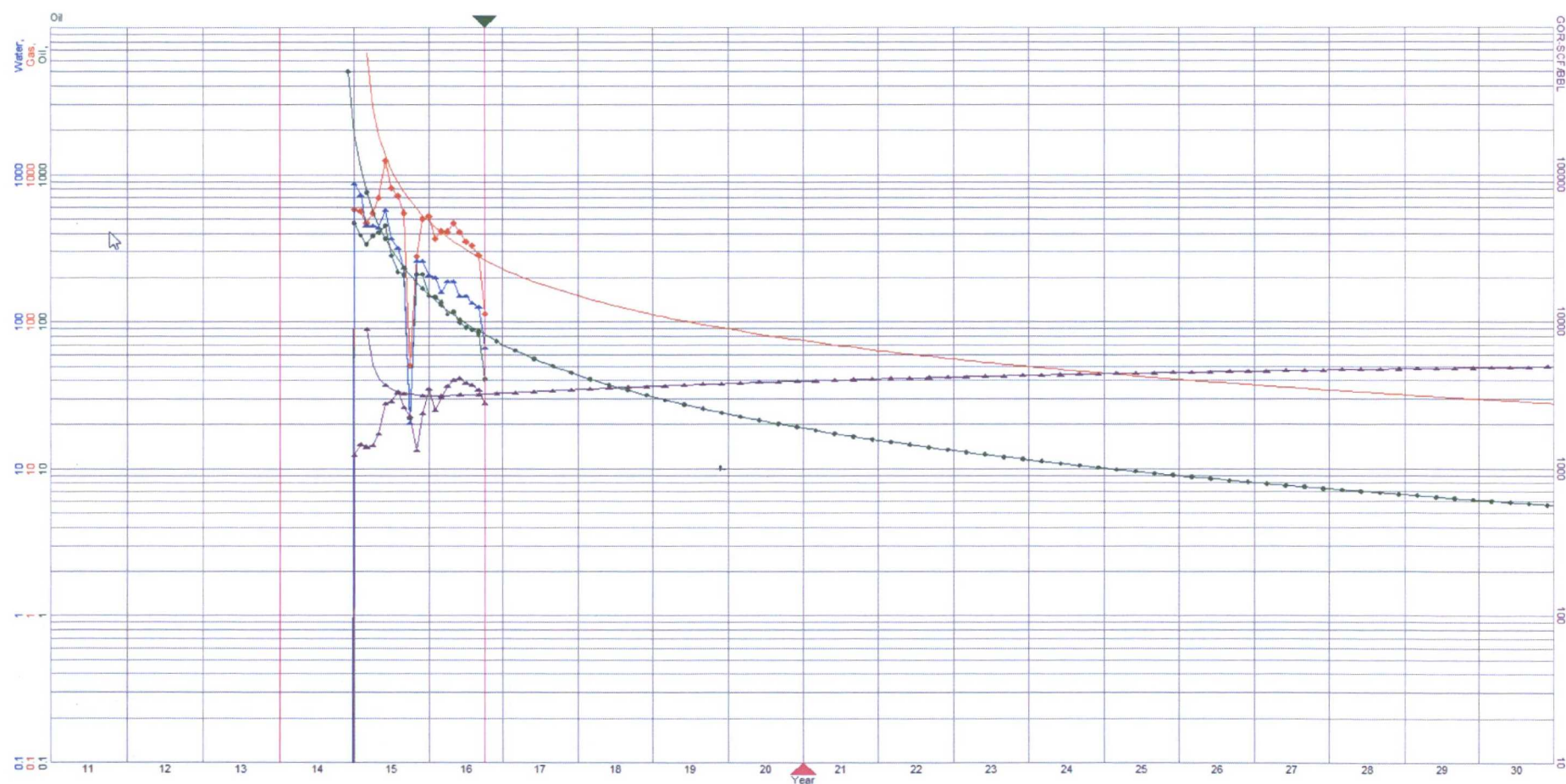


# Forecasts – Carazon State Unit 2H



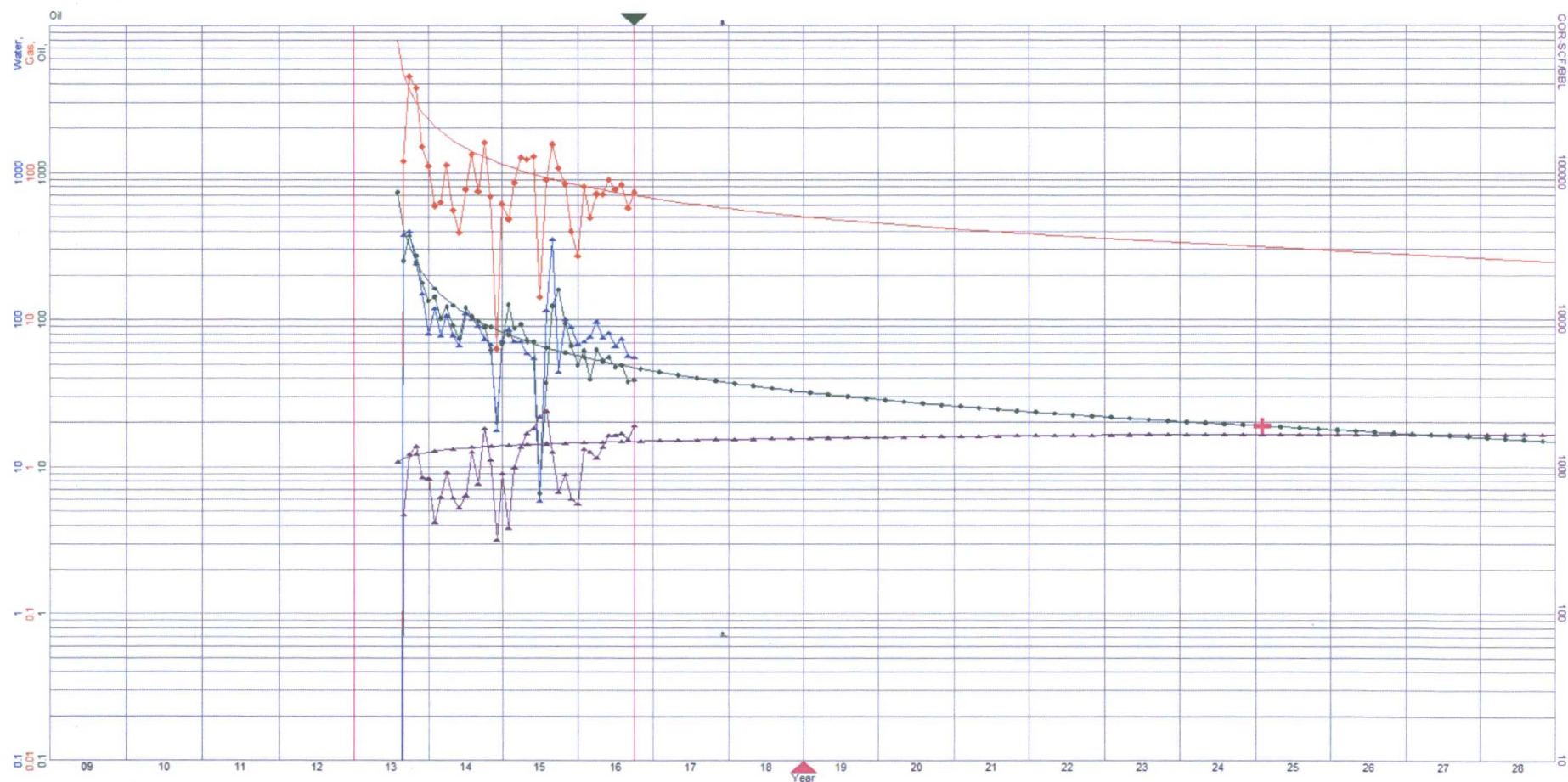


# Forecasts – Gettysburg State Com 4H



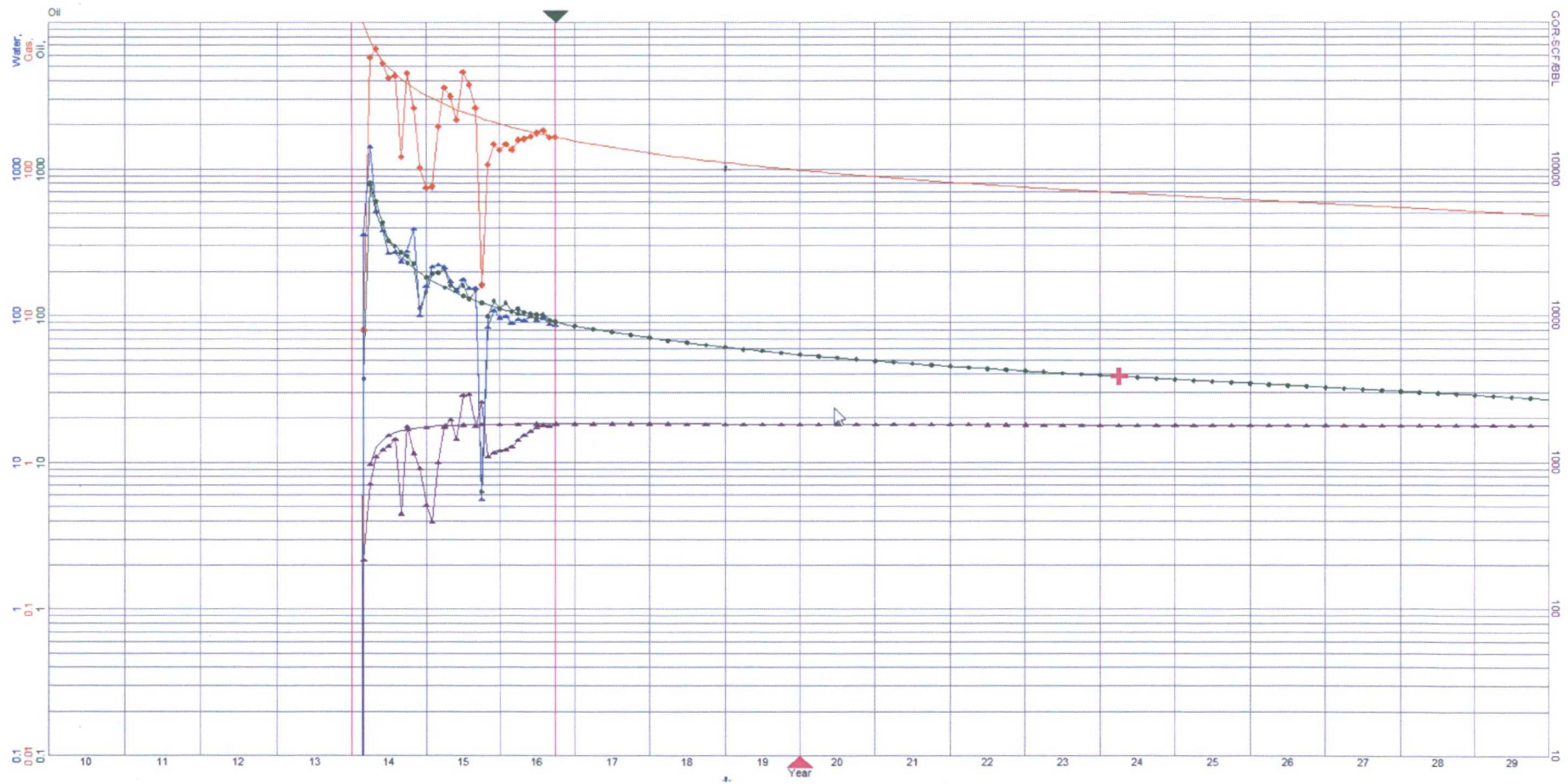


