

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office**  
**OCD Hobbs**

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**HOBBS OCD**

OCT 24 2016

**RECEIVED**

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC065194
2. Name of Operator BTA OIL PRODUCERS		6. If Indian, Allottee or Tribe Name
3a. Address 104 SOUTH PECOS STREET MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-242-4680 Fx: 432-242-4689		8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory BELL LAKE BELL LAKE-BONE SPRING, NORTH
		11. County or Parish, and State LEA COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Endurance Resources LLC on behalf of BTA Oil Producers, LLC requests approval to surface commingle, store, measure production and sales of production off lease for the Starcaster 18 Federal Com No. 3H on a shared facility pad with the Starcaster 18 Federal Com No. 4H.

Starcaster 18 Federal Com Well No. 3H Section 18, T23S, R34E, 30-025-42917  
Starcaster 18 Federal Com Well No. 4H Section 18, T23S, R34E, 30-025-42025

Endurance Resources LLC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Working, royalty and overriding interest owners have been notified of this proposal via certified mail.

Discussion and Exhibits Attached

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #351312 verified by the BLM Well Information System</b> <b>For BTA OIL PRODUCERS, sent to the Hobbs</b> <b>Committed to AFMSS for processing by DEBORAH MCKINNEY on 09/15/2016 (16DLM1014SE)</b>	
Name (Printed/Typed) WESLEY RANDALL	Title PRODUCTION MANAGER
Signature (Electronic Submission)	Date 09/15/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <i>J. D. W. Little</i>	Title <i>TLDET</i>	Date <i>10/12/16</i>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <i>CFO</i>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

*KSG*

**Additional data for EC transaction #351312 that would not fit on the form**

**7. If Unit or CA/Agreement, Name and No., continued**

NMNM134517  
NMNM135800

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM135800	NMLC065194	STARCASTER 18 FED 3H	30-025-42917-00-S1	Sec 18 T23S R34E NWNE 155FNL 1980FEL
NMNM134517	NMLC065194	STARCASTER 18 FEDERAL COM	30-025-42025-00-S1	Sec 18 T23S R34E NENE 0330FNL 0660FEL 32.310971 N Lat, 103.502815 W Lon

## Well & Lease Information:

Proposal for Starcaster 18 Federal Com #3H Well & Starcaster 18 Federal Com #4H Well  
BTA Oil Producers, LLC is requesting approval for the Central Tank Battery Commingling:

Federal Lease NMLC 065194, Fee Leases – CA NMNM 135800 Oil

Well Name	Location	API #	Pool 5150	BOPD	Gravities	MCFPD	BTU
Starcaster 18	Section 18,	30-025-	Bell Lake; Bone	545	42.4	864	1,274
Federal Com #3H	NW/NE	42917	Spring, North;				
	T23S, R34E		5150				
			2 <sup>nd</sup> Bone Spring				

Federal Lease NMLC 065194, Fee Leases – CA NMNM 134517 Oil

Well Name	Location	API #	Pool 5150	BOPD	Gravities	MCFPD	BTU
Starcaster 18	Section 18,	30-025-	Bell Lake; Bone	97	42.4	415	1,274
Federal Com #4H	NE/NE	42025	Spring, North;				
	T23S, R34E		5150				
			2 <sup>nd</sup> Bone Spring				

Attached map shows the federal leases and well locations in Section 18, T23S, R34E, Lea County, New Mexico.

The BLM's interest in both wells is the same. Lease NMLC 065194 royalty rate is 12.5%.

## Oil & Gas Metering, Process & Flow Descriptions:

The proposed comingle tank battery is located offsetting the Starcaster 18 Federal Com #3H, located in the NW/NE of Section 18, T23S, R34E, Lea County, New Mexico on Federal Lease NMLC 0 065194. The production from both wells will come to a common production header with isolation line to route each wells production. From this point each well will route through their respective production vessels. At no point during this operation will the wells production be commingled prior to being metered separately.

The Starcsater 18 Federal Com Battery has six oil tanks, two water tanks, blow down vessel, gas scrubber, two 3-phase horizontal separators (one for each well), two heater treaters (one production and one back-up), one free water knock-out (FWK). Both wells will utilize and have a common gas sales meter via Targa Resources delivery point #T14318895 which is located on the southwest side of the facility at the Starcaster 18 Federal Com Battery. Oil, gas and water volumes from each well producing to this battery will be determined by individual gas allocation meters (Starcaster 3H #T141064206 and Starcaster 4H #T14298303), oil allocation meters (Starcaster 3H #12066439421 and Starcaster 4H #131563) and water allocation meters at their respective production vessels so that both wells production is being continuously metered. Gas off the free water knock-out (FWK) and heater treater, will be allocated back to each well based on individual wells' daily oil production. Produced water from the two water tanks will be transferred to Endurance Resources' disposal facility, located in Section 30; T23S; R34E.

The Starcaster 18 Federal Com #3H (currently producing) will flow into the Starcaster 3H Production Vessel (3-Phase horizontal separator) where after separation gas is routed through the Starcaster 3H

Gas Meter (#T141064206) for allocation and onto the Total Battery Gas Sales Meter (Targa #T14318895), produced water and oil are separated, the oil is metered with Starcaster 3H Oil Meter (turbine meter #12066439421) and water is metered using the Starcaster 3H Water Meter. Upon exiting the 3-phase separator, oil will flow into the free water knock-out (FWK). After running through the FWK, any water separated will enter into the water line to the water tanks, oil will run through the oil meter (turbine meter #135288). Oil from the FWK will be allocated on a daily basis based on the proportion method, (oil metered from the FWK turbine meter will be proportionally allocated to each well based on the daily metered volumes). The oil will flow into an oil production line where it is combined with the other well oil and flows to the production heater treater. Gas production from the heater treater will be allocated on a daily basis based on the subtraction method, (subtract both horizontal 3-phase separators gas from the Targa Gas Meter #T14318895). The oil from the heater treater will flow to the 500 bbl. oil tanks. The oil from the tanks will then be sold by an Endress Hauser truck LACT (#L2024C16000). The water from the Starcaster 3H Test Vessel flows to the 500 bbl. produced water tank, along with the water from the other well. Produced water will then be sent to the disposal well located in Section 30.

