



BTA OIL PRODUCERS, LLC

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CARLTON BEAL, JR.
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GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 570
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

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

February 11, 2019

In re: BTA – Ogden 20509 32-29 Fed Com #6H
W/2 Section 29 & NW/4 of Section 32-T23S-R28E
Eddy County, New Mexico

Marathon Oil Company
5555 San Felipe Street
Houston, TX 77056

Attention: Chase Rice

Mr. Rice:

Pursuant to Order R-20368, BTA Oil Producers, LLC ("BTA") hereby provides the enclosed itemized schedule of estimated costs of drilling, completing and equipping the Ogden 20509 32-29 Fed Com #6H well ("the Ogden #6H"). Records indicate that Marathon Oil Permian LLC ("Marathon") owns a 29.6875% working interest in the above described lands. Enclosed for your review and approval are two (2) original AFE(s) to drill and complete the Ogden #6H. Please note that the Ogden #6H is a horizontal well and there will not be a casing point election. The election to participate in drilling the Ogden #6H is also an election to participate in the completion of the Ogden #6H.

Should Marathon elect to participate in the drilling of the Ogden #6H, please so indicate in the space provided below and return one (1) executed copy of this letter to the undersigned along with one (1) executed copy of the AFE within 30 days from receipt of this letter.

Should you have any questions or wish to discuss, please call me at (432) 682-3753.

Respectfully,

A handwritten signature in black ink that reads 'Ashley Beal'.

Ashley Beal, RPL
Landman

_____ Marathon hereby elects to participate in the drilling and completion of the proposed
Ogden 20509 32-29 Fed Com #6H well

_____ Marathon hereby elects NOT to participate in the drilling and completion of the
proposed Ogden 20509 32-29 Fed Com #6H well

Working Interest Owner:

Marathon Oil Permian LLC

By: _____

Title: _____

Date: _____

**cc: Gabe Wade
State of New Mexico
1220 South St. Francis Drive
Santa Fe, NM 87505**

BTA OIL PRODUCERS, LLC
WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Ogden 20509 32-29 Fed Com #6H
 4-1/2" production liner; 1.5 mile

Total Depth: 9,450' TVD
 17,142' MD

Location: SHL: 2472' FNL 1327 FWL Sec 32 23S 28E
 BHL: 200' FNL 660 FWL Sec 29 23S 28E, Eddy County, NM

Formation: Wolfcamp Sand

Date Prepared: 9/14/2017

	DRY	CASED HOLE	COMPLETION	TOTAL COSTS
INTANGIBLE COSTS				
FORMATION EVALUATION	\$	\$	\$	\$
LOGS	20,000		7,200	27,200
LOCATION & ACCESS				0
SURVEY & STAKE	5,000			5,000
DAMAGES	25,000			25,000
ROAD & LOCATION	110,000		25,000	135,000
OTHER LOCATION	200,000			200,000
DRILLING RIG				0
MOBILIZATION	120,000			120,000
DAYWORK	30 585,000	4 78,000		663,000
DRILLING SUPPLIES				0
BITS	80,000			80,000
BHA	50,000		50,000	100,000
FUEL	128,250	18,000		146,250
MUD RELATED				0
MUD PURCHASE	155,000	5,000		160,000
MUD RENTAL				0
FRESH WATER	50,000	5,000	520,000	575,000
BRINE	50,000			50,000
SOLIDS CONTROL (Centrifuge)	37,950	9,000		46,950
MUD MONITOR	29,000	1,000		30,000
MUD RELATED OTHER	48,000			48,000
DRILLING SERVICES				0
BOP RELATED	15,000	4,000		19,000
CASING RELATED	30,000	45,000		75,000
WELDING	8,000	2,000		10,000
TRUCKING	25,000	10,000	30,000	65,000
RENTAL EQUIP.	90,000	10,000	230,000	330,000
OTHER SERVICES (Direction/GR Services)	215,000			215,000
CEMENT				0
CASING CEMENTING	120,000	110,000		230,000
OTHER CEMENTING			150,000	150,000
CONTRACT SERVICES				0
ENGINEERING	8,000			8,000
GEOLOGICAL	32,000			32,000
ROUSTABOUT	8,000		5,000	13,000
WELLSITE SUPERVISION	108,000	14,400	50,000	172,400
OTHER CONTRACT SERV.	30,000			30,000
COMPLETION SERVICES				0
PULLING UNIT			20,000	20,000
DRILLING RIG				0
PERFORATE			240,000	240,000
STIMULATION			3,700,000	3,700,000
OTHER COMPL. SERV.			180,000	180,000
OVERHEAD				0
DRLG & ADMIN.	10,000		4,600	14,600
TOTAL INTANGIBLE COSTS	\$ 2,392,200	\$ 311,400	\$ 5,211,600	\$ 7,915,400
TANGIBLE COSTS				
TUBULARS				
SURFACE CASING (13 3/8" @ 450')	16,000			16,000
INTERMEDIATE CSG (9 5/8" @ 2,600')	76,000			76,000
DRLG LINER & HANGER				0
PRODUCTION CSG 7" @ 10100	236,000			236,000
PROD LINER & HNGR 4-1/2" @ TD (8000')		90,000		90,000
WELL EQUIPMENT				0
WELL HEAD	22,000	10,000	45,000	77,000
FLOWLINE			10,000	10,000
TUBING			50,000	50,000
SUBSURFACE EQUIP			25,000	25,000
OTHER WELL EQUIP		90,000	3,000	93,000
LEASE EQUIPMENT				0
ELECTRICAL SYSTEM			5,000	5,000
OTHER LEASE EQUIP			575,000	575,000
SUBTOTAL - TANGIBLES	350,000	190,000	713,000	1,253,000
SYSTEMS				
GAS LINE TANGIBLES			0	0
GAS LINE INTANGIBLES			0	0
COMPRESSOR			-	0
GAS PLANT TANGIBLES			-	0
GAS PLANT INTANGIBLES			-	0
DEHYDRATOR			-	0
SUBTOTAL - SYSTEMS	0	0	0	0
TOTAL TANGIBLE COSTS	350,000	190,000	713,000	\$ 1,253,000
GENERAL CONTINGENCIES	320,650	54,425	571,475	946,550
TOTALS BY PHASE	\$ 3,062,850	\$ 555,825	\$ 6,486,275	\$ 10,114,950
CUMULATIVE WELL COSTS	\$ 3,062,850	\$ 3,618,675	\$ 10,114,950	

APPROVED BY: _____

COMPANY: _____

DATE: _____