# Forecasts – Gettysburg State 2H



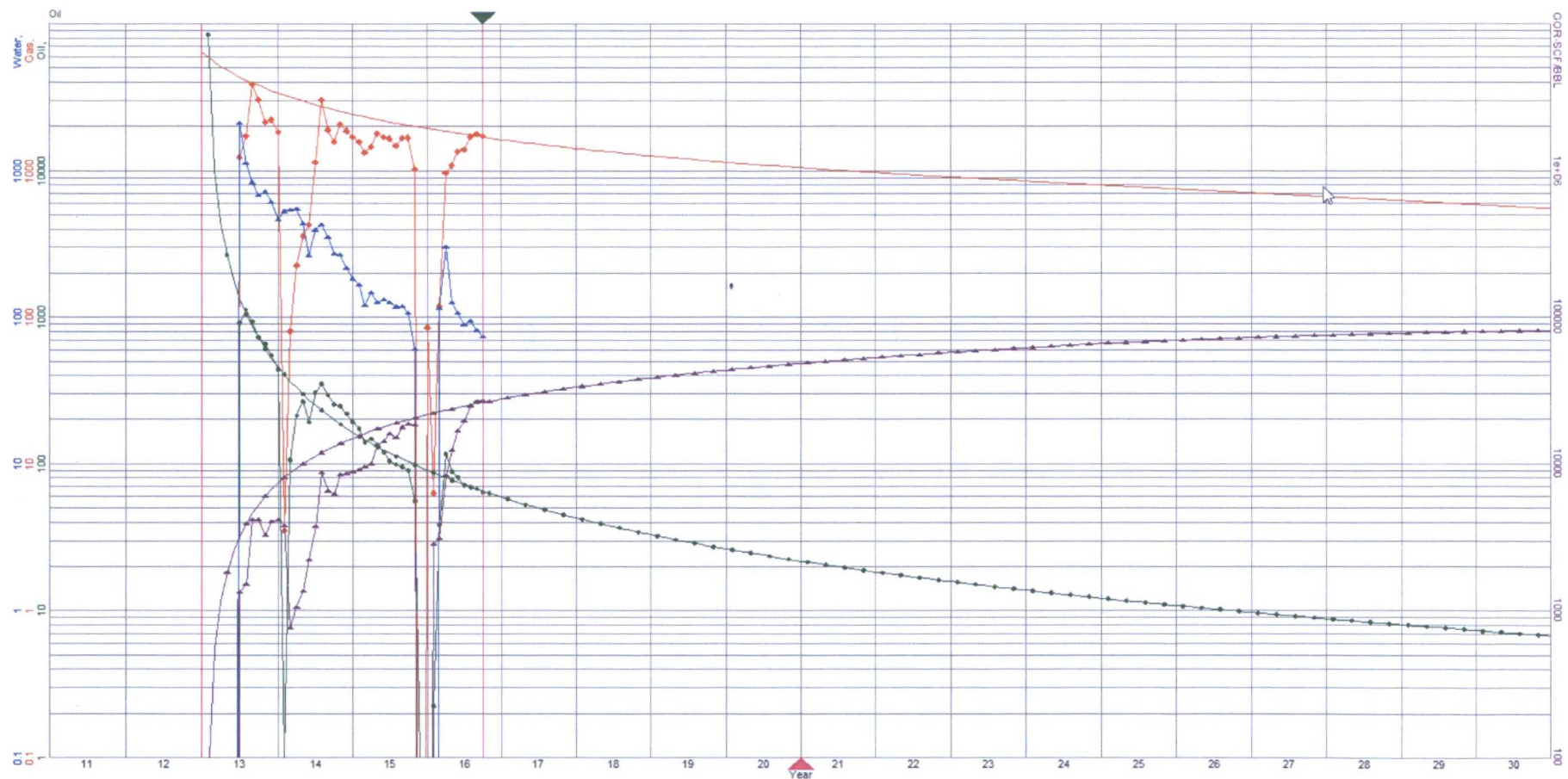


# Forecasts – Gettysburg State Com 3H



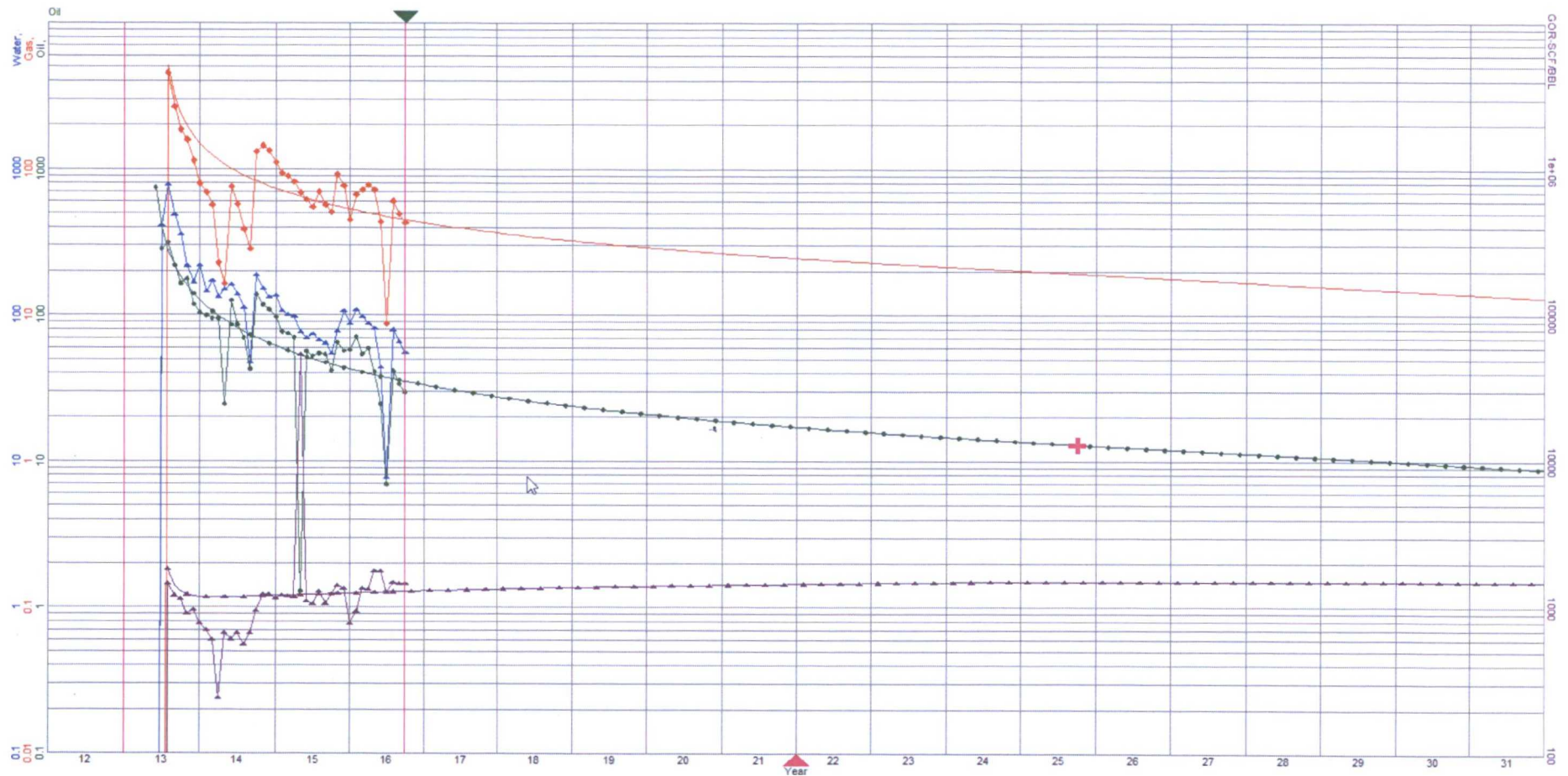