The Starcaster 18 Federal Com #4H (currently producing) will flow into the Starcaster 4H Production Vessel (3-phase horizontal separator) where after separation gas is routed through the Starcaster 4H Gas Meter (#T14298303) for allocation and onto the Total Battery Gas Sales Meter (Targa #T14318895), produced water and oil are separated, the oil is metered with Starcaster 4H Oil Meter (turbine meter #131563) and water is metered using the Starcaster 4H Water Meter. Upon exiting the 3-phase separator, oil will flow into the free water knock-out (FWK). After running through the FWK, any water separated will enter into the water line to the water tanks, oil will run through the oil meter (turbine meter #135288). Oil from the FWK will be allocated on a daily basis based on the proportion method, (oil metered from the FWK turbine meter will be proportionally allocated to each well based on the daily metered volumes). The oil will flow into an oil production line where it is combined with the other well oil and flows into the production heater treater. Gas production from the heater treater will be allocated on a daily basis on the subtraction method, (subtract both horizontal 3-phase separators gas from the Targa Gas Meter #T14318895). The oil from the heater treater will flow into the 500 bbl. oil tanks. The oil from the tanks will then be sold by an Endress Hauser truck LACT (#L2024C16000). The water from the Starcaster 4H Test Vessel flows to the 500 bbl. produced water tank, along with the water from the other well. Produced water will then be sent to the disposal well located in Section 30.

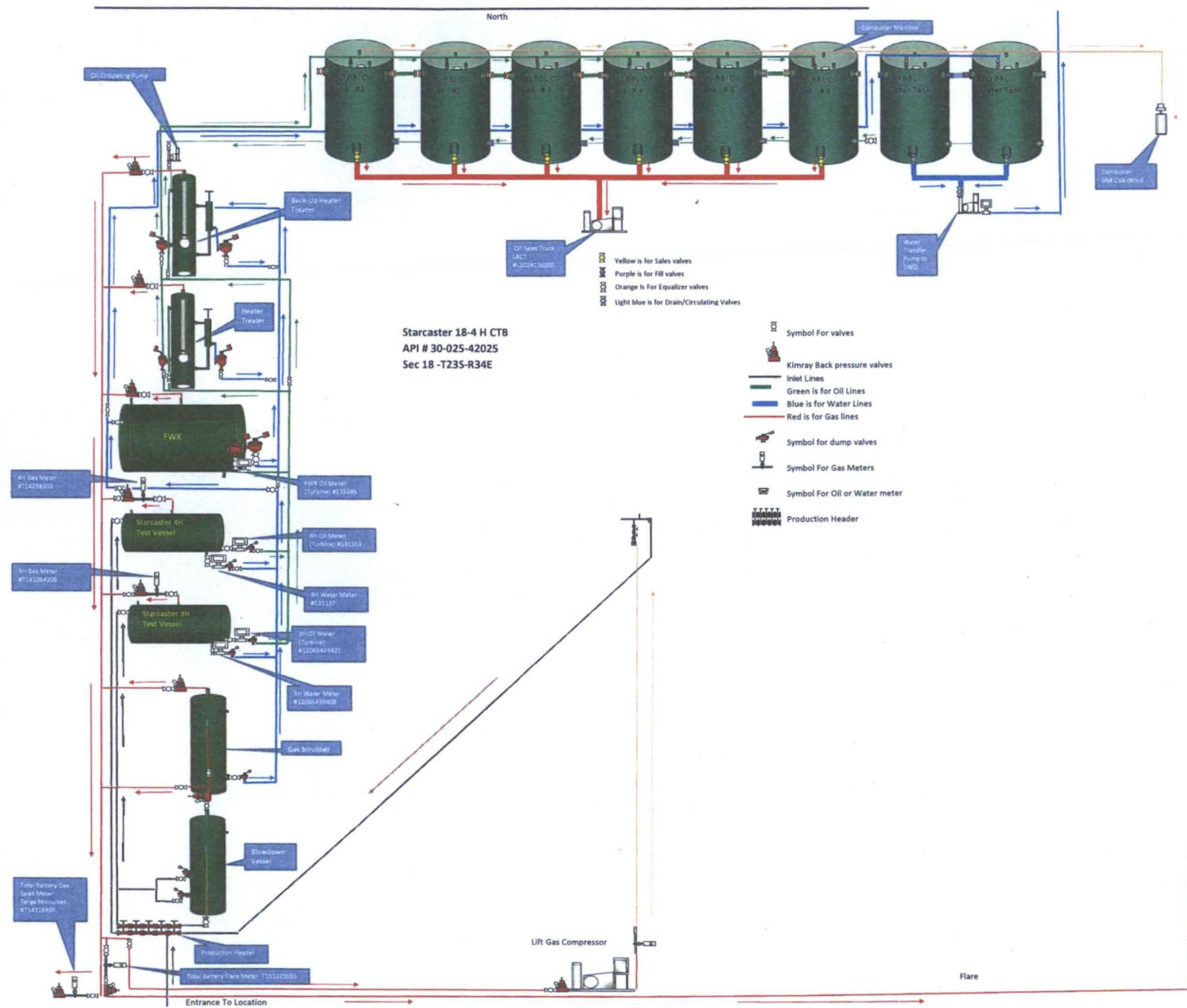
Oil production will be allocated on a daily basis based from the Oil Turbine meters on each wells' production vessel. The test meters are Nuflow Model MCIII Model #9A-50179076 turbine meters (Starcaster 3H Oil Meter and Starcaster 4H Oil Meter) and the Endress Hauser truck LACT, Model 83F50-H2Q/0. These meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. Gas production will be individually tested through the gas meters on each respective vessel and added up as a reference check against the Total Battery Gas Sales Meter. The gas production from the production equipment and the test gas meters will comeingle and flow through Targa Resources #T14318895 sales meter on the southwest side of the facility. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

Signed: \_\_\_\_\_

Printed Name: Wesley Randall

Title: Engineer

Date: 9/9/2016



Economic Justification Work Sheet  
Starcaster 18 Federal Com Tank Battery

Commingle proposal for leases: NMLC 065194

Federal Lease NMLC 065194, Fee Leases – CA NMNM 135800 Royalty Rate 12.5%

Well Name	BOPD	Oil Gravity @ 60 deg	Value/bbl	MCFPD	Dry BTU	Value/mcf
Starcaster 18	545	42.4	\$45.96	864	1,274	\$1.75
Federal Com #3H						

Federal Lease NMLC 065194, Fee Leases – CA NMNM 134517 Royalty Rate 12.5%

Well Name	BOPD	Oil Gravity @ 60 deg	Value/bbl	MCFPD	Dry BTU	Value/mcf
Starcaster 18	97	42.4	\$45.96	415	1,274	\$1.75
Federal Com #4H						


Economic Combined Production

Federal Lease NMLC 065194, Fee Leases – CA NMNM 135800 Royalty Rate 12.5%

Federal Lease NMLC 065194, Fee Leases – CA NMNM 134517 Royalty Rate 12.5%

\*Per contractual agreement with oil purchaser, operator is paid on straight 40 API gravity crude.