# Forecasts – Diamond 31 Fed Com 4H



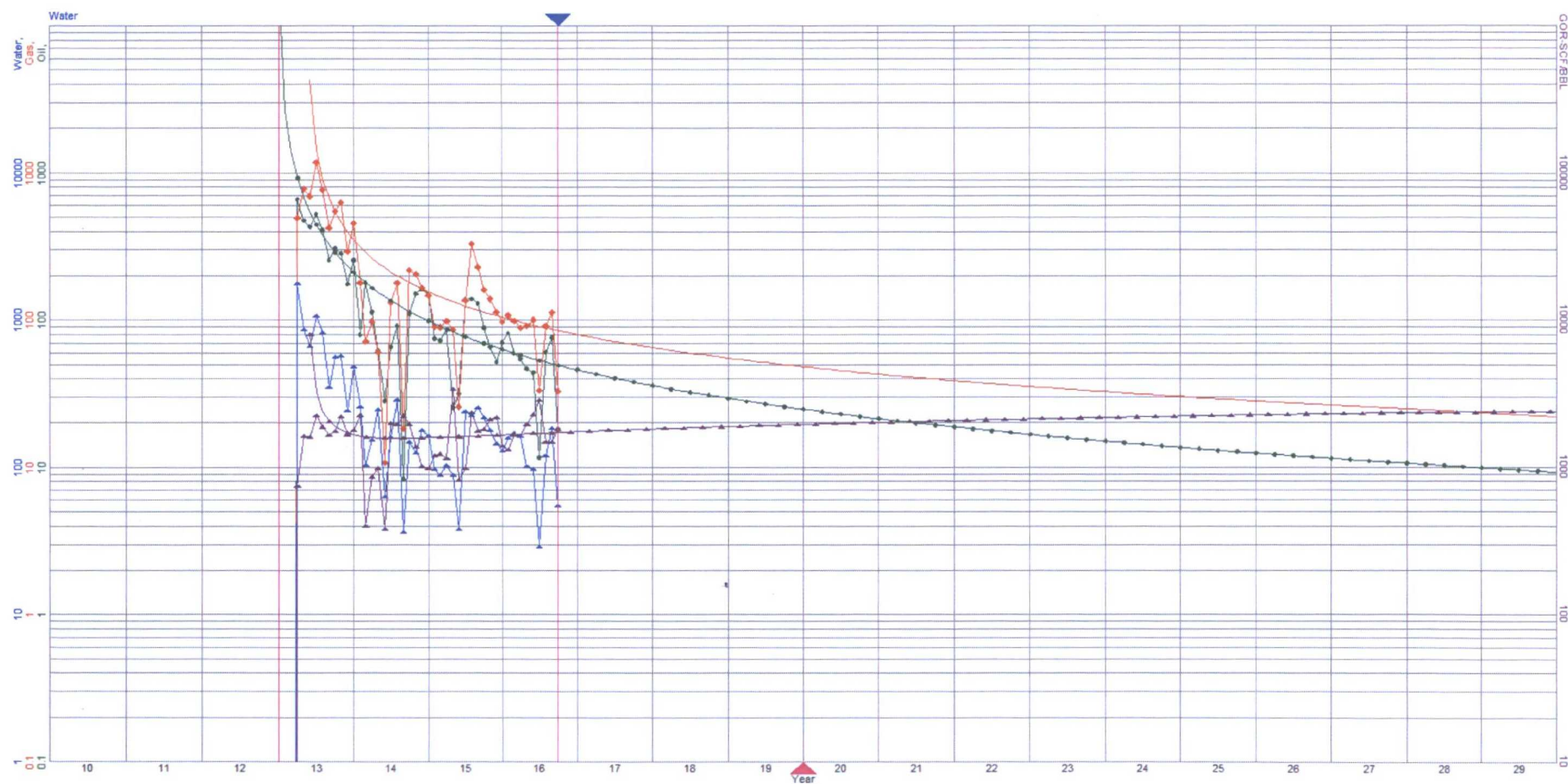


# Forecasts – Carazon State Unit 8H



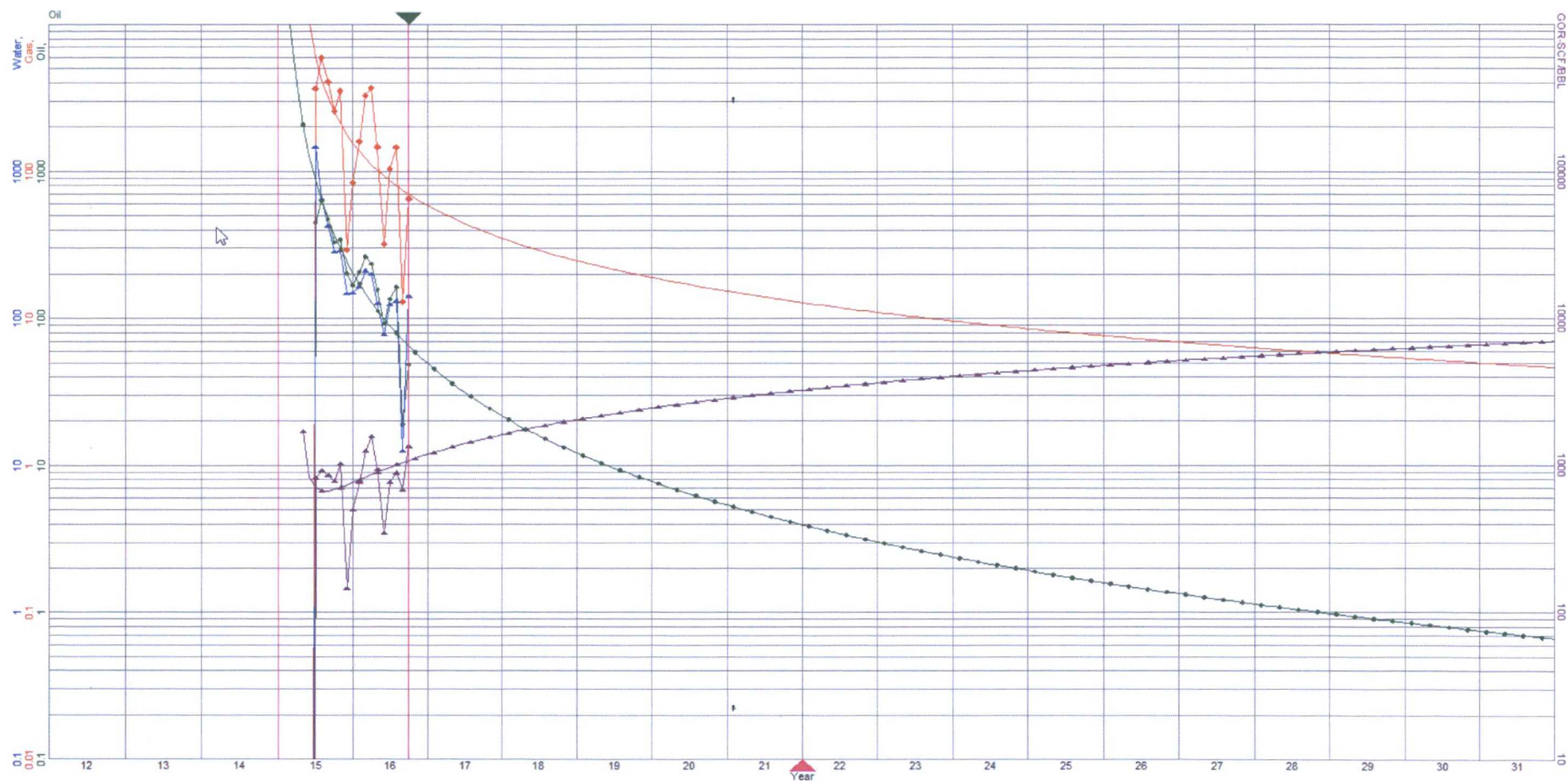


# Forecasts – Carazon State Unit 1H



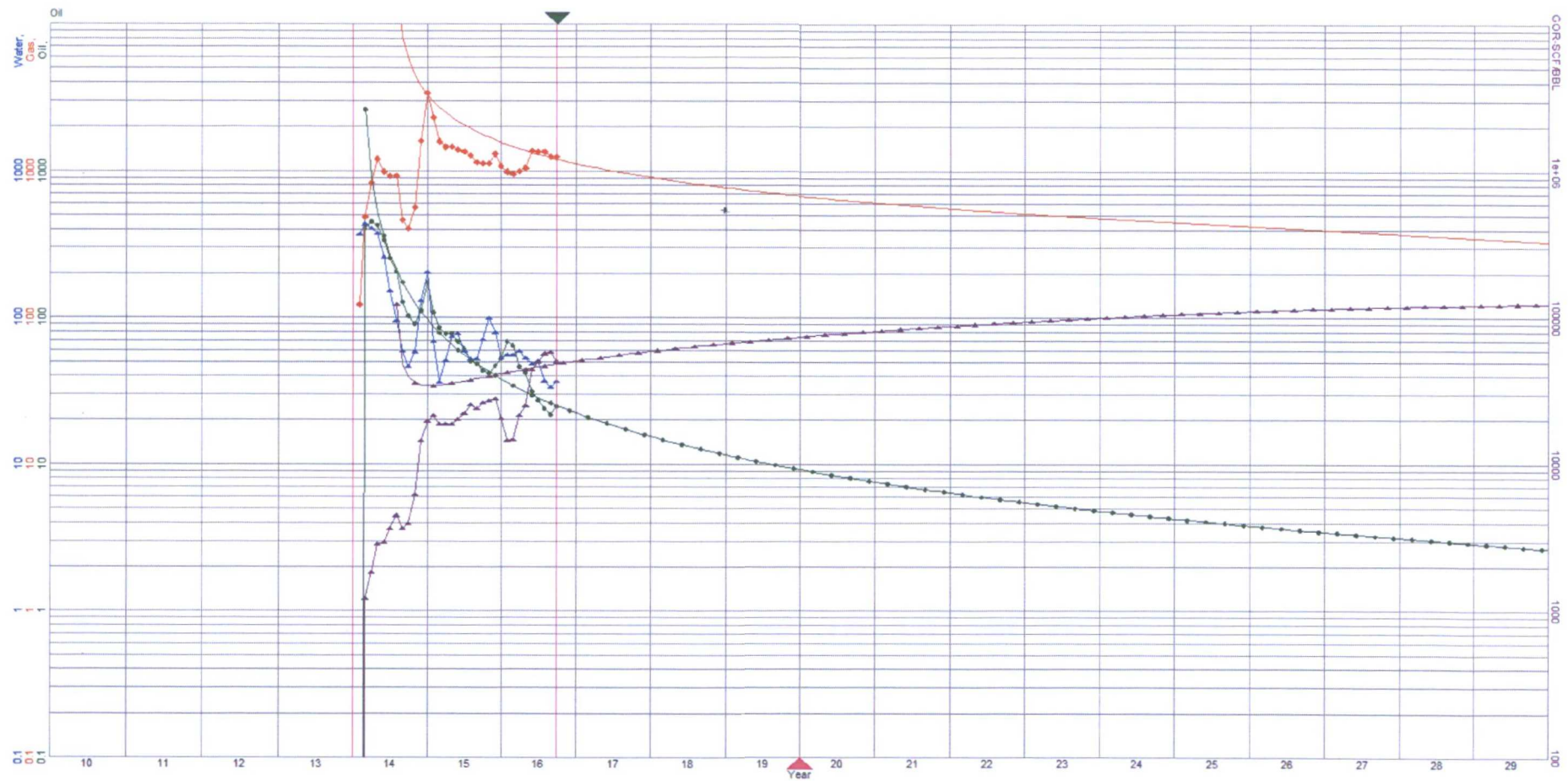


# Forecasts – Antelope 9 B2MD State Com 1H



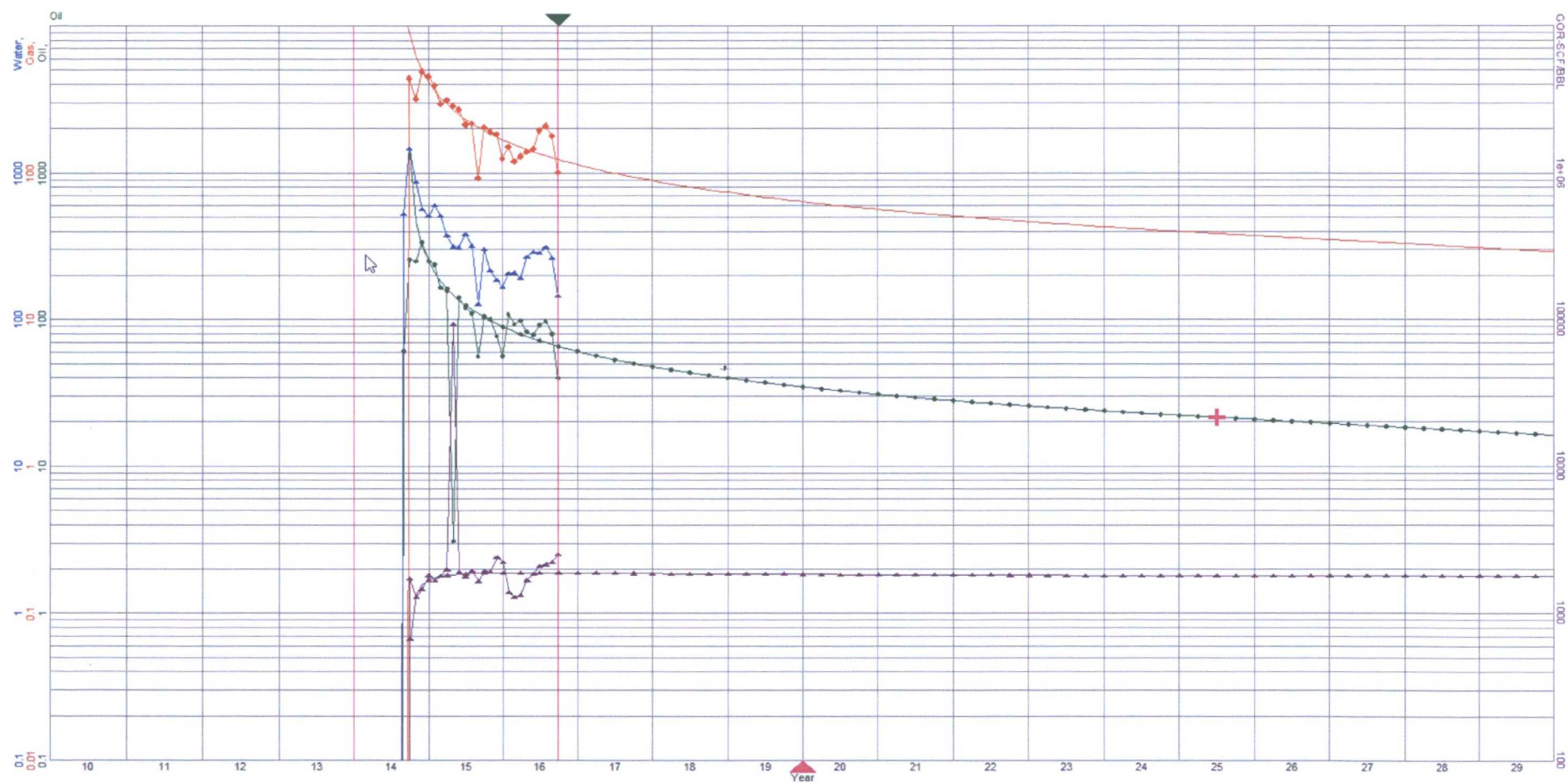
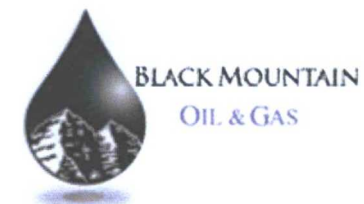