Facility Name	BOPD	Oil Gravity @ 60 deg	Value/bbl	MCFPD	Dry BTU	Value/mcf
Starcaster 18	642	42.4	\$45.96	1279	1,274	\$1.75
Federal Com						
Tank Battery						

Signed:   
Printed Name: Wesley Randall  
Title: Engineer  
Date: 9/9/2016



T23S/R34E

12

7

8

Starcaster 18 Federal Com #3H

Starcaster 18 Federal Com #4H

Facility

Fee

13

18

17

NMLC  
0065194

24

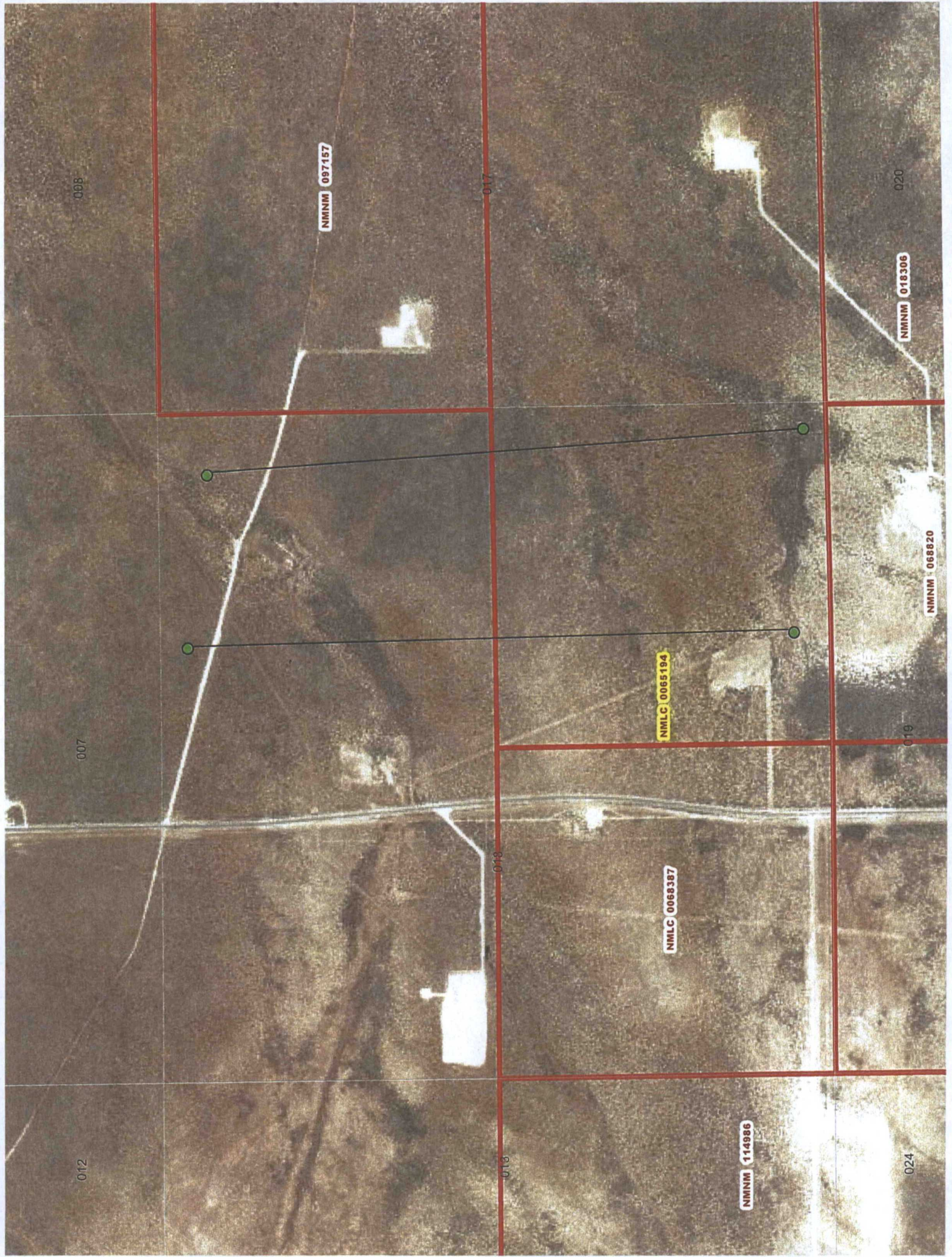
19

20

BTA Oil Producers, LLC  
Lea County, New Mexico

0 1,609  
FEET

Leasehold



008

NMINM 097157

017

020

NMINM 018306

007



NMLC 0065194



NMINM 068820

019

018

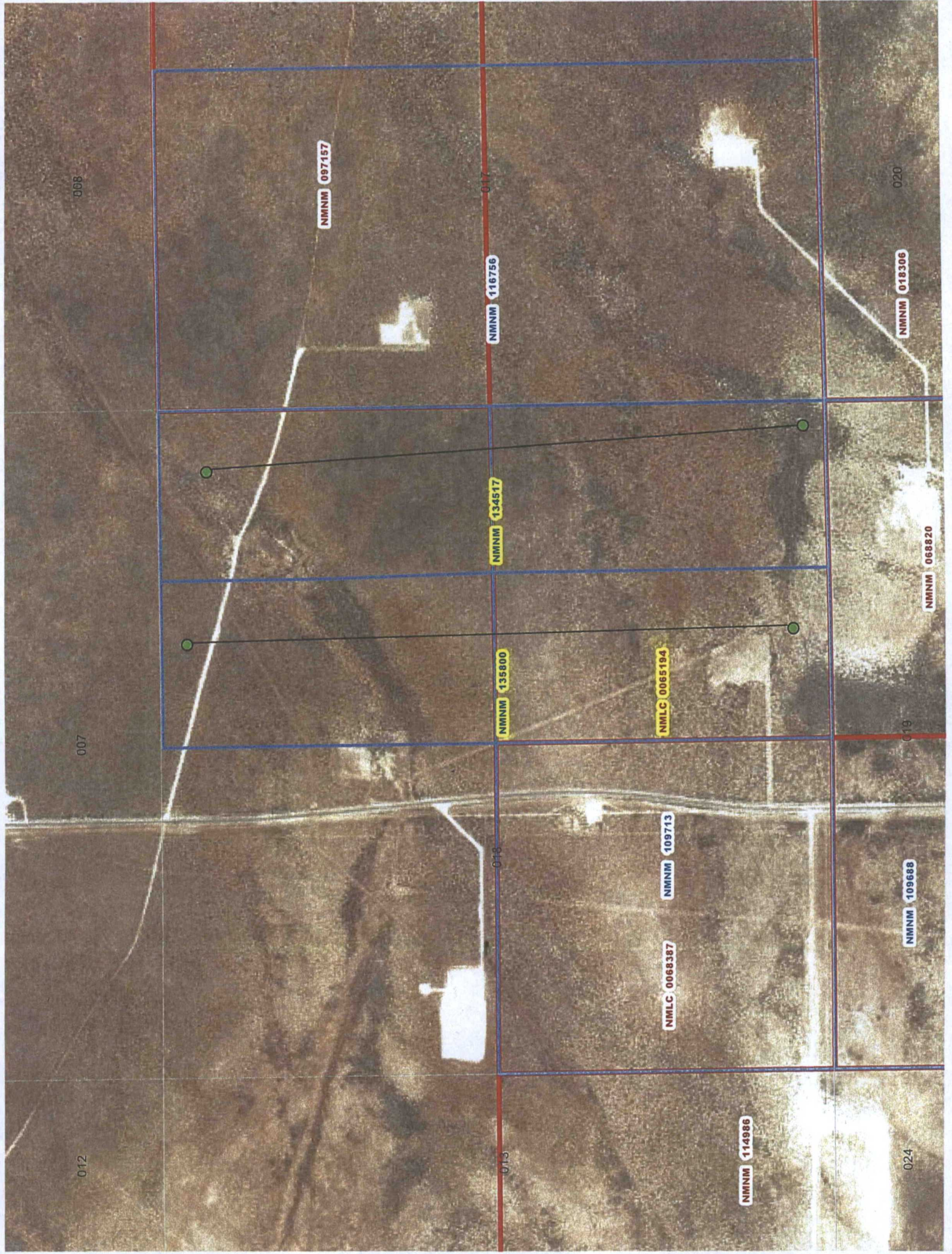
NMLC 0068387

012

013

NMINM 114986

024



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 02:13 PM

Page 1 of 2

Run Date: 06/16/2015

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

1,066.850

NMLC-- 0 065194

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMLC-- 0 065194

Name & Address	Int Rel	% Interest
CHEVRON USA INC	1400 SMITH ST	HOUSTON TX 770027327
CONOCOPHILLIPS	PO BOX 2197	HOUSTON TX 772522197
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 740057500
DEVON ENERGY PROD CO LP	333 W SHERIDAN AVE	OKLAHOMA CITY OK 731025010
		OPERATING RIGHTS
		OPERATING RIGHTS
		LESSEE
		OPERATING RIGHTS

Serial Number: NMLC-- 0 065194

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0230S	0340E	007	ALIQ	NWNE,S2NE,E2NW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0340E	007	LOTS	1-2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0340E	017	ALIQ	S2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0340E	018	ALIQ	SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0340E	019	ALIQ	E2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0230S	0340E	019	LOTS	1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 065194

Act Date	Code	Action	Action Remark	Pending Office
11/21/1946	124	APLN RECD		
05/01/1951	237	LEASE ISSUED		
05/01/1951	496	FUND CODE	05;145003	
05/01/1951	530	RLTY RATE - 12 1/2%		
05/01/1951	868	EFFECTIVE DATE		
08/04/1952	140	ASGN FILED	MAGRUDER/GALLOWAY;	
03/23/1953	139	ASGN APPROVED		
09/30/1953	232	LEASE COMMITTED TO UNIT	/1/NMNM68292X;BELL	
06/01/1954	140	ASGN FILED	GALLOWAY/CONTINENTAL	
06/10/1954	139	ASGN APPROVED		
04/30/1956	660	MEMO OF 1ST PROD-ALLOC	/1/NMNM68292X;BELL	