# Forecasts – Dillon 31 1H



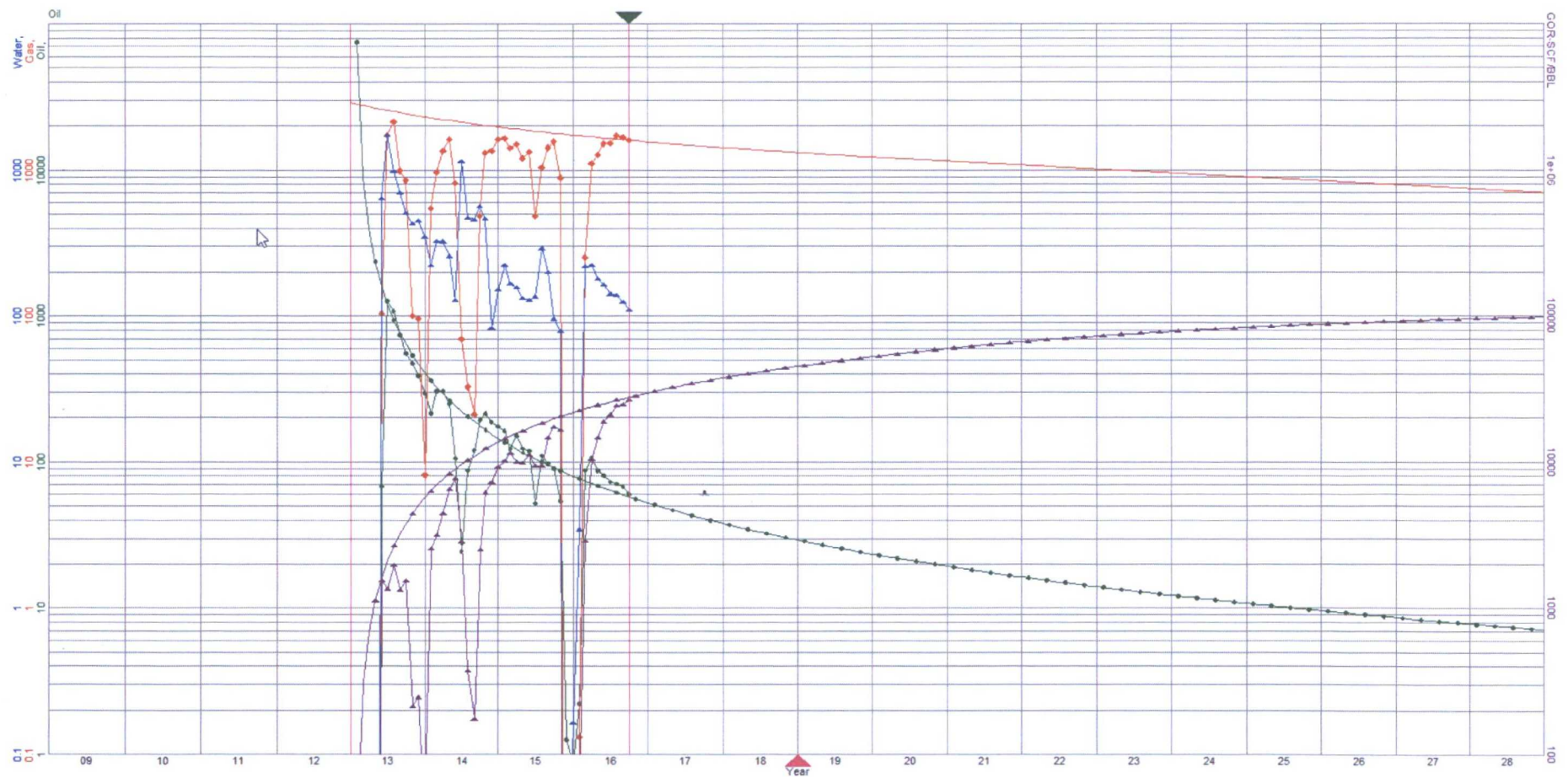


# Forecasts – Carazon State Unit 7H



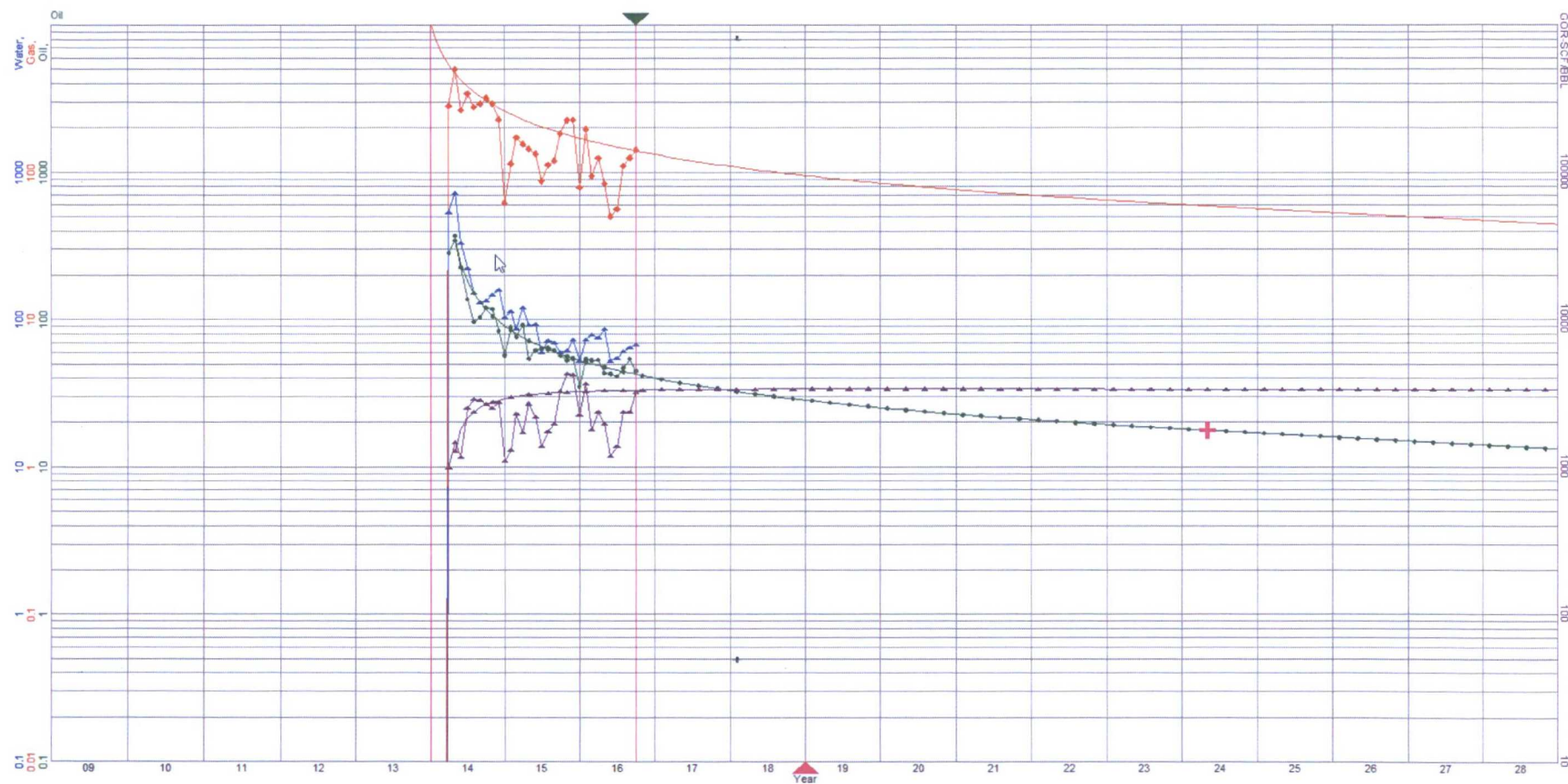


# Forecasts – Diamond 31 Fed Com 2H



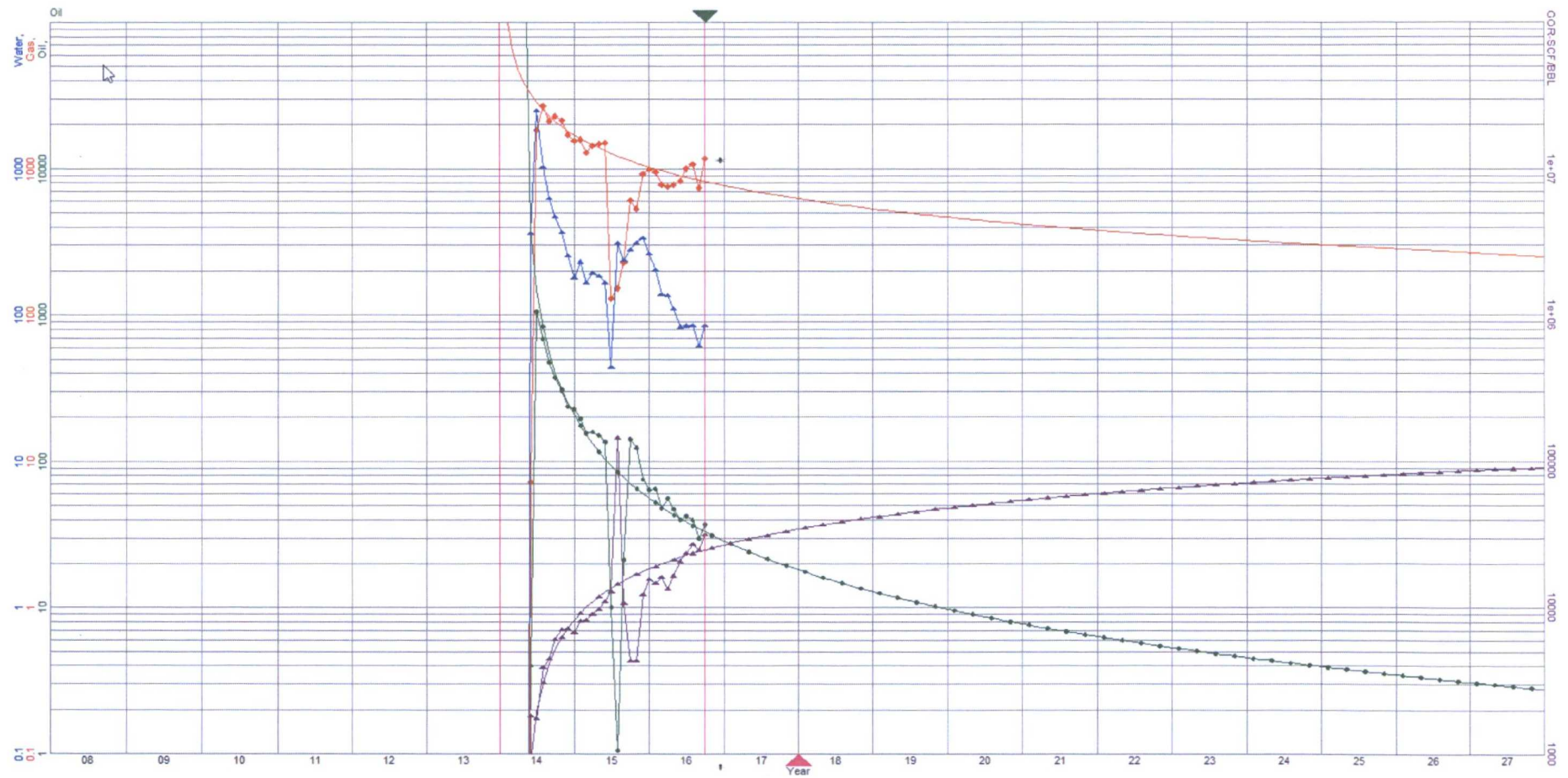


# Forecasts – Stratocaster '20' Fed 2H



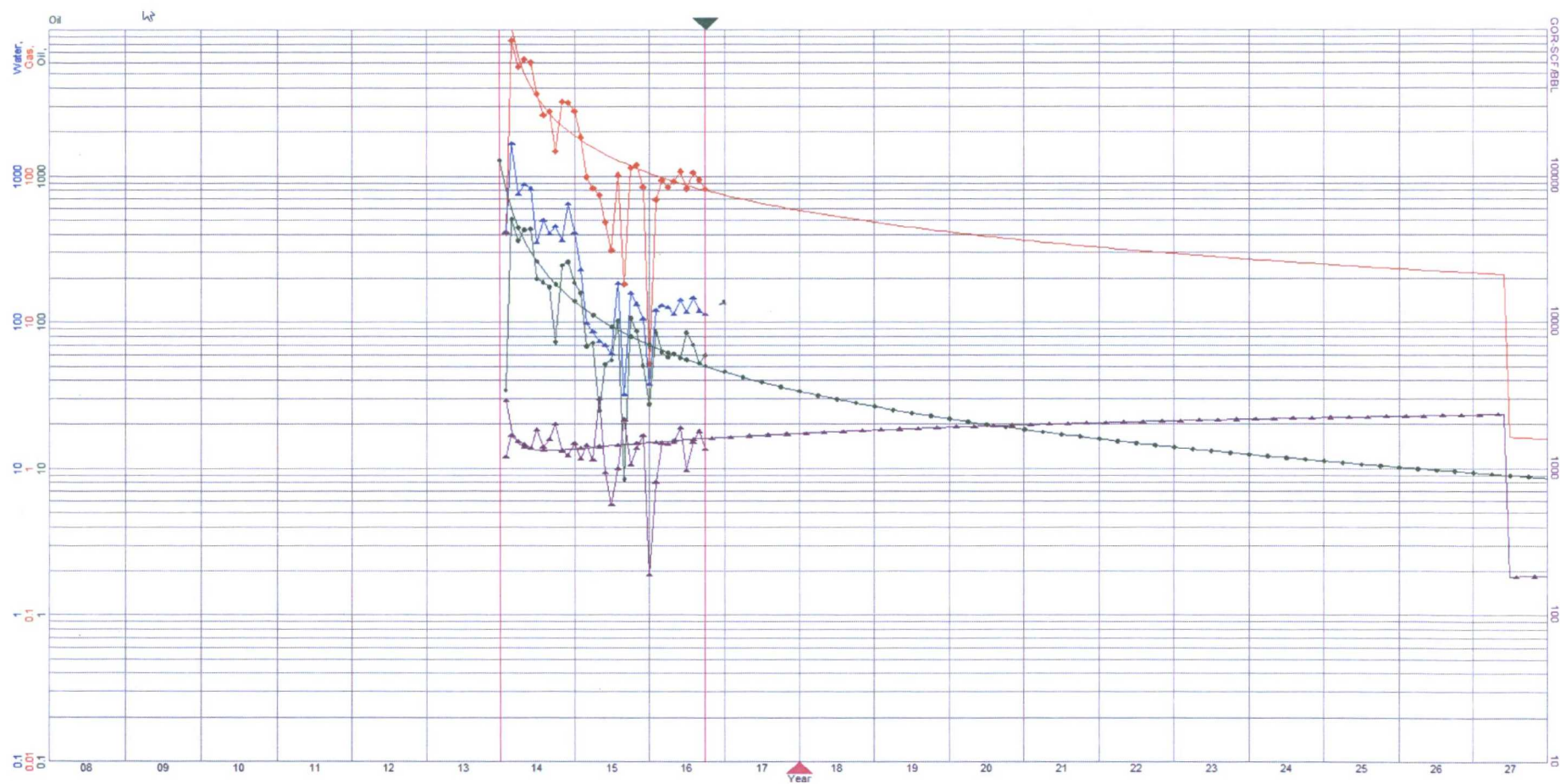
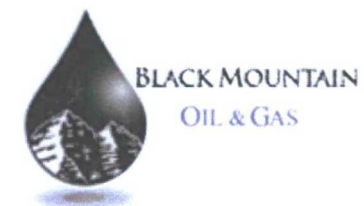