11/15/1956	102	NOTICE SENT-PROD STATUS	/1/	
09/30/1968	253	ELIM BY CONTRAC(PARTIAL)	/1/NMNM68292X;BELL	
09/30/1968	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
09/30/1968	510	KMA CLASSIFIED		
10/27/1971	315	RENTAL RATE DET/ADJ	\$1.00;	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
09/01/1980	246	LEASE COMMITTED TO CA	/2/SCR-17;	
01/31/1987	522	CA TERMINATED	/2/SCR-17;	
05/11/1987	963	CASE MICROFILMED/SCANNED	CNUM 106,977	RW
02/09/1988	235	EXTENDED	THRU 01/31/89;	
02/09/1988	974	AUTOMATED RECORD VERIF		CB/CB
07/31/2000	246	LEASE COMMITTED TO CA	/3/NMNM104029;	
07/30/2002	522	CA TERMINATED	/3/NMNM104029;	
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS	
03/01/2003	246	LEASE COMMITTED TO CA	/4/NMNM109688;	
03/01/2003	660	MEMO OF 1ST PROD-ALLOC	/4/NMNM109688;	
09/04/2003	246	LEASE COMMITTED TO CA	/5/NMNM109713;	
10/06/2003	643	PRODUCTION DETERMINATION	/4/	
12/01/2003	246	LEASE COMMITTED TO CA	/6/NMNM111002;	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 09/08/16 10:31 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 135800

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 135800

Name & Address

Int Rel

%Interest

BLM CARLSBAD FO 620 E GREENE ST  
BTA OIL PRODUCERS LLC 104 S PECOS

CARLSBAD NM 88220  
MIDLAND TX 79701

OFFICE OF RECORD 0.000000000  
OPERATOR 100.000000000

Serial Number: NMNM-- - 135800

Mer Twp Rng Sec SType Nr Suff Subdivision

District/Resource Area

County

Mgmt Agency

23 0230S 0340E 018 ALIQ W2E2;

CARLSBAD FIELD OFFICE

LEA

BUREAU OF LAND MGMT

Serial Number: NMNM-- - 135800

Act Date

Code

Action

Action Remarks

Pending Office

12/01/2015	387	CASE ESTABLISHED	
12/01/2015	516	FORMATION	BONE SPRING
12/01/2015	525	ACRES-NONFEDERAL	80;50%
12/01/2015	526	ACRES-FED INT 100%	80;50%
12/01/2015	868	EFFECTIVE DATE	30-025-42917
02/07/2016	654	AGRMT PRODUCING	/1/
02/07/2016	658	MEMO OF 1ST PROD-ACTUAL	/1/30-025-42917
03/01/2016	672	SUCCESSOR OPERATOR	/A/ENDURANCE/BTA
04/22/2016	334	AGRMT APPROVED	
04/22/2016	643	PRODUCTION DETERMINATION	/1/

Line Nr Remarks

Serial Number: NMNM-- - 135800

0001	RECAPITULATION EFFECTIVE 12/01/2015			
0002	TRACT #	LEASE SERIAL #	AC COMMITTED	PCT INT
0003	1	FEE	80.00	50.00
0004	2	NMLC065194	80.00	50.00
0005	TOTAL		160.00	100.00
0006	/A/OPER CHANGE ENDURANCE/BTA EFF. 03/01/2016			

NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 09/08/16 10:29 AM

Page 1 of 1

01 02-25-1920;041STAT0437;30USC181

Total Acres

Serial Number

Case Type 318310: O&G COMMUNITIZATION AGRMT

160.000

NMNM-- - 134517

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 134517

Name & Address			Int Rel	%Interest
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD	0.000000000
BTA OIL PRODUCERS LLC	104 S PECOS	MIDLAND TX 79701	OPERATOR	100.000000000

Serial Number: NMNM-- - 134517

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0230S	0340E	018		ALIQ	E2E2;	CARLSBAD FIELD OFFICE	LEA
								BUREAU OF LAND MGMT

Serial Number: NMNM-- - 134517

Act Date	Code	Action	Action Remarks	Pending Office
01/01/2015	387	CASE ESTABLISHED		
01/01/2015	516	FORMATION	BONE SPRING	
01/01/2015	525	ACRES-NONFEDERAL	80; 50% FEE	
01/01/2015	526	ACRES-FED INT 100%	80; 50% FEDERAL	
01/01/2015	868	EFFECTIVE DATE	30-025-42025	
02/28/2015	654	AGRMT PRODUCING	/1/	
02/28/2015	658	MEMO OF 1ST PROD-ACTUAL	/1/ 30-025-42025	
05/13/2015	643	PRODUCTION DETERMINATION	/1/	
03/01/2016	672	SUCCESSOR OPERATOR	/A/ENDURANCE/BTA	

Serial Number: NMNM-- - 134517

Line Nr	Remarks
0001	RECAPITULATON EFFECTIVE 01/01/2015
0002	TRACT # LEASE SERIAL # AC COMMITTED % INT
0003	1 FEE 80.00 50.00
0004	2 NMLC065194 80.00 50.00
0005	TOTAL 160.00 100.00
0006	/A/OPER CHG ENDURANCE/BTA EFF. 03/01/2016

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

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2. Name of Operator BTA OIL PRODUCERS LLC <input checked="" type="checkbox"/> Contact: PAM INSKEEP E-Mail: pinskeep@btaoil.com		6. If Indian, Allottee or Tribe Name
3a. Address 104 S PECOS MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-682-3753 Fx: 432-583-9325	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T23S R34E <input checked="" type="checkbox"/>		8. Well Name and No. STARCASTER 18 FEDERAL 3H & 4H <input checked="" type="checkbox"/>
		9. API Well No.
		10. Field and Pool, or Exploratory BELL LAKE BONE SPRING N
		11. County or Parish, and State LEA COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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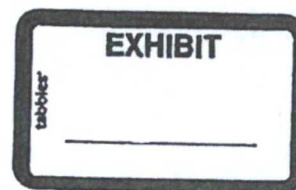
Effective March 1, 2016, BTA Oil Producers LLC took over as operator of the following two wells from Endurance Resources LLC:

Starcaster 18 Federal Com #3H 30-025-42917 NWNE 155 FNL & 1980 FEL ☒  
Starcaster 18 Federal Com #4H 30-025-42025 NENE 330 FNL & 660 FEL ☒

BTA Oil Producers LLC, as new operator, assumes all terms, conditions, stipulations, and restrictions concerning operations on this lease or portion thereof.

State Bond Coverage: Statewide

BLM Bond File No NM1195 and NMB00849

*See attached COA's*

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #338883 verified by the BLM Well Information System For BTA OIL PRODUCERS LLC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 04/21/2016</b>	
Name (Printed/Typed) PAM INSKEEP	Title REGULATORY ADMINISTRATOR
Signature (Electronic Submission)	Date 04/19/2016
<b>THIS SPACE FOR FEDERAL OR STATE OFFICE USE</b>	
Approved By _____	Title _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	
Office _____	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

MAY 06 2016

HOLLAND & HART<sup>LLP</sup>



**Jordan L. Kessler**  
**Associate**  
Phone (505) 988-4421  
Fax (505) 983-6043  
jlkessler@hollandhart.com

May 24, 2016

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PARTIES**

**Re: Application of BTA Oil Producers LLC for administrative approval to surface commingle production (lease commingle) from the Bell Lake; Bone Spring North Pool (5150) from wells located in the E/2 E/2 and the W/2 E/2 of Section 18, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.**

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kristeen Ramos  
Landman  
BTA Oil Producers, LLC  
(432) 682-3753  
KRamos@btaoil.com

Sincerely,

Jordan L. Kessler  
**ATTORNEY FOR BTA OIL PRODUCERS LLC**

Holland & Hart<sup>LLP</sup>

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

	A	B	C	D	E
1	Name of Interest Owner Affected	Type of Interest	Address for Interest Owner Affected	Location of Property	certified tracking number
2	TriTex Energy A, LP (Endurance)	WI	203 West Wall, Suite 1000, Midland, Texas 79701	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8444
3	Chevron U.S.A. Inc.	WI	1400 Smith Street Houston, Texas 77002 Attn: Jason Levine	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8451
4	Ray & Karen Westall	WI	132447 Lovington Highway, Loco Hills, New Mexico 88255 Attn: Ray Westall	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8468
5	Merchant Livestock Company	RI	129 Pearson Lane, Eunice New Mexico 88231	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8475
6	Pony Oil LLC	RI	4245 N Central Expy, Suite 320 Dallas, Texas 75205	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8482
7	Fleet Dickey Mineral Properties LLC	RI	5050 N 40th St, Suite 280, Phoenix, Arizona 85018	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8499
8	Fleet Family Mineral Properties LLC	RI	P.O. Box 703908 Dallas, Texas 75370	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8505
9	Geodyne Resources Inc.	RI	Two West Second Street Tulsa, OK 74103	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8512
10	Sugarberry Oil and Gas & Katy Pipeline and Production Corp	RI	5950 Cedar Springs Rd Ste 230 Dallas, Texas 75235	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8536
11	WB Osborn Oil and Gas Operations LTD	RI	1250 N.E. Interstate 410 Loop, Suite 600, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8529
12	Barrett Oklahoma Interests, LTD	RI	1250 N.E. Interstate 410 Loop, Suite 500, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6631
13	Osborn Heirs Company	RI	1250 N.E. Interstate 410 Loop, Suite 1100, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6624
14	Randall Harris	RI	439 West James Funk Road, Lake Arthur, NM 88253	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6617
15					
16	BTA Oil Producers, LLC	WI	104 South Pecos, Midland, Texas 79701 Attn: Willis Price	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6600
17	Chevron U.S.A. Inc.	WI	1400 Smith Street Houston, Texas 77002 Attn: Jason Levine	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6594
18	Bureau of Land Management-Carlsbad	RI	620 E. Green Street, Carlsbad, New Mexico 88220	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6587
19	Katherine Kolliker McIntyre	ORRI	512 Thunder Crest Lane, El Paso, Texas 79912	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6570
20	Wesmax Ltd	ORRI	1821 Westlake Dr 101, Austin, Texas 78747	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6563
21	Helen Elizabeth Bell	ORRI	5529 Fleming Avenue, Oakland, California 94605	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6556
22	Bryan Bell Jr	ORRI	2243 The Cir, Raleigh, NC 27608	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6549
23	Alfred Blauw	ORRI	1155 Marine ST, Apt 415, Boulder, Colorado 80302	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9540
24	June Blauw	ORRI	464 Weldon Ave, Oakland, CA 94610	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9533
25	Charles Montgomery	ORRI	809 West Alameda St, Roswell, New Mexico 88203	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9526
26	Conoco Phillips Company	ORRI & Record Title Owner	600 North Dairy Ashford-Park 10-5028, Houston, Texas 77079 Attn: Gianni Esparza	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9519

**EXHIBIT**

6

### **Wells**

- 1) Starcaster 18 Federal Com #3H Well-Located at a SL of 155' FNL & 1,980' FEL in Section 18, T23S, R34E, NMPM, Lea County, New Mexico (API #30-025-42917)
- 2) Starcaster 18 Federal Com #4H Well -Located at a SL of 330' FNL & 660' FEL in Section 18, T23S, R34E, Lea County, New Mexico (API #30-025-42025)

**Ownership in the NE/4 of Section 18, T23S, R34E, Lea County, New Mexico (Fee Leases)**

- 1) TriTex Energy A, LP (Endurance)-WI
  - 203 West Wall, Suite 1000, Midland, Texas 79701
- 2) Chevron U.S.A. Inc.-WI
  - 1400 Smith Street Houston, Texas 77002 Attn: Jason Levine
- 3) Ray & Karen Westall-WI
  - 132447 Lovington Highway, Loco Hills, New Mexico 88255 Attn: Ray Westall
- 4) Merchant Livestock Company-RI
  - 129 Pearson Lane, Eunice New Mexico 88231
- 5) Pony Oil LLC-RI
  - 4245 N Central Expy, Suite 320 Dallas, Texas 75205
- 6) Fleet Dickey Mineral Properties LLC-RI
  - 5050 N 40<sup>th</sup> St, Suite 280, Phoenix, Arizona 85018
- 7) Fleet Family Mineral Properties LLC-RI
  - P.O. Box 703908 Dallas, Texas 75370
- 8) Geodyne Resources Inc.-RI
  - Two West Second Street Tulsa, OK 74103
- 9) Sugarberry Oil and Gas & Katy Pipeline and Production Corp-RI
  - 5950 Cedar Springs Rd Ste 230 Dallas, Texas 75235
- 10) WB Osborn Oil and Gas Operations LTD-RI
  - 1250 N.E. Interstate 410 Loop, Suite 600, San Antonio, Texas 78209
- 11) Barrett Oklahoma Interests, LTD-RI
  - 1250 N.E. Interstate 410 Loop, Suite 500, San Antonio, Texas 78209
- 12) Osborn Heirs Company-RI
  - 1250 N.E. Interstate 410 Loop, Suite 1100, San Antonio, Texas 78209
- 13) Randall Harris-RI
  - 439 West James Funk Road, Lake Arthur, NM 88253

**Ownership in the SE/4 of Section 18, T23S, R34E, Lea County, New Mexico (BLM Lease)**

- 1) BTA Oil Producers, LLC-WI
  - 104 South Pecos, Midland, Texas 79701 Attn: Willis Price
- 2) Chevron U.S.A. Inc.-WI
  - 1400 Smith Street, Houston, Texas 77002 Attn: Jason Levine
- 3) United States of America-RI
- 4) Katherine Kolliker McIntyre-ORRI
  - 512 Thunder Crest Lane, El Paso, Texas 79912
- 5) Wesmax Ltd-ORRI
  - 1821 Westlake Dr 101, Austin, Texas 78747
- 6) Helen Elizabeth Bell-ORRI
  - 5529 Fleming Avenue, Oakland, California 94605

- 7) Bryan Bell Jr-ORRI
  - 2243 The Cir, Raleigh, NC 27608
- 8) Alfred Blauw-ORRI
  - 1155 Marine ST, Apt 415, Boulder, Colorado 80302
- 9) June Blauw-ORRI
  - 464 Weldon Ave, Oakland, CA 94610
- 10) Charles Montgomery-ORRI
  - 809 West Alameda St, Roswell, New Mexico 88203
- 11) Conoco Phillips Company-Record Title & ORRI
  - 600 North Dairy Ashford-Park 10-5028, Houston, Texas 77079 Attn: Gianni Esparza

#### Oil and Gas Leases

- 1) Lessor: USA/BLM Lease No. NMLC 0 065194  
Lessee: R.S. Magruder (now owned by BTA Oil Producers, LLC & Chevron USA Inc.)  
Lease Date: May 1, 1951  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the SE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 2) Lessor: Merchant Livestock Company  
Lessee: Chesapeake Exploration LLC (now owned by Chevron USA Inc.)  
Lease Date: June 18, 2011  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 3) Lessor: John E. Bosserman  
Lessee: Chesapeake Exploration LLC (now owned by Chevron USA Inc.)  
Lease Date: December 9, 2011  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 4) Lessor: Fleet Dickey Mineral Properties, LLC  
Lessee: Tritex Energy A, LP  
Lease Date: May 23, 2013  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 5) Lessor: Fleet Dickey Mineral Properties, Inc.  
Lessee: Tritex Energy A, LP  
Lease Date: May 23, 2013  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4

of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.

- 6) Lessor: Geodyne Nominee Corporation  
Lessee: Tritex Energy A, LP  
Lease Date: July 24, 2013  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 7) Lessor: Sugarberry Oil & Gas Corp and Katy Pipeline & Production Corp  
Lessee: Tritex Energy A, LP  
Lease Date: October 25, 2013  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 8) Lessor: Barrett Oklahoma Interests Ltd  
Lessee: Tritex Energy A, LP  
Lease Date: January 7, 2014  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 9) Lessor: Osborn Heirs Company Ltd  
Lessee: Tritex Energy A, LP  
Lease Date: January 7, 2014  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 10) Lessor: WB Osborn Oil & Gas Operations  
Lessee: Tritex Energy A, LP  
Lease Date: January 7, 2014  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.
- 11) Lessor: Randall Harris et ux Teresa  
Lessee: Tritex Energy A, LP  
Lease Date: January 9, 2014  
Description: INSOFAR AND ONLY INSOFAR as the lease covers the NE/4 of Section 18, T23S-R34E, NMPM, Lea County, New Mexico.

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jordan L. Kessler

Print or Type Name

*Jordan L. Kessler*  
 Signature

Attorney

Title

jlkessler@hollandhart.com

e-mail Address

5/24/10  
 Date

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: BTA Oil Producers LLC

OPERATOR ADDRESS: 104 S. Pecos, Midland, TX 79701

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Bell Lake; Bone Spring, North

(2) Is all production from same source of supply? ☐ Yes ☒ No

(3) Have all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attach sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See attached

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Fed or State lands are involved. NMLC065194

(3) Lease Names, Lease and Well Numbers, and API Numbers. Starcaster 18 Federal Com No 3H 30-025-42025 CA NM135800  
Starcaster 18 Federal Com No 4H 30-025-42917 CA NM134517

I hereby certify that the information above is true and complete to the best of my knowledge and belief

SIGNATURE: Pam Inskeep

TITLE: Regulatory Administrator

DATE: 05/13/2016

TYPE OR PRINT NAME Pam Inskeep

TELEPHONE NO.: (432) 682-3753

E-MAIL ADDRESS: pinskeep@btaoil.com

**EXHIBIT**



May 24, 2016

**VIA HAND DELIVERY**

David Catanach  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**Re: Application of BTA Oil Producers LLC for administrative approval to surface commingle production (lease commingle) from the Bell Lake; Bone Spring North Pool (5150) from wells located in the E/2 E/2 and the W/2 E/2 of Section 18, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.**

Dear Mr. Catanach:

BTA Oil Producers, LLC (OGRID 260297) seeks approval to surface commingle (lease commingle) production from the Bell Lake; Bone Spring North Pool (5150) *from existing and future wells and leases* drilled in the following areas of common ownership in Section 18; Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico:

(a): The communitized area comprised of the E/2 E/2 of Section 18 (NMLC 0065194 and fee acreage). The Starcaster 18 Federal No. 4H (30-025-42025) is located on said lease and is producing from the Bell Lake; Bone Spring North Pool (5150).<sup>1</sup>

(b): The communitized area comprised of the W/2 E/2 of Section 18 (NMLC 0065194 and fee acreage). The Starcaster 18 Federal No. 3H (30-025-42917) is located on said lease and is producing from the Bell Lake; Bone Spring North Pool (5150).<sup>2</sup>

Under NMAC 19.15.12.7, leases are contiguous geographical areas of identical ownership overlying a pool or portion of a pool for surface commingling purposes. Pursuant to NMAC 19.15.12.10.C, BTA seeks authority to surface commingle oil and gas production *from existing and future wells* in these separate areas of common ownership at the Starcaster Tank Battery located in the NE/4 NE/4 (Unit A) of Section 18. Prior to commingling, oil and gas

---

<sup>1</sup> On April 25, 2016, the Division approved the change of operator for both the Starcaster 18 Federal No. 4H (30-025-42025) and the Starcaster 18 Federal No. 3H (30-025-42917) from Endurance Resources, LLC. to BTA Oil Producers, LLC. A copy of the sundry is attached to this application as Exhibit 3.

HOLLAND & HART<sup>U.S.</sup>



production from each of these spacing units will be separately metered using a Flow meter for gas and a Turbine meter for oil at this facility.

**Exhibit 1** is a land plat identifying the subject area, the existing wells and leases, and the common surface facility to be located in the NE/4 NE/4 (Unit A) of Section 18.

**Exhibit 2** contains the Form C-102s for each of the existing wells in the subject spacing units.

**Exhibit 3** contains a sundry form approving the change of operator for the Starcaster 18 Federal No. 4H (30-025-42917) and the Starcaster 18 Federal No. 3H (30-025-42917) from Endurance Resources LLC to BTA Oil Producers, LLC.

**Exhibit 4** is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B with attachments.

**Exhibit 5** is a plat of the proposed common facility area.

**Exhibit 6** is a diagram of the surface facilities.

**Exhibit 7** is a spreadsheet of the interests owners affected by this request for approval to surface commingle. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives BTA's application. Since federal lands are involved, pursuant to NMAC 19.15.12.10(C)(4)(h), Endurance is also seeking authority for surface commingling from BLM. The BLM has been provided a courtesy copy of this application and all exhibits.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR BTA OIL PRODUCERS, LLC

cc: Bureau of Land Management-Carlsbad  
620 E. Green Street  
Carlsbad, New Mexico 88220

District I  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone: (505) 393-6161 Fax: (505) 393-0720  
 District II  
 311 S. First St., Artesia, NM 88210  
 Phone: (505) 748-1283 Fax: (505) 748-4720  
 District III  
 1000 Rio Grande Blvd., Acton, NM 87411  
 Phone: (505) 334-6175 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

HOBBBS OGD

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

AUG 05 2014

☒ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-42025</b>	Pool Code <b>5150</b>	Pool Name <b>BELL LAKE, BONE SPRING, NORTH</b>
Property Code <b>3135167</b>	Property Name <b>STARCASTER 18 FEDERAL Com</b>	Well Number <b>4H</b>
GRID No. <b>270329</b>	Operator Name <b>ENDURANCE RESOURCES, LLC</b>	Elevation <b>3478.6</b>

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	23 S	34 E		330	NORTH	660	EAST	LEA

" 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
P	18	23 S	34 E		330	SOUTH	660	EAST	LEA

" Dedicated Acres	" Joint or Infill	" Consolidation Code	" Order No.
<b>320.160</b>			

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.

<p>NW CORNER SEC. 18 LAT. = 32.3118793°N LONG. = 103.5175130°W NMSP EAST (FT) N = 478153.24 E = 793375.98</p>		<p>N O CORNER SEC. 18 LAT. = 32.3118800°N LONG. = 103.5092542°W NMSP EAST (FT) N = 478178.02 E = 795922.49</p>		<p>NE CORNER SEC. 18 LAT. = 32.3118789°N LONG. = 103.5006806°W NMSP EAST (FT) N = 478192.36 E = 796576.30</p>	
<p>W O CORNER SEC. 18 LAT. = 32.3046243°N LONG. = 103.5175146°W NMSP EAST (FT) N = 475513.85 E = 793395.55</p>		<p>STARCASTER "18" FEDERAL 4H ELEV. = 3478.6 LAT. = 32.3108707°N (NAD83) LONG. = 103.5028146°W NMSP EAST (FT) N = 477857.56 E = 797919.57</p>		<p>E O CORNER SEC. 18 LAT. = 32.3048154°N LONG. = 103.5006671°W NMSP EAST (FT) N = 475550.64 E = 798600.94</p>	
<p>SW CORNER SEC. 18 LAT. = 32.2973745°N LONG. = 103.5175145°W NMSP EAST (FT) N = 472878.37 E = 793415.66</p>		<p>SE CORNER SEC. 18 LAT. = 32.2973633°N LONG. = 103.5006501°W NMSP EAST (FT) N = 472812.33 E = 798528.73</p>		<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). U.S. GEOLOGICAL SURVEY PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.</p>	
<p>BOTTOM OF HOLE LAT. = 32.2982717°N LONG. = 103.5027878°W NMSP EAST (FT) N = 473237.70 E = 797963.64</p>		<p>BOTTOM OF HOLE LAT. = 32.2982717°N LONG. = 103.5027878°W NMSP EAST (FT) N = 473237.70 E = 797963.64</p>		<p>DATE OF SURVEY: 12797</p>	

" OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore approved by the division.

Signature: *M. A. Sirgo, III* Date: 02-12-14

Printed Name: M. A. Sirgo, III

E-mail Address: nanny@enduranceresourcesllc.com

" SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 12, 2013

DATE OF SURVEY: 12797

Signature and Seal of Professional Surveyor

Certificate Number: 112797, J. A. CHILLO, PLS 12797  
SURVEY NO. 344

AUG 07 2014.

J.M.

District I  
1623 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
311 S. First St., Artesia, NM 88203  
Phone: (505) 743-1283 Fax: (505) 743-0720  
District III  
1000 Ely Wingo Road, Aztec, NM 87410  
Phone: (505) 744-6174 Fax: (505) 744-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-4221.7</b>	Pool Code <b>5150</b>	Pool Name <b>BELL LAKE; BONE SPRING NORTH</b>
Property Code <b>313567</b>	Property Name <b>STARCASTER 18 FEDERAL</b>	Well Number <b>3H</b>
OGRIID No. <b>270329</b>	Operator Name <b>ENDURANCE RESOURCES, LLC</b>	Elevation <b>3489.7</b>

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>18</b>	<b>23 S</b>	<b>34 E</b>		<b>155</b>	<b>NORTH</b>	<b>1980</b>	<b>EAST</b>	<b>LEA</b>

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
<b>O</b>	<b>18</b>	<b>23 S</b>	<b>34 E</b>		<b>346</b>	<b>SOUTH</b>	<b>1997</b>	<b>EAST</b>	<b>LEA</b>

Dedicated Acres	Joint or Titled	Consolidation Code	Order No.
<b>160</b>			

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.

<p>N 89°33'21"E 2552.06 FT</p> <p>NE CORNER SEC. 18 LAT. = 32.31187937N LONG. = 103.51751307W NWSP EAST (FT) N = 478173.02 E = 793375.98</p>		<p>N 89°34'34"E 2949.38 FT</p> <p>N 0 CORNER SEC. 18 LAT. = 32.31188007N LONG. = 103.50925427W NWSP EAST (FT) N = 478173.02 E = 793375.98</p>		<p>1980'</p> <p>NE CORNER SEC. 18 LAT. = 32.31187897N LONG. = 103.50068067W NWSP EAST (FT) N = 478192.30 E = 798576.30</p>	
<p>2552.06 FT</p> <p>LOT 7</p>		<p>2552.06 FT</p> <p>LOT 8</p>		<p>2949.38 FT</p> <p>LOT 9</p>	
<p>2552.06 FT</p> <p>W 0 CORNER SEC. 18 LAT. = 32.30462437N LONG. = 103.51751467W NWSP EAST (FT) N = 475513.85 E = 793395.53</p>		<p>2552.06 FT</p> <p>LOT 10</p>		<p>2949.38 FT</p> <p>E 0 CORNER SEC. 18 LAT. = 32.30461547N LONG. = 103.50069717W NWSP EAST (FT) N = 475550.84 E = 798560.99</p>	
<p>2552.06 FT</p> <p>LOT 11</p>		<p>2552.06 FT</p> <p>LOT 12</p>		<p>2949.38 FT</p> <p>LOT 13</p>	
<p>2552.06 FT</p> <p>SW CORNER SEC. 18 LAT. = 32.29737457N LONG. = 103.51751457W NWSP EAST (FT) N = 472876.37 E = 793415.08</p>		<p>2552.06 FT</p> <p>LOT 14</p>		<p>2949.38 FT</p> <p>SE CORNER SEC. 18 LAT. = 32.29738337N LONG. = 103.50069017W NWSP EAST (FT) N = 472912.33 E = 798526.73</p>	
<p>2552.06 FT</p> <p>LOT 15</p>		<p>2552.06 FT</p> <p>LOT 16</p>		<p>2949.38 FT</p> <p>LOT 17</p>	
<p>2552.06 FT</p> <p>LOT 18</p>		<p>2552.06 FT</p> <p>LOT 19</p>		<p>2949.38 FT</p> <p>LOT 20</p>	

STARCASTER "18" FEDERAL #BII

ELEV. = 3489.7'

LAT. = 32.31185327N (NAD83)

LONG. = 103.50708747W

NWSP EAST (FT)

N = 478022.87

E = 796598.14

NOTE:  
LATITUDE AND LONGITUDE COORDINATES  
ARE SHOWN USING THE NORTH  
AMERICAN DATUM OF 1983 (NAD83).  
LISTED NEW MEXICO STATE PLANE EAST  
COORDINATES ARE GRID (NAD83). BASIS  
OF BEARING AND DISTANCES USED ARE  
NEW MEXICO STATE PLANE EAST  
COORDINATES MODIFIED TO THE  
SURFACE.

BOTTOM OF HOLE

LAT. = 32.29827477N

LONG. = 103.50708887W

NWSP EAST (FT)

N = 473228.80

E = 798843.91

BOTTOM OF HOLE

1997'

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided interest in the land described in the proposed bottom hole location or has a right to drill this well in this location pursuant to a contract with one or more of such a mineral or working interest or as a voluntary pooling agreement or a compulsory pooling with a working interest in this location.

Signature: M.A. Sierlo Date: 8-26-2011

Printed Name: M.A. Sierlo

Address: ENDURANCE RESOURCES, LLC

E-mail Address: RESOURCES@ENDURANCE.COM

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my direct supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 10, 2011 NEW MEXICO

Date of Survey: 10/10/2011

Signature: [Signature]

Certification Number: PL 13797 (PLS 13797)

RECEIVED NO. 3443

EXHIBIT

MAR 30 2016

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**BTA Oil Producers LLC**

October 12, 2016

**Condition of Approval**

Surface commingling, off lease storage measurement and sales, and alternate method of measurement.

Starcaster 18 Federal Com 3H & 4H, 3002542917 & 3002542025

Lease NMLC065194 - 50% and a Fee Lease – 50% Under: CA - NM135800 & NM134517

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Approval for alternate method of measurement for oil Sales. Coriolis LACT meter will be used for the sales of the commingled oil at the facility.