# Forecasts – Hawk 25 Feb 1H



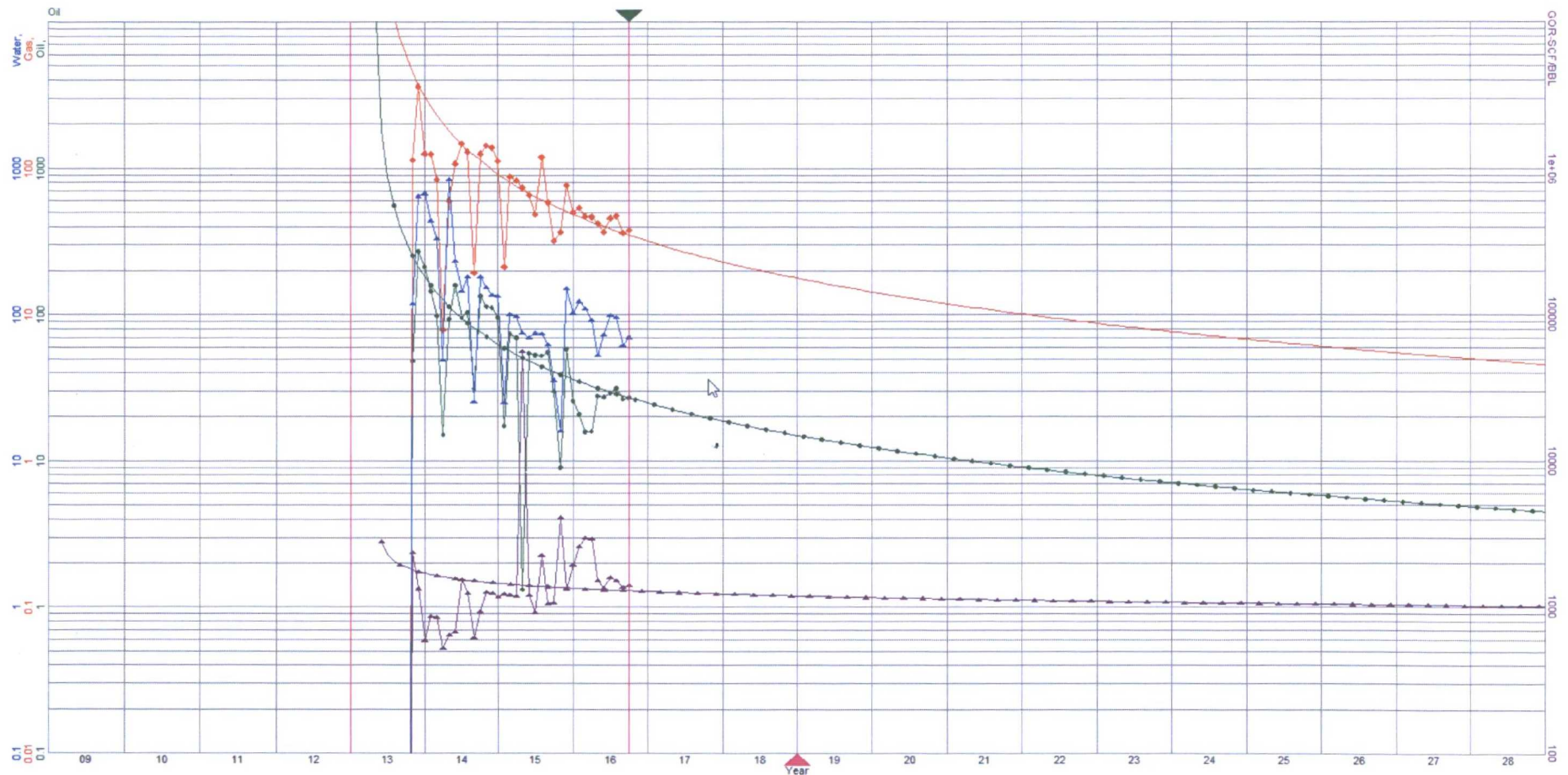


# Forecasts – Carazon State Unit 3H



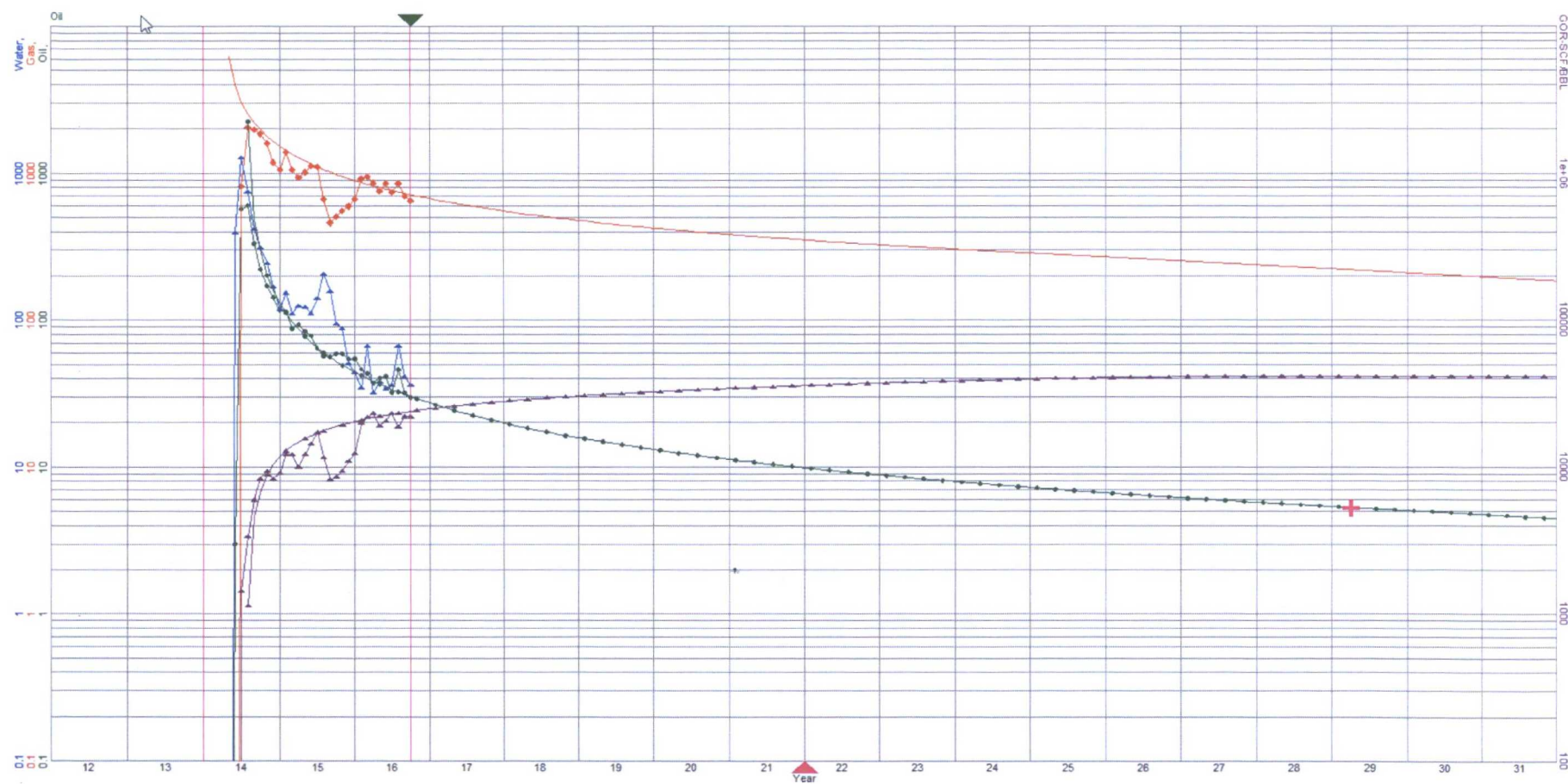


# Forecasts – Carazon State Unit 6H





# Forecasts – Falcon 25 Feb 2H





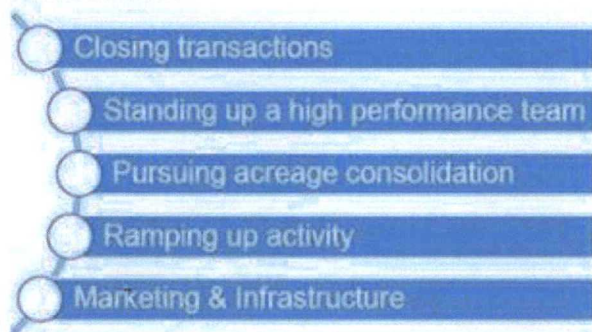
**From:** Brown, Matthew D. (MRO) [<mailto:mbrown3@marathonoil.com>]  
**Sent:** Wednesday, May 10, 2017 5:01 PM  
**To:** Michael McCracken <[michael.mccracken@blackmtn.com](mailto:michael.mccracken@blackmtn.com)>  
**Subject:** Slide from Analyst Call

FYI -

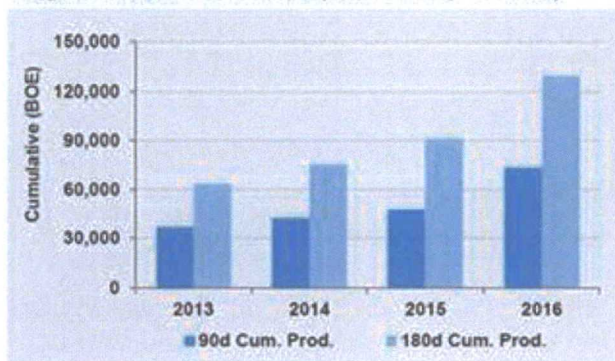
## Northern Delaware Integration On Track

Closed BC Operating May 1st

### Current Focus:



### Avg Hz Well Performance (Lea & Eddy Co. NM)



- **5 BC** gross operated wells to sales in 1Q
  - Western step-out Red Light Wolfcamp XY well IP 24 of 1,443 BOED (72% oil)
  - Abe State 2<sup>nd</sup> Bone Spring well IP 24 of 1,516 BOED (87% oil)
- Ramping to **3 rigs** by mid-year
- Expect **15 to 20** gross operated wells to sales in 2H 2017
- Northern Delaware industry well performance consistently improving year over year
  - 180 day cumulative production increased >100% in three years
  - Outpacing other basins on rate of change
- Uplifted well results correlated to increased completion sizes

Matt Brown, CPL  
Marathon Oil Corporation  
Land – Permian  
Ph# 713.296.3408 / Cell# 281.468.8833  
5555 San Felipe St. / Houston, TX 77056



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

**APPLICATION OF BLACK MOUNTAIN OPERATING  
LLC FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NO. 15655**

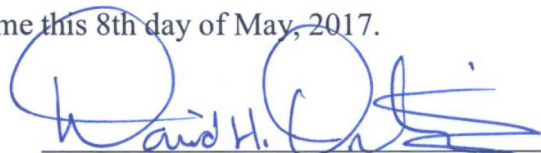
**AFFIDAVIT**

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

SETH C. MCMILLAN, attorney and authorized representative of Black Mountain Operating, LLC, the Applicant in these matters, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A.

  
\_\_\_\_\_  
SETH C. MCMILLAN

SUBSCRIBED AND SWORN to before me this 8th day of May, 2017.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/13/2018



**EXHIBIT A**  
**Working Interest Owners**

Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102  
Attn: Land Manager

GMT Exploration Company, LLC  
1560 Broadway  
Denver, CO 80205  
Attn: Land Manager

**Offset Operators**

Mewbourne Oil Co.  
P.O. Box 5270  
Hobbs, NM 88241  
Attn: Land Manager

BTA Oil Producers, LLC  
104 S. Pecos  
Midland, TX 79701  
Attn: Land Manager

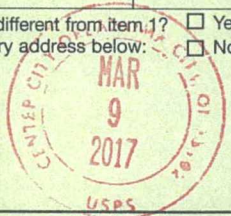
EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706

EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702



7015 1730 0000 9833 4034

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
OFFICIAL USE	
Certified Mail Fee \$ <u>7.29</u>	
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 \$	
Sent To <u>Devon Energy Corporation</u> Street and Apt. No., or P.O. Box No. <u>333 West Sheridan Avenue</u> City, State, ZIP+4® <u>Oklahoma City, Oklahoma 73102</u>	
PS Form 3800, April 2015 PSN 530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X <u>David Carnelle</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to: <u>Devon Energy Corporation</u> <u>333 West Sheridan Avenue</u> <u>Oklahoma City, Oklahoma</u> <u>73102 Attn: Land Manager</u>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label) <u>9590 9401 0118 5225 7016 78</u>	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" 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"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise - <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
7015 1730 0000 9833 4034	(over \$500) Domestic Return Receipt



7015 1730 0000 9833 3990

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Certified Mail Fee \$ 7.27

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 \$ 10.00

Sent To GMT Exploration Company LLC  
Street and Apt. No., or PO Box No.  
1560 Broadway  
City, State, ZIP+4®  
Denver, CO 80205

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

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

GMT Exploration Company, LLC  
1560 Broadway  
Denver, CO 80205  
Attn: Land Manager

9590 9401 0118 5225 7017 08

2. Article Number (Transfer from service label)

7015 1730 0000 9833 3990

**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

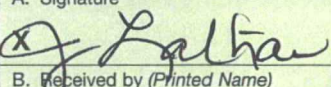
3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	



7015 1730 0000 9833 3983

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For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a> ®.	
<b>OFFICIAL USE</b>	
Certified Mail Fee \$ <u>7.29</u>	
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 \$ _____	
Sent To <u>Newbourne Oil Co.</u> Street and Apt. No., or PO Box No. _____ <u>P.O. Box 5270</u> City, State, ZIP+4® <u>Hobbs, NM 88241</u>	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to: <u>Newbourne Oil Co.</u> <u>P.O. Box 5270</u> <u>Hobbs, NM 88241</u> <u>Attn: Land Manager</u>	B. Received by (Printed Name) <u>J. Lathan</u>
2. Article Number (Transfer from service label) <u>7015 1730 0000 9833 3983</u>	C. Date of Delivery _____
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" 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)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt	



7015 1730 0000 9833 4003

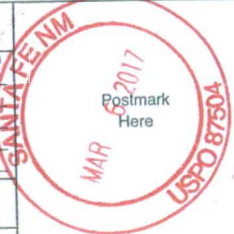
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Certified Mail Fee \$ 7.29  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage \$  
 Total Postage and Fees \$



Send To  
**BTA Oil Producers LLC**  
 Street and Apt. No., or PO Box No.  
**104 S. Pecos**  
 City, State, ZIP+4®  
**Midland, TX 79701**  
 PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:  
**BTA Oil Producers, LLC**  
**104 S. Pecos**  
**Midland, TX 79701**  
**Attn: Land Manager**

9590 9401 0118 5225 7017 15

7015 1730 0000 9833 4003

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X Laurie Brown ☐ 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

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



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

APPLICATION OF BLACK MOUNTAIN OPERATING  
LLC FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

CASE NO. 15656

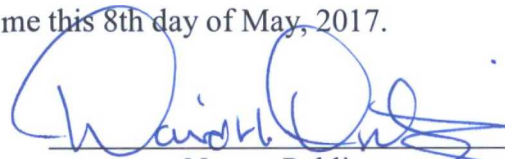
AFFIDAVIT

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

SETH C. MCMILLAN, attorney and authorized representative of Black Mountain Operating, LLC, the Applicant in these matters, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A.

  
\_\_\_\_\_  
SETH C. MCMILLAN

SUBSCRIBED AND SWORN to before me this 8th day of May, 2017.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/13/2018



**EXHIBIT A**

**Working Interest Owners**

Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102  
Attn: Land Manager

GMT Exploration Company, LLC  
1560 Broadway  
Denver, CO 80205  
Attn: Land Manager

**Offset Operators**

Mewbourne Oil Co.  
P.O. Box 5270  
Hobbs, NM 88241  
Attn: Land Manager

BTA Oil Producers, LLC  
104 S. Pecos  
Midland, TX 79701  
Attn: Land Manager

EOG Resources, Inc.  
5509 Champions Drive  
Midland. TX 79706

EOG Resources, Inc.  
P.O. Box 2267  
Midland. TX 79702



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Certified Mail Fee	\$ 7.29
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	\$
Sent To	
Devon Energy Corporation	
Street and Apt. No., or PO Box No.	
333 West Sheridan Avenue	
City, State, ZIP+4®	
Oklahoma City, OK 73102	

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



**SENDER: COMPLETE THIS SECTION**

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

**1. Article Addressed to:**

Devon Energy Corporation  
 333 West Sheridan Avenue  
 Oklahoma City, OK 73102  
 Attn: Land Manager

9590 9401 0118 5225 7016 85

**2. Article Number (Transfer from service label)**

7015 1730 0000 9833 4010

**COMPLETE THIS SECTION ON DELIVERY**

**A. Signature**

X David Carrillo 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



**3. Service Type**

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®                    | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                           | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery       | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                                  |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) |   |

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



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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  
\$ 7.27

Sent To  
GMT Exploration Company LLC  
Street and Apt. No., or P.O. Box No.  
1560 Broadway  
City, State, ZIP+4®  
Denver CO 80205 Attn: General Manager

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	<p>A. Signature <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>
<p>1. Article Addressed to: GMT Exploration Company, LLC 1560 Broadway Denver Colorado 80205 Attn: General Manager</p>	<p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label) 7015 1730 0000 9833 4041</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	<p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt



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OFFICIAL USE	
Certified Mail Fee	\$ 7.29
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	\$
Sent To Mewbourne Oil Co. Street and Apt. No., or PO Box No. P.O. Box 5270 City, State, ZIP+4® Hobbs, NM. 88241	

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



**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

Mewbourne Oil Co.  
 P.O. Box 5270  
 Hobbs, NM 88241  
 Attn: Land Manager

9590 9401 0118 5225 7016 92

2. Article Number (Transfer from service label)

7015 1730 0000 9833 4027

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X J Lathan

- ☐ Agent  
☐ Addressee

B. Received by (Printed Name)

J Lathan

C. Date of Delivery

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

3. Service Type

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input checked="" type="checkbox"/> Return Receipt for Merchandise  |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                            |   |
| <input type="checkbox"/> Insured Mail Restricted Delivery (0)    |   |

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



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**OFFICIAL USE**

Certified Mail Fee  
 \$ 7.29

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  
 \$

Sent To  
BTA Oil Producers, LLC  
 Street and Apt. No., or PO Box No.  
104 S. Pecos  
 City, State, ZIP+4®  
Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

BTA Oil Producers LLC  
104 S. Pecos  
Midland, Tx 79701  
Attn: Land manager

9590 9401 0118 5225 7017 39

2. Article Number (Transfer from service label)

7015 1730 0000 9833 3969

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X Louise Brown

☐ 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

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  
☒ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt