



**BTA OIL PRODUCERS, LLC**

104 S. PECOS  
MIDLAND, TEXAS 79701-5099  
432-682-3753  
FAX 432-683-0314

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

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

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

December 20, 2023

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

In re: **Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Capitan Alpha CTB located in the NW/4 of Section 32, Township 16 South, Range 36 East, Lea County, New Mexico, and to add additional wells.**

To: **ALL AFFECTED PARTIES**

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Ladies and Gentleman:

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 or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

A handwritten signature in blue ink that reads 'Sammy Hajar'.

Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753



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In re: **Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Capitan Alpha CTB located in the NW/4 of Section 32, Township 16 South, Range 36 East, Lea County, New Mexico, and to add additional wells.**

To: Dear Mr. Fuge, Director, Oil Conservation Division, New Mexico Department of Energy Minerals and natural Resources

---

Dear Mr. Fuge:

BTA Oil Producers, LLC (OGRID No. 260297), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (Lease Commingle diversely owned oil and gas production at the **Capitan Alpha CTB** *in all existing and future infill wells drilled in the following spacing units:*

- (a) The 319.37-acre spacing unit comprised of the W/2 W/2 of Section 32 and the W/2 W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 32-5 State Com 5H** (API # 30-025-51917);
- (b) The 319.42-acre spacing unit comprised of the E/2 W/2 of Section 32 and the E/2 W/2 of Section 5, Township 11 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 32-5 State Com 6H** (API # 30-025-51918);
- (c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S173615C; Upper Penn; (98333) spacing units within the W/2 of Section 32 and the W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico, connected to the Capitan Alpha CTB with notice provided only to the owners of interests to be added.*

Oil and gas production from these spacing units will be commingled and sold at the *Capitan Alpha CTB located in the NW/4 of Section 32*. Each well will have its own test separator and production will be separately metered with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Attached is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B that includes a statement from Sammy Hajar, Regulatory Analyst with BTA Oil Producers, LLC, identifying the facilities and the measurement devices to be utilized, a detailed schematic of

the surface facilities, and C-102s for each of the wells currently permitted or drilled within the existing spacing units.

Ownership is diverse between the above-described spacing units, and we have accordingly attached a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,



Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753

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DENVER, COLORADO 80202  
303-534-4404 FAX 303-534-4661

December 20, 2023

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

In re: **Re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (pool lease commingle) oil and gas production from the spacing units comprised of the W/2 of Section 32 and the W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico (the "Lands")**

To Whom This May Concern,

BTA Oil Producers, LLC, OGRID No. 260297, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit 1**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit 1** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter



is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,



Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753

Revised March 23, 2017

|           |           |       |         |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

**Applicant:** BTA Oil Producers, LLC **OGRID Number:** 260297  
**Well Name:** Captian 22301 32-5 State Com 5H & 6H **API:** 30-025-51917 & 30-025-51918  
**Pool:** WC-025 G-09 S173615C ; UPPER PENN **Pool Code:** 98333

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **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.**

Sammy Hajar

Print or Type Name

12/20/2023

Date

432-682-3753

Phone Number

SHAJAR@BTAOIL.COM

e-mail Address

*Sammy Hajar*  
 Signature

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., 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 August 1, 2011

### 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: WC-025 G-09 S173615C; UPPER PENN (98333)

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

(3) Has 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.

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

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: 

TITLE: Regulatory Analyst

DATE: 12/20/23

TYPE OR PRINT NAME: Sammy Hajar

TELEPHONE NO.: 432-682-3753

E-MAIL ADDRESS: SHAJAR@BTAOIL.COM



**APPLICATION FOR  
COMMINGLING AND OFF-LEASE STORAGE  
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

**Applicant:** BTA Oil Producers, LLC **OGRID #:** 260297  
**Well Name:** Captian 22301 32-5 State Com 5H & 6H **API #:** 30-025-51917 & 30-025-51918  
**Pool:** WC-025 G-09 S173615C ; UPPER PENN

**OPERATOR NAME:** BTA Oil Producers, LLC  
**OPERATOR ADDRESS:** 104 S. Pecos Midland, TX 79701

**APPLICATION REQUIREMENTS – SUBMIT:**

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

**CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Sammy Hajar

Print or Type Name

*Sammy Hajar*

Signature

12/20/2023

Date

432-682-3753

Phone Number

SHAJAR@BTAOIL.COM

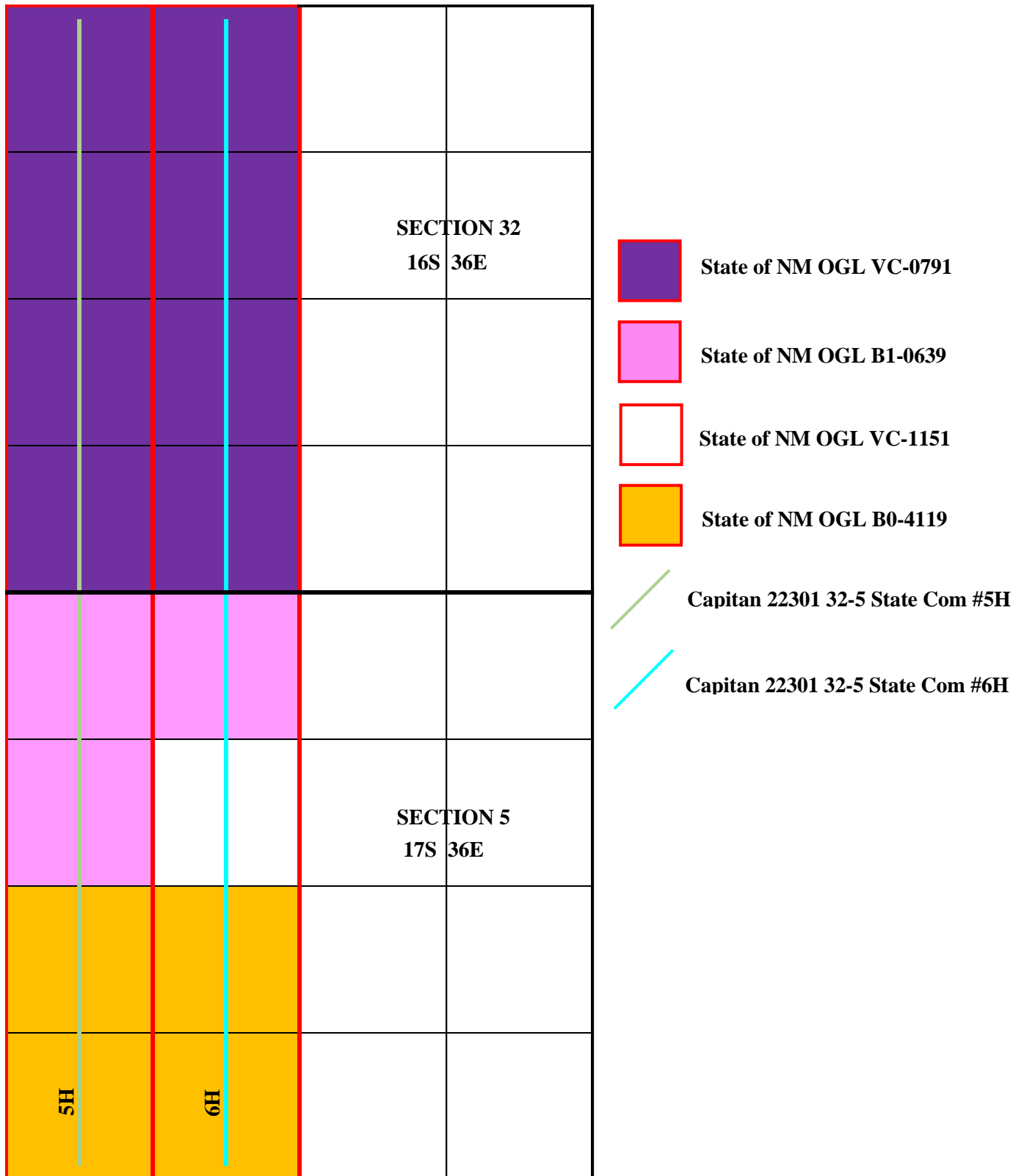
e-mail Address

**Submit application to:**  
 Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

**Questions?**  
**Contact the Commingling Manager:**  
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

## BTA Capitan 22301 32-5 State Com Drilling and Spacing Units



**APPLICATION FOR SURFACE COMMINGLE (LEASE COMMINGLE), STORAGE, AND  
SALES FOR GAS PRODUCTION AT CAPITAN ALPHA CTB**

| Pool                                  | API          | Well Name                    | Well Number | OCD Unit Letter | Section | Township | Range | Date Online | Oil (MBOD) | GAS (MCFD) | GRAVITY | BTU/cf |
|---------------------------------------|--------------|------------------------------|-------------|-----------------|---------|----------|-------|-------------|------------|------------|---------|--------|
| [98333] WC025 G09 S173615C;UPPER PENN | 30-025-51917 | Capitan 22301 32-5 State Com | 5H          | D               | 32      | 16S      | 36E   | New Drill   | 900        | 1100       | 48      | 1200   |
| [98333] WC025 G09 S173615C;UPPER PENN | 30-025-51918 | Capitan 22301 32-5 State Com | 6H          | D               | 32      | 16S      | 36E   | New Drill   | 900        | 1100       | 48      | 1200   |



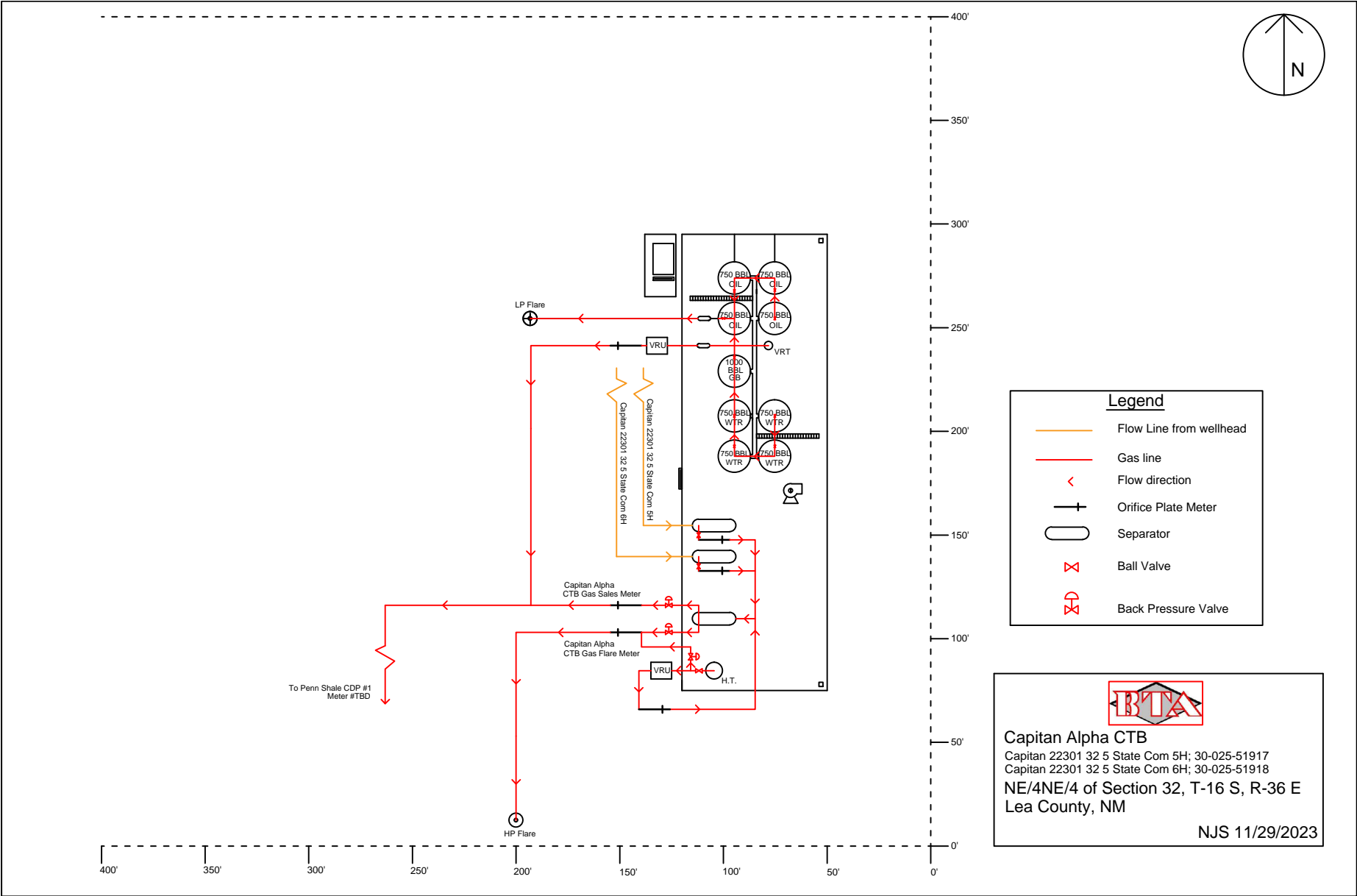


EXHIBIT 1

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

## WELL LOCATION AND ACERAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| <sup>1</sup> API Number<br>30-025-51918 | <sup>2</sup> Pool Code<br>98333                            | <sup>3</sup> Pool Name<br>WC025 G09 S173615C ; UPPER PENN |
| <sup>4</sup> Property Code<br>334679    | <sup>5</sup> Property Name<br>CAPITAN 22301 32-5 STATE COM | <sup>6</sup> Well Number<br>6H                            |
| <sup>7</sup> OGRID No.<br>260297        | <sup>8</sup> Operator Name<br>BTA OIL PRODUCERS, LLC       | <sup>9</sup> Elevation<br>3925'                           |

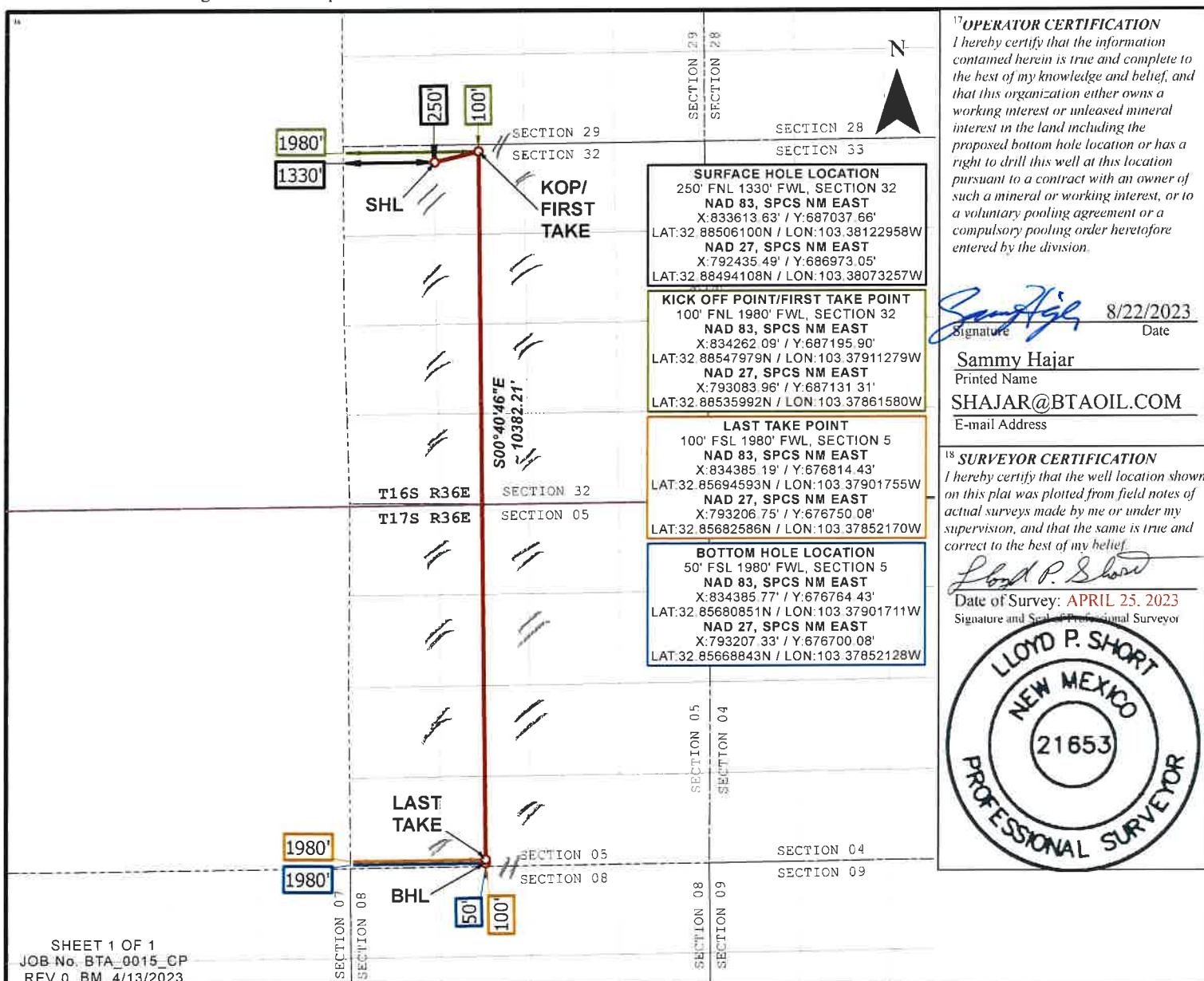
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 32      | 16S      | 36E   |         | 250           | North            | 1330          | West           | LEA    |

<sup>11</sup> 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 |
|---|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| N                                       | 5                             | 17S                              | 36E                     |         | 50            | South            | 1980          | West           | LEA    |
| <sup>12</sup> Dedicated Acres<br>319.42 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0|30|16.810000

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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 ACERAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| <sup>1</sup> API Number<br>30-025-51917 | <sup>2</sup> Pool Code<br>98333                            | <sup>3</sup> Pool Name<br>WC025 G09 S173615C ; UPPER PENN |
| <sup>4</sup> Property Code<br>334679    | <sup>5</sup> Property Name<br>CAPITAN 22301 32-5 STATE COM | <sup>6</sup> Well Number<br>5H                            |
| <sup>7</sup> OGRID No.<br>260297        | <sup>8</sup> Operator Name<br>BTA OIL PRODUCERS, LLC       | <sup>9</sup> Elevation<br>3925'                           |

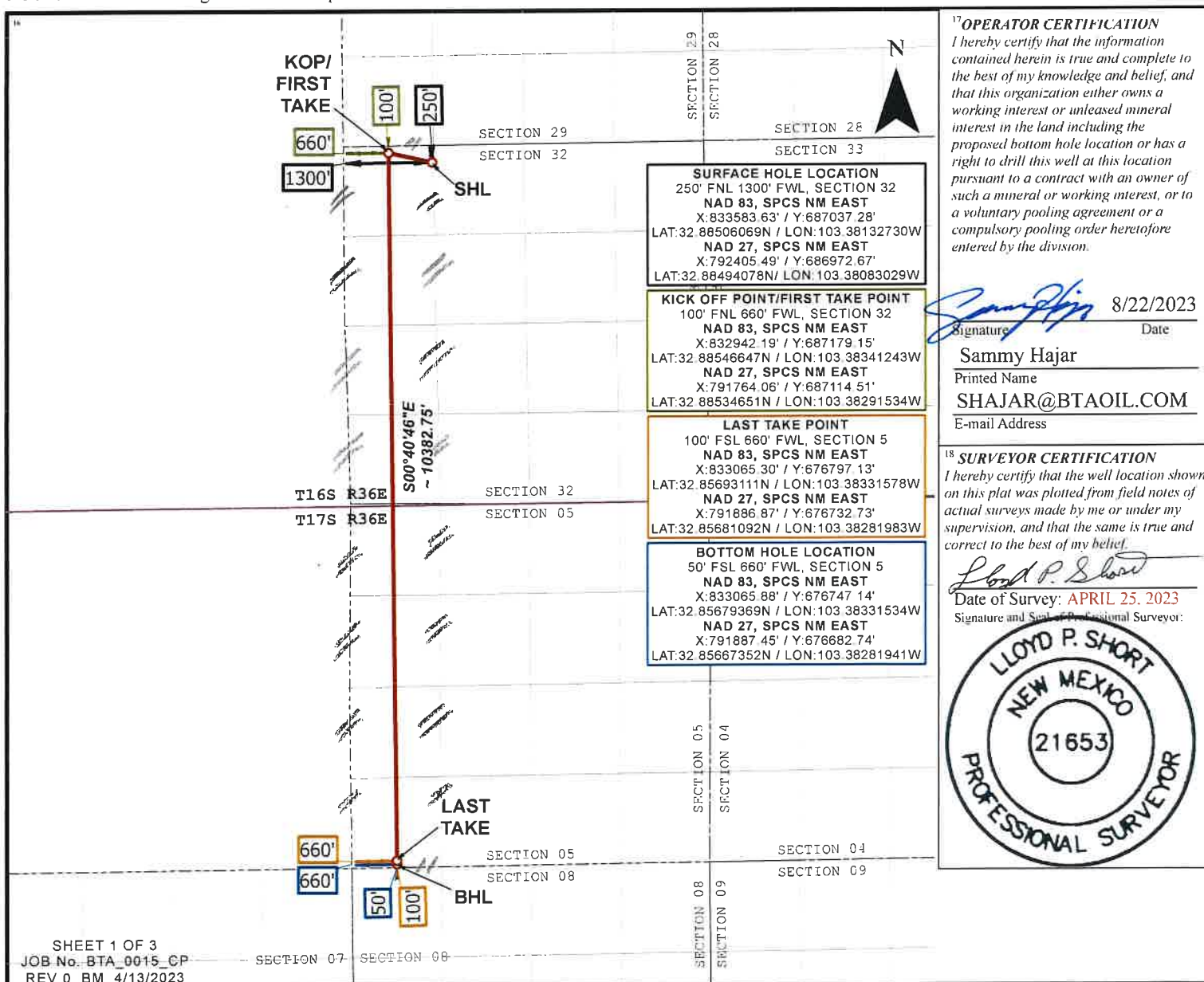
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 32      | 16S      | 36E   |         | 250           | North            | 1300          | West           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                           | Section                       | Township                         | Range                   | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| M                                       | 5                             | 17S                              | 36E                     |         | 50            | South            | 660           | West           | LEA    |
| <sup>12</sup> Dedicated Acres<br>319.37 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0|30|16.810000

**Pending Approval****NM State Land Office  
Oil, Gas, & Minerals Division****STATE/STATE OR  
STATE/FEE**  
Revised December 2021**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 25 - 51917STATE OF NEW MEXICO )  
SS) Well Name: Capitan 22301 32-5 State Com #005H

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C ; UPPER PENN formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State



NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W2 W2 Section 32, T16S-R36E, and Lot 4, SW4 NW4, W2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.37 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. BTA Oil Producers, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized



area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: BTA Oil Producers, LLC

OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport Jr.

(Signature of Authorized Agent)

ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 County of Midland )

This instrument was acknowledged before me on

Date : 09/26/2023

By: Robert M. Davenport, Jr., Member

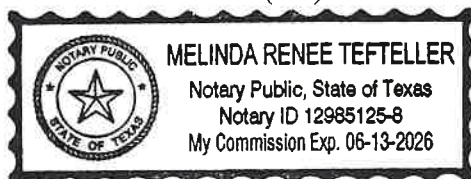
Name(s) of Person(s)

(Seal)

Melinda Renee Tefeller

Signature of Notarial Officer

My commission expires: 6-13-26



Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport, Jr.

(Signature of Authorized Agent)

ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

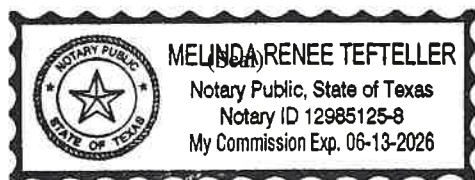
State of Texas )  
 County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

**Lease # and Lessee of Record:** B1-0639-0005; Occidental Permian Limited Partnership

**BY:** James Laning, Attorney-in-Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

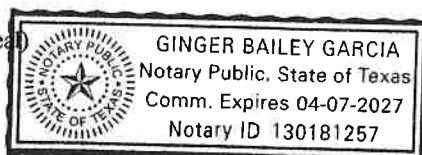
State of Texas )  
 County of Harris )

This instrument was acknowledged before me on October 24, 2023 Date: \_\_\_\_\_

By: James Laning, Attorney-in-Fact of Occidental Permian limited partnership,  
a Texas limited partnership.

Name(s) of Person(s)

(Seal)



Signature of Notarial Officer

My commission expires: 4/7/2027

**Lease # and Lessee of Record:** B0-4119-0017; Chevron U.S.A., Inc.

**BY:** BEN J. WILSON, ATTORNEY-IN-FACT (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )  
 )  
 )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 County of Harris )  
 )  
 )

This instrument was acknowledged before me on

Date: 10-17-2023

By: Ben J. Wilson

Name(s) of Person(s)



[Signature]  
 Signature of Notarial Officer

My commission expires: 01-07-2026

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Chevron U.S.A., Inc.,

, (Record Title Holders/Lessees of Record) covering

the Subdivisions : W2 W2 of Section 32, Twnshp 16 South, Rnge 36 East, and Lot  
4, SW4 NW4, W2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

OPERATOR of Communitized Area: BTA Oil Producers, LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0791-0001

Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: W/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 160

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005

Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 4, SW4 NW4 of

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 79.37



**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Chevron U.S.A., Inc.Serial No. of Lease: B0-4119-0017Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: W2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 80**RECAPITULATION**

| <b>Tract number</b> | <b>Number of Acres<br/>Committed</b> | <b>Percentage of Interest<br/>In Communitized Area (Must equal 100%)</b> |
|---------------------|--------------------------------------|--|
| No. 1               | <u>160</u>                           | <u>50.0986%</u>  |
| No. 2               | <u>79.37</u>                         | <u>24.8521%</u>  |
| No. 3               | <u>80</u>                            | <u>25.0493%</u>  |
| TOTALS              | <u>319.37</u>                        | <u>100.0000%</u>   |

**Pending Approval****NM State Land Office  
Oil, Gas, & Minerals Division****STATE/STATE OR  
STATE/FEE**  
Revised December 2021**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 25 - 51918STATE OF NEW MEXICO ) Well Name: Capitan 22301 32-5 State Com #006H  
SS)

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C ; UPPER PENN formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State

1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E2 W2 Section 32, T16S-R36E, and Lot 3, SE4 NW4, E2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.42 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. BTA Oil Producers, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.


14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: BTA Oil Producers, LLC

OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)  
ABO

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
SS)  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
SS)  
County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date : 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)

(Seal)




Signature of Notarial Officer

My commission expires: 6-13-26





Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC  
 BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)  
 ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

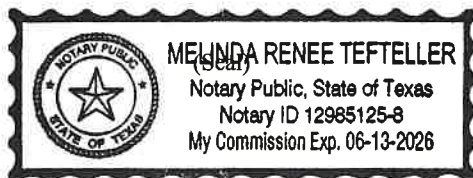
State of Texas )  
 )  
 County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



  
 Signature of Notarial Officer

My commission expires: 6-13-26

**Lease # and Lessee of Record:** B1-0639-0005; Occidental Permian Limited Partnership

**BY:** James Laning, Attorney-in-Fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

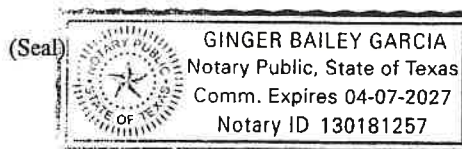
My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
 )  
 County of Harris )

This instrument was acknowledged before me on October 24, 2023 Date: \_\_\_\_\_

By: James Laning, Attorney-in-Fact of Occidental Permian Limited Partnership, a Texas limited partnership.  
 Name(s) of Person(s)



Signature of Notarial Officer

My commission expires: 4/7/2027

Lease # and Lessee of Record: VC-1151-0001; BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport Jr.

(Signature of Authorized Agent)

*RMD*

### Acknowledgment in an Individual Capacity

State of )

SS)

County of )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )

SS)

County of Midland )

This instrument was acknowledged before me on

Date: 9/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

Lease # and Lessee of Record: B0-4119-0018; Maverick Permian LLC

BY: Justin F Foley - Vice President of Land (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
 Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

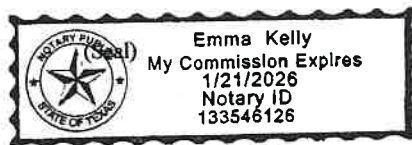
State of Texas )  
 )  
 County of Harris )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 12/6/2023

By: Justin F Foley - VP - Land

Name(s) of Person(s)



[Signature]  
 Signature of Notarial Officer

My commission expires: 1/21/2026

ONLINE  
 version  
 December 9, 2021

State/State

6

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Maverick Permian LLC, \_\_\_\_\_,

(Record Title Holders/Lessees of Record) covering the Subdivisions : E2 W2 of

Section 32, Twnshp 16 South, Rnge 36 East, and Lot 3, SE4 NW4, E2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

OPERATOR of Communitized Area: BTA Oil Producers, LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0791-0001

Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: E/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 160

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005

Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 3

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 39.42

**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: BTA Oil Producers, LLCSerial No. of Lease: VC-1151-0001Date of Lease: August 1, 2023

Description of Lands Committed:

Subdivisions: SE4 NW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 40**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Maverick Permian LLCSerial No. of Lease: B0-4119-0018Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: E2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 80**RECAPITULATION**

| <b>Tract number</b> | <b>Number of Acres<br/>Committed</b> | <b>Percentage of Interest<br/>In Communitized Area (Must equal 100%)</b> |
|---------------------|--------------------------------------|--|
| No. 1               | <u>160</u>                           | <u>50.0908%</u>  |
| No. 2               | <u>39.42</u>                         | <u>12.3411%</u>  |
| No. 3               | <u>40</u>                            | <u>12.5227%</u>  |
| No. 4               | <u>80</u>                            | <u>25.0454%</u>  |
| TOTALS              | <u>319.42</u>                        | <u>100.0000%</u>   |



**Affected Parties Requiring Notification**

| Tracking #<br>(Certified W/ Digital Return Receipt) | Name & Address  |
|---|---|
| 92148969009997901831745068                          | Occidental Permian Limited Partnership, 5<br>Greenway Plaza, Suite 110, Houston, TX, 77046                              |
| 92148969009997901831745075                          | Oxy USA WTP Limited Partnership Attn: New<br>Mexico Land Department, 5 Greenway Plaza,<br>Suite 110, Houston, TX, 77046 |
| 92148969009997901831745082                          | Chevron U.S.A. Inc. Attn: NOJV, 1400 Smith<br>Street, Houston, TX, 77008  |
| 92148969009997901831745099                          | The State Of New Mexico Commissioner Of<br>Public Lands, P. O. Box 1148, Santa Fe, NM,<br>87504                         |

Tracking Number:

**92148969009997901831745099**



Copy



Add to Informed Delivery

## Latest Update

Your item was picked up at a postal facility at 7:50 am on December 22, 2023 in SANTA FE, NM 87501.

Get More Out of USPS Tracking:



USPS Tracking Plus®



**Delivered**

**Delivered, Individual Picked Up at Postal Facility**

SANTA FE, NM 87501

December 22, 2023, 7:50 am

[See All Tracking History](#)

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**From:** [Sammy Hajar](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] Capitan 5H & 6H Commingle - C107 Surface Commingle  
**Date:** Monday, March 4, 2024 8:13:23 AM  
**Attachments:** [image001.png](#)  
[Capitan Alpha CTB comingle.pdf](#)  
[Capitan 5H-6H Commingle Lease Map REVISED.pdf](#)  
[Capitan 5H-6H Commingle - FINAL DRAFT \(Revised\).pdf](#)  
**Importance:** High

---

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

We had a request from the SLO to update our facilities diagram to include oil and water, as well as an updated lease map showing where our CTB will be located. I wanted to go ahead and send these updated attachments to you as well, for consistency. Please see the first 2 attachment for the individually revised PDFs. The 3<sup>rd</sup> attachment is the full commingle packet with the revised attachments included. If you do not need these for our application, please disregard. I just wanted to make sure you have everything you may need.

This is for our [C-107] Surface Commingle or Off-Lease (C-107B) application with PO Number: KS7L5-231220-C-107B, submitted on 12/20/2023. Please let me know if you have any questions, or are in need of anything else.

Thanks,

***Sammy Hajar***  
***Regulatory***  
***BTA Oil Producers, LLC***  
***104 S. Pecos***  
***Midland, TX. 79701***  
***Office: 432-682-3753 ext. 106***





**BTA OIL PRODUCERS, LLC**

104 S. PECOS  
MIDLAND, TEXAS 79701-5099  
432-682-3753  
FAX 432-683-0314

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
ROBERT DAVENPORT, JR.

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

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

December 20, 2023

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

In re: **Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Capitan Alpha CTB located in the NW/4 of Section 32, Township 16 South, Range 36 East, Lea County, New Mexico, and to add additional wells.**

To: **ALL AFFECTED PARTIES**

---

Ladies and Gentleman:

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 or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

A handwritten signature in blue ink that reads 'Sammy Hajar'.

Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753



## BTA OIL PRODUCERS, LLC

104 S. PECOS  
MIDLAND, TEXAS 79701-5099  
432-682-3753  
FAX 432-683-0314

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
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STUART BEAL  
ROBERT DAVENPORT, JR.

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

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

December 20, 2023

In re: **Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Capitan Alpha CTB located in the NW/4 of Section 32, Township 16 South, Range 36 East, Lea County, New Mexico, and to add additional wells.**

To: Dear Mr. Fuge, Director, Oil Conservation Division, New Mexico Department of Energy Minerals and natural Resources

---

Dear Mr. Fuge:

BTA Oil Producers, LLC (OGRID No. 260297), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (Lease Commingle diversely owned oil and gas production at the **Capitan Alpha CTB** *in all existing and future infill wells drilled in the following spacing units:*

- (a) The 319.37-acre spacing unit comprised of the W/2 W/2 of Section 32 and the W/2 W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 32-5 State Com 5H** (API # 30-025-51917);
- (b) The 319.42-acre spacing unit comprised of the E/2 W/2 of Section 32 and the E/2 W/2 of Section 5, Township 11 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Capitan 22301 32-5 State Com 6H** (API # 30-025-51918);
- (c) Pursuant to 19.15.12.10.C(4)(g), *future WC-025 G-09 S173615C; Upper Penn; (98333) spacing units within the W/2 of Section 32 and the W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico, connected to the Capitan Alpha CTB with notice provided only to the owners of interests to be added.*

Oil and gas production from these spacing units will be commingled and sold at the *Capitan Alpha CTB located in the NW/4 of Section 32*. Each well will have its own test separator and production will be separately metered with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Attached is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B that includes a statement from Sammy Hajar, Regulatory Analyst with BTA Oil Producers, LLC, identifying the facilities and the measurement devices to be utilized, a detailed schematic of

the surface facilities, and C-102s for each of the wells currently permitted or drilled within the existing spacing units.

Ownership is diverse between the above-described spacing units, and we have accordingly attached a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,



Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753



**BTA OIL PRODUCERS, LLC**

CARLTON BEAL, JR.  
BARRY BEAL  
SPENCER BEAL  
KELLY BEAL  
BARRY BEAL, JR.  
STUART BEAL  
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104 S. PECOS  
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**GULF COAST DISTRICT**  
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**ROCKY MOUNTAIN DISTRICT**  
600 17<sup>TH</sup> STREET, STE. 2230 SOUTH  
DENVER, COLORADO 80202  
303-534-4404 FAX 303-534-4661

December 20, 2023

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

In re: **Re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (pool lease commingle) oil and gas production from the spacing units comprised of the W/2 of Section 32 and the W/2 of Section 5, Township 16 South, Range 36 East, Lea County, New Mexico (the "Lands")**

To Whom This May Concern,

BTA Oil Producers, LLC, OGRID No. 260297, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit 1**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit 1** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter

is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or [shajar@btaoil.com](mailto:shajar@btaoil.com). Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,



Sammy Hajar  
Regulatory Analyst  
BTA Oil Producers, LLC  
[shajar@btaoil.com](mailto:shajar@btaoil.com)  
O: 432-682-3753

Revised March 23, 2017

|           |           |       |         |
|-----------|-----------|-------|---------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: |
|-----------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

**Applicant:** BTA Oil Producers, LLC **OGRID Number:** 260297  
**Well Name:** Captian 22301 32-5 State Com 5H & 6H **API:** 30-025-51917 & 30-025-51918  
**Pool:** WC-025 G-09 S173615C ; UPPER PENN **Pool Code:** 98333

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) **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.**

Sammy Hajar

Print or Type Name

12/20/2023

Date

432-682-3753

Phone Number

SHAJAR@BTAOIL.COM

e-mail Address

*Sammy Hajar*  
 Signature

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., 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 August 1, 2011

### 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<br>Non-Commingled<br>Production | Calculated Gravities /<br>BTU of Commingled<br>Production |  | Calculated Value of<br>Commingled<br>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: WC-025 G-09 S173615C; UPPER PENN (98333)  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has 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 attached 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.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Sammy Hajar TITLE: Regulatory Analyst DATE: 12/20/23

TYPE OR PRINT NAME: Sammy Hajar TELEPHONE NO.: 432-682-3753

E-MAIL ADDRESS: SHAJAR@BTAOIL.COM



**APPLICATION FOR  
COMMINGLING AND OFF-LEASE STORAGE  
ON STATE TRUST LANDS**



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

**Applicant:** BTA Oil Producers, LLC **OGRID #:** 260297  
**Well Name:** Captian 22301 32-5 State Com 5H & 6H **API #:** 30-025-51917 & 30-025-51918  
**Pool:** WC-025 G-09 S173615C ; UPPER PENN

**OPERATOR NAME:** BTA Oil Producers, LLC  
**OPERATOR ADDRESS:** 104 S. Pecos Midland, TX 79701

**APPLICATION REQUIREMENTS – SUBMIT:**

1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
2. Commingling application fee of \$150.

**CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is **accurate** and **complete**, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Sammy Hajar

Print or Type Name

*Sammy Hajar*

Signature

12/20/2023

Date

432-682-3753

Phone Number

SHAJAR@BTAOIL.COM

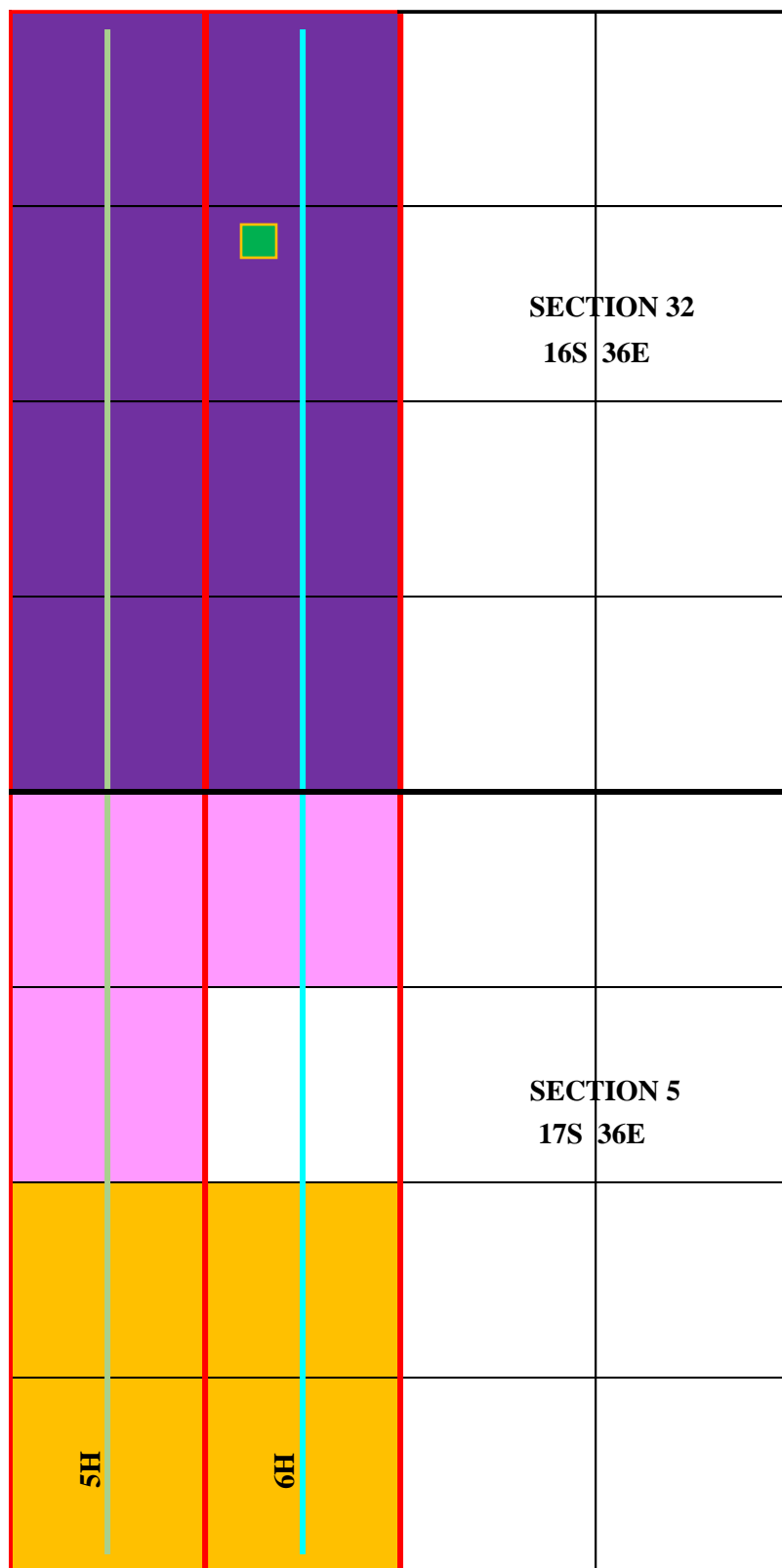
e-mail Address








**Submit application to:**  
 Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

**Questions?**  
**Contact the Commingling Manager:**  
 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

**BTA Capitan 22301 32-5 State Com Drilling and Spacing Units**

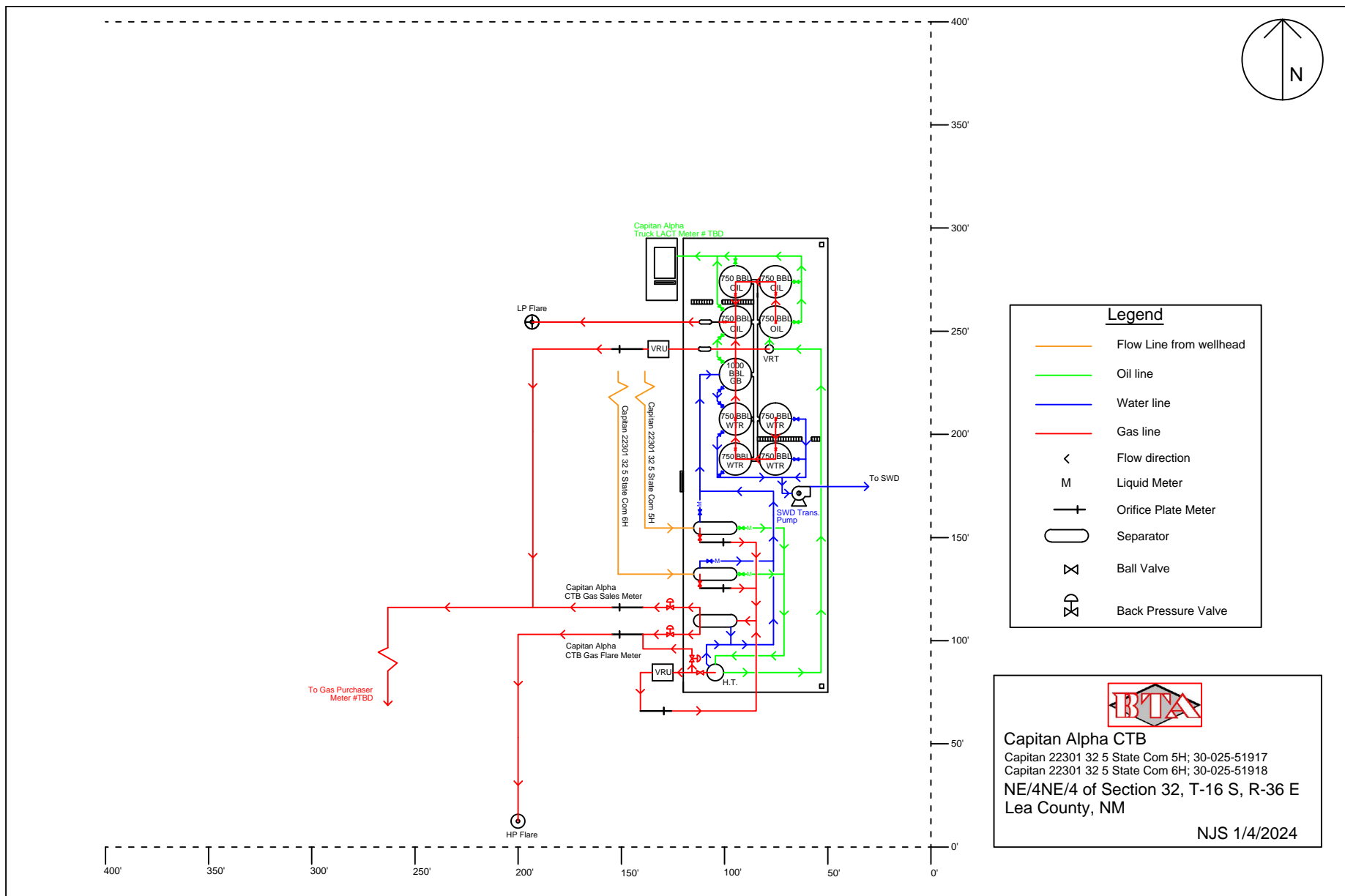


-  State of NM OGL VC-0791
-  State of NM OGL B1-0639
-  State of NM OGL VC-1151
-  State of NM OGL B0-4119
-  Capitan 22301 32-5 State Com #5H
-  Capitan 22301 32-5 State Com #6H
-  Capitan Alpha CTB



**APPLICATION FOR SURFACE COMMINGLE (LEASE COMMINGLE), STORAGE, AND  
SALES FOR GAS PRODUCTION AT CAPITAN ALPHA CTB**

| Pool                                  | API          | Well Name                    | Well Number | OCD Unit Letter | Section | Township | Range | Date Online | Oil (MBOD) | GAS (MCFD) | GRAVITY | BTU/cf |
|---------------------------------------|--------------|------------------------------|-------------|-----------------|---------|----------|-------|-------------|------------|------------|---------|--------|
| [98333] WC025 G09 S173615C;UPPER PENN | 30-025-51917 | Capitan 22301 32-5 State Com | 5H          | D               | 32      | 16S      | 36E   | New Drill   | 900        | 1100       | 48      | 1200   |
| [98333] WC025 G09 S173615C;UPPER PENN | 30-025-51918 | Capitan 22301 32-5 State Com | 6H          | D               | 32      | 16S      | 36E   | New Drill   | 900        | 1100       | 48      | 1200   |



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACERAGE DEDICATION PLAT

|   |  |  |  |   |                                 |
|---|--|--|--|---|---------------------------------|
| <sup>1</sup> API Number<br>30-025-51918 |  | <sup>2</sup> Pool Code<br>98333                            |  | <sup>3</sup> Pool Name<br>WC025 G09 S173615C ; UPPER PENN |                                 |
| <sup>4</sup> Property Code<br>334679    |  | <sup>5</sup> Property Name<br>CAPITAN 22301 32-5 STATE COM |  |   | <sup>6</sup> Well Number<br>6H  |
| <sup>7</sup> OGRID No.<br>260297        |  | <sup>8</sup> Operator Name<br>BTA OIL PRODUCERS, LLC       |  |   | <sup>9</sup> Elevation<br>3925' |

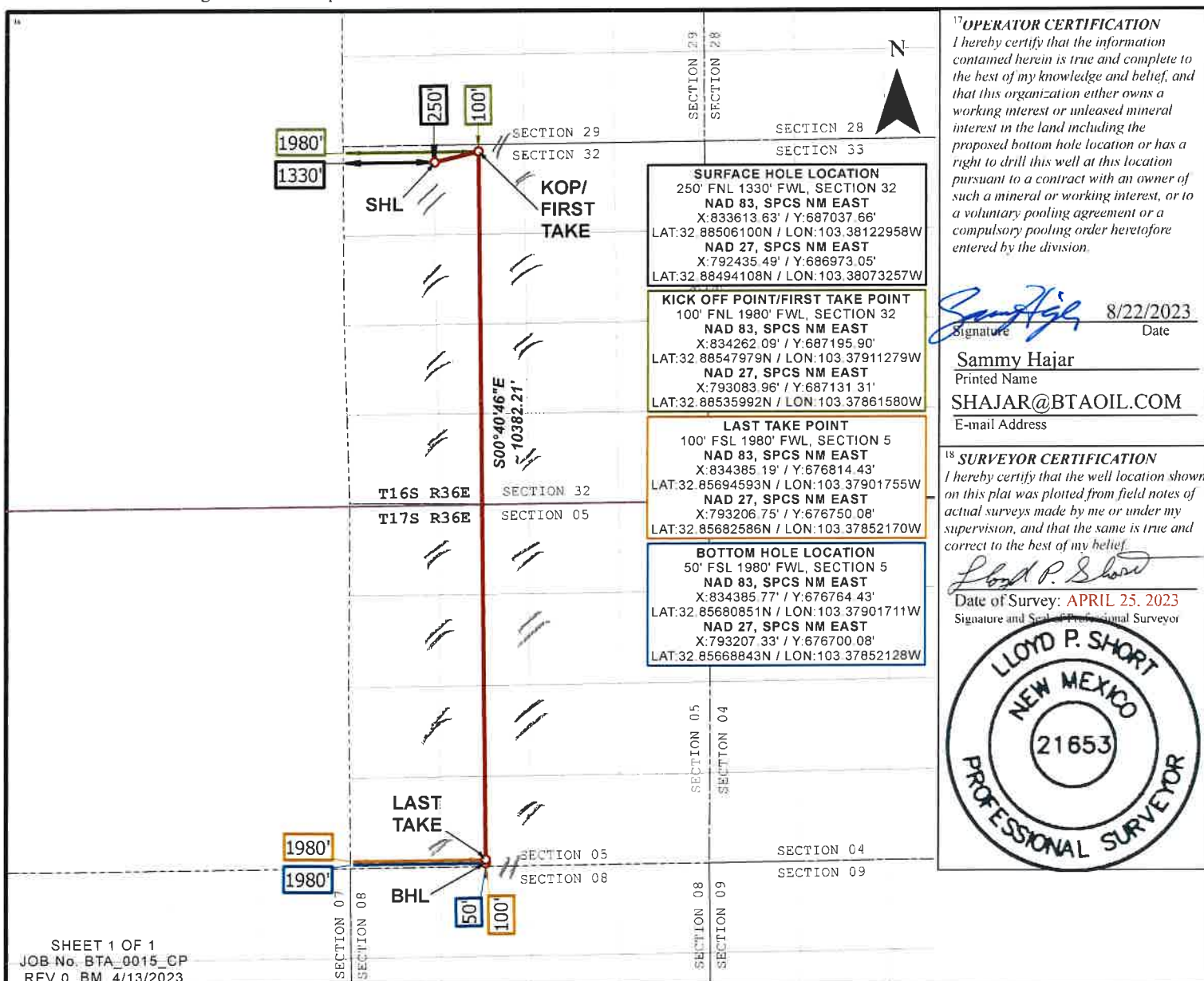
<sup>10</sup> Surface Location

|                    |               |                 |              |         |                      |                           |                       |                        |               |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>D | Section<br>32 | Township<br>16S | Range<br>36E | Lot Idn | Feet from the<br>250 | North/South line<br>North | Feet from the<br>1330 | East/West line<br>West | County<br>LEA |
|--------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|---------------|

<sup>11</sup> Bottom Hole Location If Different From Surface

|   |              |                               |              |                                  |                     |                           |                       |                        |               |
|---|--------------|-------------------------------|--------------|----------------------------------|---------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no.<br>N                      | Section<br>5 | Township<br>17S               | Range<br>36E | Lot Idn                          | Feet from the<br>50 | North/South line<br>South | Feet from the<br>1980 | East/West line<br>West | County<br>LEA |
| <sup>12</sup> Dedicated Acres<br>319.42 |              | <sup>13</sup> Joint or Infill |              | <sup>14</sup> Consolidation Code |                     | <sup>15</sup> Order No.   |                       |                        |               |

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



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0|30|16.810000

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACERAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| <sup>1</sup> API Number<br>30-025-51917 | <sup>2</sup> Pool Code<br>98333                            | <sup>3</sup> Pool Name<br>WC025 G09 S173615C ; UPPER PENN |
| <sup>4</sup> Property Code<br>334679    | <sup>5</sup> Property Name<br>CAPITAN 22301 32-5 STATE COM | <sup>6</sup> Well Number<br>5H                            |
| <sup>7</sup> OGRID No.<br>260297        | <sup>8</sup> Operator Name<br>BTA OIL PRODUCERS, LLC       | <sup>9</sup> Elevation<br>3925'                           |

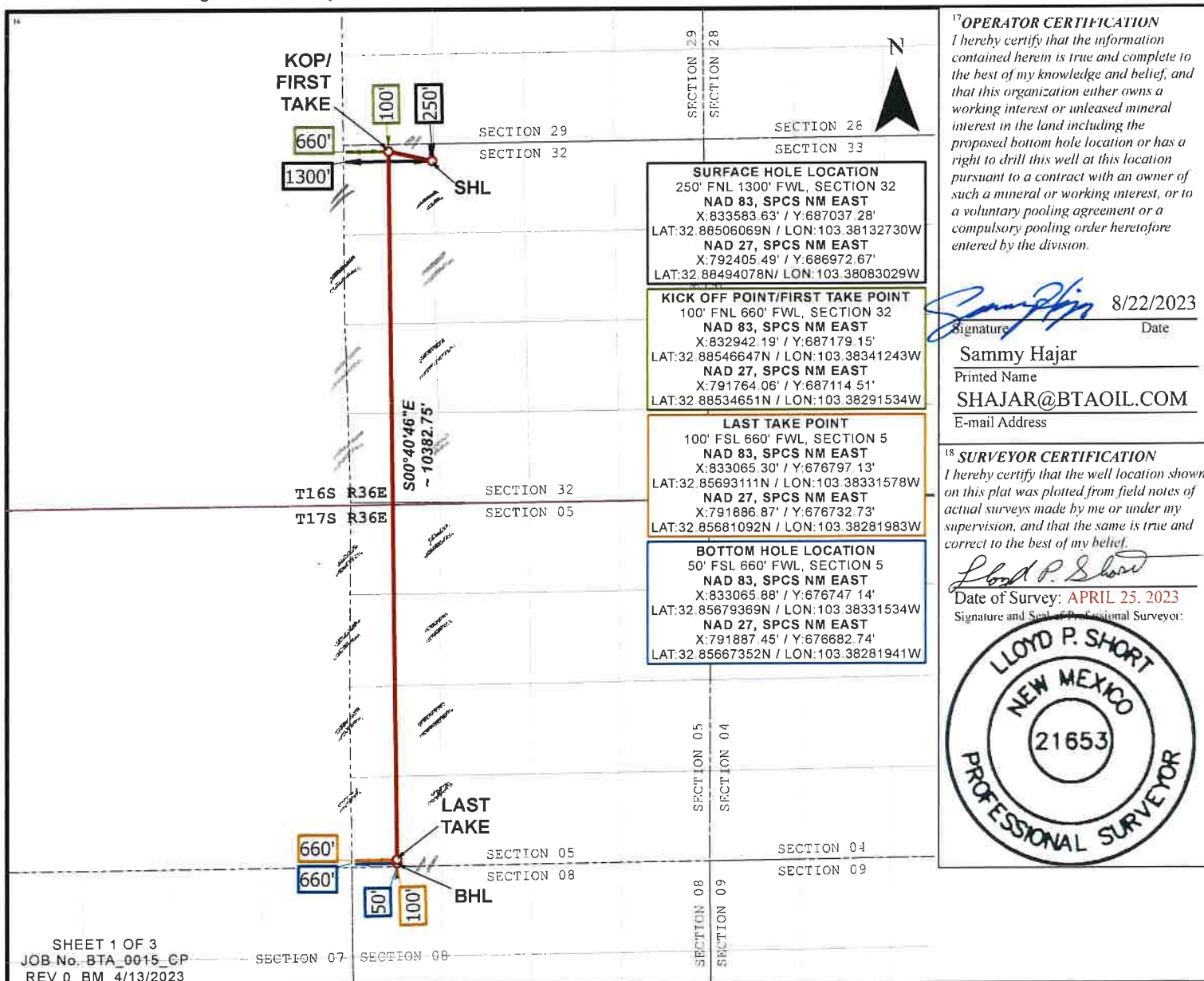
<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 32      | 16S      | 36E   |         | 250           | North            | 1300          | West           | LEA    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no.                           | Section                       | Township                         | Range                   | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|--------|
| M                                       | 5                             | 17S                              | 36E                     |         | 50            | South            | 660           | West           | LEA    |
| <sup>12</sup> Dedicated Acres<br>319.37 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |         |               |                  |               |                |        |

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



**Pending Approval****NM State Land Office  
Oil, Gas, & Minerals Division****STATE/STATE OR  
STATE/FEE**  
Revised December 2021**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 25 - 51917STATE OF NEW MEXICO ) Well Name: Capitan 22301 32-5 State Com #005H  
SS)

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C ; UPPER PENN formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State

1



NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W2 W2 Section 32, T16S-R36E, and Lot 4, SW4 NW4, W2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.37 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



4. BTA Oil Producers, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: BTA Oil Producers, LLC

OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport, Jr.

(Signature of Authorized Agent)

ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date : 09/26/2023

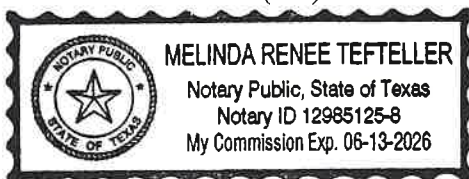
By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)

(Seal)

Melinda Renee Tefeller

Signature of Notarial Officer



My commission expires: 6-13-26

Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport, Jr.

(Signature of Authorized Agent)

ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

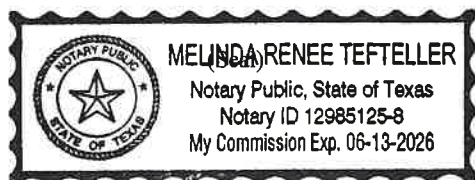
State of Texas )  
 County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

**Lease # and Lessee of Record:** B1-0639-0005; Occidental Permian Limited Partnership

**BY:** James Laning, Attorney-in-Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

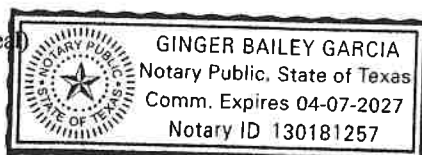
State of Texas )  
 County of Harris )

This instrument was acknowledged before me on October 24, 2023 Date: \_\_\_\_\_

By: James Laning, Attorney-in-Fact of Occidental Permian limited partnership,  
a Texas limited partnership.

Name(s) of Person(s)

(Seal)



Signature of Notarial Officer

My commission expires: 4/7/2027

**Lease # and Lessee of Record:** B0-4119-0017; Chevron U.S.A., Inc.

**BY:** BEN J. WILSON, ATTORNEY-IN-FACT (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 County of \_\_\_\_\_ )  
 )  
 )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
 Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 County of Harris )  
 )  
 )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 10-17-2023

By: Ben J. Wilson

Name(s) of Person(s)



[Signature]  
 Signature of Notarial Officer

My commission expires: 01-07-2026



**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Chevron U.S.A., Inc.,

, (Record Title Holders/Lessees of Record) covering

the Subdivisions : W2 W2 of Section 32, Twnshp 16 South, Rnge 36 East, and Lot  
4, SW4 NW4, W2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

OPERATOR of Communitized Area: BTA Oil Producers, LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0791-0001

Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: W/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 160

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005

Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 4, SW4 NW4 of

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 79.37

**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Chevron U.S.A., Inc.Serial No. of Lease: B0-4119-0017Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: W2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 80**RECAPITULATION**

| <b>Tract number</b> | <b>Number of Acres<br/>Committed</b> | <b>Percentage of Interest<br/>In Communitized Area (Must equal 100%)</b> |
|---------------------|--------------------------------------|--|
| No. 1               | <u>160</u>                           | <u>50.0986%</u>  |
| No. 2               | <u>79.37</u>                         | <u>24.8521%</u>  |
| No. 3               | <u>80</u>                            | <u>25.0493%</u>  |
| TOTALS              | <u>319.37</u>                        | <u>100.0000%</u>   |

**Pending Approval****NM State Land Office  
Oil, Gas, & Minerals Division****STATE/STATE OR  
STATE/FEE**  
Revised December 2021**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 25 - 51918STATE OF NEW MEXICO ) Well Name: Capitan 22301 32-5 State Com #006H  
SS)

COUNTY OF LEA )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) September 26, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the WC025 G09 S173615C ; UPPER PENN formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State

1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E2 W2 Section 32, T16S-R36E, and Lot 3, SE4 NW4, E2 SW4

Of Sect(s): 5 Twp: 17S Rng: 36E NMPM Lea County, NM

Containing 319.42 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. BTA Oil Producers, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by BTA Oil Producers, LLC.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: **(a)** a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or **(b)** each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized



area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.


IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: BTA Oil Producers, LLC



OPERATOR: BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)  
ABO

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
SS)  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
SS)  
County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date : 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)

(Seal)



Signature of Notarial Officer

My commission expires: 6-13-26



Lease # and Lessee of Record: VC-0791-0001, BTA OIL PRODUCERS, LLC  
 BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)  
 ABD

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

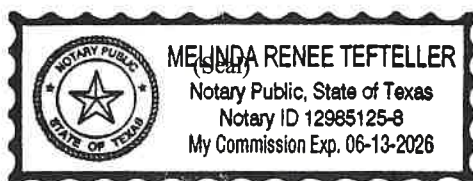
State of Texas )  
 )  
 County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 09/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



  
 Signature of Notarial Officer

My commission expires: 6-13-26

**Lease # and Lessee of Record:** B1-0639-0005; Occidental Permian Limited Partnership

**BY:** James Laning, Attorney-in-Fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 )  
 County of Harris )

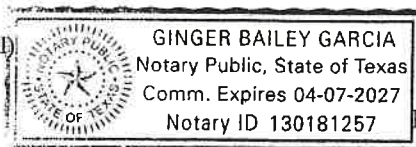
This instrument was acknowledged before me on October 24, 2023 Date: \_\_\_\_\_

By: James Laning, Attorney-in-Fact of Occidental Permian Limited

Partnership, a Texas limited partnership.

Name(s) of Person(s)

(Seal)



Signature of Notarial Officer

My commission expires: 4/7/2027

Lease # and Lessee of Record: VC-1151-0001; BTA Oil Producers, LLC

BY: Robert M. Davenport, Jr., Member (Name and Title of Authorized Agent)

Robert M. Davenport Jr.

(Signature of Authorized Agent)

*RMD*

### Acknowledgment in an Individual Capacity

State of )

SS)

County of )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )

SS)

County of Midland )

This instrument was acknowledged before me on

Date: 9/26/2023

By: Robert M. Davenport, Jr., Member

Name(s) of Person(s)



Melinda Renee Tefteller

Signature of Notarial Officer

My commission expires: 6-13-26

Lease # and Lessee of Record: B0-4119-0018; Maverick Permian LLC

BY: Justin F Foley - Vice President of Land (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_ )  
 )  
 County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date

By

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
 Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 )  
 County of Harris )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 12/6/2023

By: Justin F Foley - VP - Land

Name(s) of Person(s)



[Signature]  
 Signature of Notarial Officer

My commission expires: 1/21/2026

ONLINE  
 version  
 December 9, 2021

State/State

6

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated September 26, 2023

by and between BTA Oil Producers, LLC, (Operator) Occidental Permian LTD,

Maverick Permian LLC, \_\_\_\_\_,

(Record Title Holders/Lessees of Record) covering the Subdivisions : E2 W2 of

Section 32, Twnshp 16 South, Rnge 36 East, and Lot 3, SE4 NW4, E2 SW4

Sect(s): 5, Twnshp 17 South, Rnge: 36 East, NMPM Lea County, NM

Limited in depth the Pennsylvanian Shale Formation.

OPERATOR of Communitized Area: BTA Oil Producers, LLC

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: BTA Oil Producers, LLC

Serial No. of Lease: VC-0791-0001

Date of Lease: October 1, 2020

Description of Lands Committed:

Subdivisions: E/2 W/2 of

Sect(s): 32 Twnshp: 16 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 160

**TRACT NO. 2**

Lessor: State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Occidental Permian LTD

Serial No. of Lease: B1-0639-0005

Date of Lease: September 10, 1943

Description of Lands Committed:

Subdivisions: Lot 3

Sect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NM

No. of Acres: 39.42



**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: BTA Oil Producers, LLCSerial No. of Lease: VC-1151-0001Date of Lease: August 1, 2023

Description of Lands Committed:

Subdivisions: SE4 NW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 40**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Maverick Permian LLCSerial No. of Lease: B0-4119-0018Date of Lease: April 10, 1935

Description of Lands Committed:

Subdivisions: E2 SW4 ofSect(s): 5 Twnshp: 17 South, Rng: 36 East, NMPM Lea County, NMNo. of Acres: 80**RECAPITULATION**

| <b>Tract number</b> | <b>Number of Acres<br/>Committed</b> | <b>Percentage of Interest<br/>In Communitized Area (Must equal 100%)</b> |
|---------------------|--------------------------------------|--|
| No. 1               | <u>160</u>                           | <u>50.0908%</u>  |
| No. 2               | <u>39.42</u>                         | <u>12.3411%</u>  |
| No. 3               | <u>40</u>                            | <u>12.5227%</u>  |
| No. 4               | <u>80</u>                            | <u>25.0454%</u>  |
| TOTALS              | <u>319.42</u>                        | <u>100.0000%</u>   |

**Affected Parties Requiring Notification**

| Tracking #<br>(Certified W/ Digital Return Receipt) | Name & Address  |
|---|---|
| 92148969009997901831745068                          | Occidental Permian Limited Partnership, 5<br>Greenway Plaza, Suite 110, Houston, TX, 77046                              |
| 92148969009997901831745075                          | Oxy USA WTP Limited Partnership Attn: New<br>Mexico Land Department, 5 Greenway Plaza,<br>Suite 110, Houston, TX, 77046 |
| 92148969009997901831745082                          | Chevron U.S.A. Inc. Attn: NOJV, 1400 Smith<br>Street, Houston, TX, 77008  |
| 92148969009997901831745099                          | The State Of New Mexico Commissioner Of<br>Public Lands, P. O. Box 1148, Santa Fe, NM,<br>87504                         |

Chevron Letter had to  
be resent  
1-17-24, Land provided  
the wrong  
ZIP Code the first time.  
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SEE NEXT PAGE

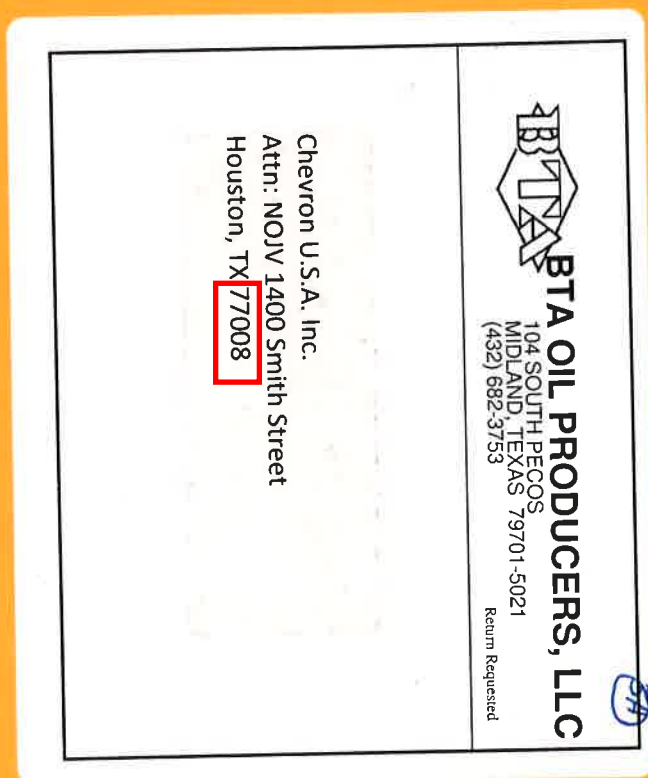
Chevron Letter had  
to be resent  
1-17-24, Land  
provided the wrong  
ZIP Code the first  
time

These are the  
scans of the  
postage for the  
resend to the  
correct address

| SENDER: COMPLETE THIS SECTION   |  | COMPLETE THIS SECTION ON DELIVERY   |  |
|---|--|---|--|
| <p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>   |  | <p>A. Signature<br/><b>X</b> <span style="float: right;"><input type="checkbox"/> Agent<br/><input type="checkbox"/> Addressee</span></p>               |  |
| <p>1. Article Addressed to:</p> <p><b>Chevron U.S.A Inc</b><br/><b>1400 Smith St</b><br/><b>Houston, TX 77002</b></p>   |  | <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>   |  |
| <p>2. Article Number (Transfer from service label)</p> <p><b>7022 2410 0000 9234 8347</b></p>   |  | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes<br/>If YES, enter delivery address below: <input type="checkbox"/> No</p> |  |
| <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <span style="float: right;"><input type="checkbox"/> Priority Mail Express®</span><br/> <input type="checkbox"/> Adult Signature Restricted Delivery <span style="float: right;"><input type="checkbox"/> Registered Mail™</span><br/> <input type="checkbox"/> Certified Mail® <span style="float: right;"><input type="checkbox"/> Registered Mail Restricted Delivery</span><br/> <input type="checkbox"/> Certified Mail Restricted Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation™</span><br/> <input type="checkbox"/> Collect on Delivery <span style="float: right;"><input type="checkbox"/> Signature Confirmation Restricted Delivery</span><br/> <input type="checkbox"/> Collect on Delivery Restricted Delivery<br/> <input type="checkbox"/> Insured Mail<br/> <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> |  |   |  |
| <p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>   |  | <p>Domestic Return Receipt</p>  |  |

| U.S. Postal Service™<br>CERTIFIED MAIL® RECEIPT<br>Domestic Mail Only   |                          |
|---|--------------------------|
| <p>For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>®.</p> <p><b>OFFICIAL USE</b></p>   |                          |
| <p>Certified Mail Fee<br/>\$</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <p><input type="checkbox"/> Return Receipt (hardcopy) \$</p> <p><input type="checkbox"/> Return Receipt (electronic) \$</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery \$</p> <p><input type="checkbox"/> Adult Signature Required \$</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery \$</p> <p>Postage<br/>\$</p> <p>Total Postage and Fees<br/>\$</p> | <p>Postmark<br/>Here</p> |
| <p>Sent To <b>Chevron U.S.A. INC</b><br/> Street and Apt. No., or PO Box No. <b>1400 Smith St</b><br/> City, State, ZIP+4® <b>Houston, TX 77002</b></p>   |                          |
| <p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>   |                          |

THIS IS THE  
LETTER THAT  
WAS RETURNED  
1-17-2024



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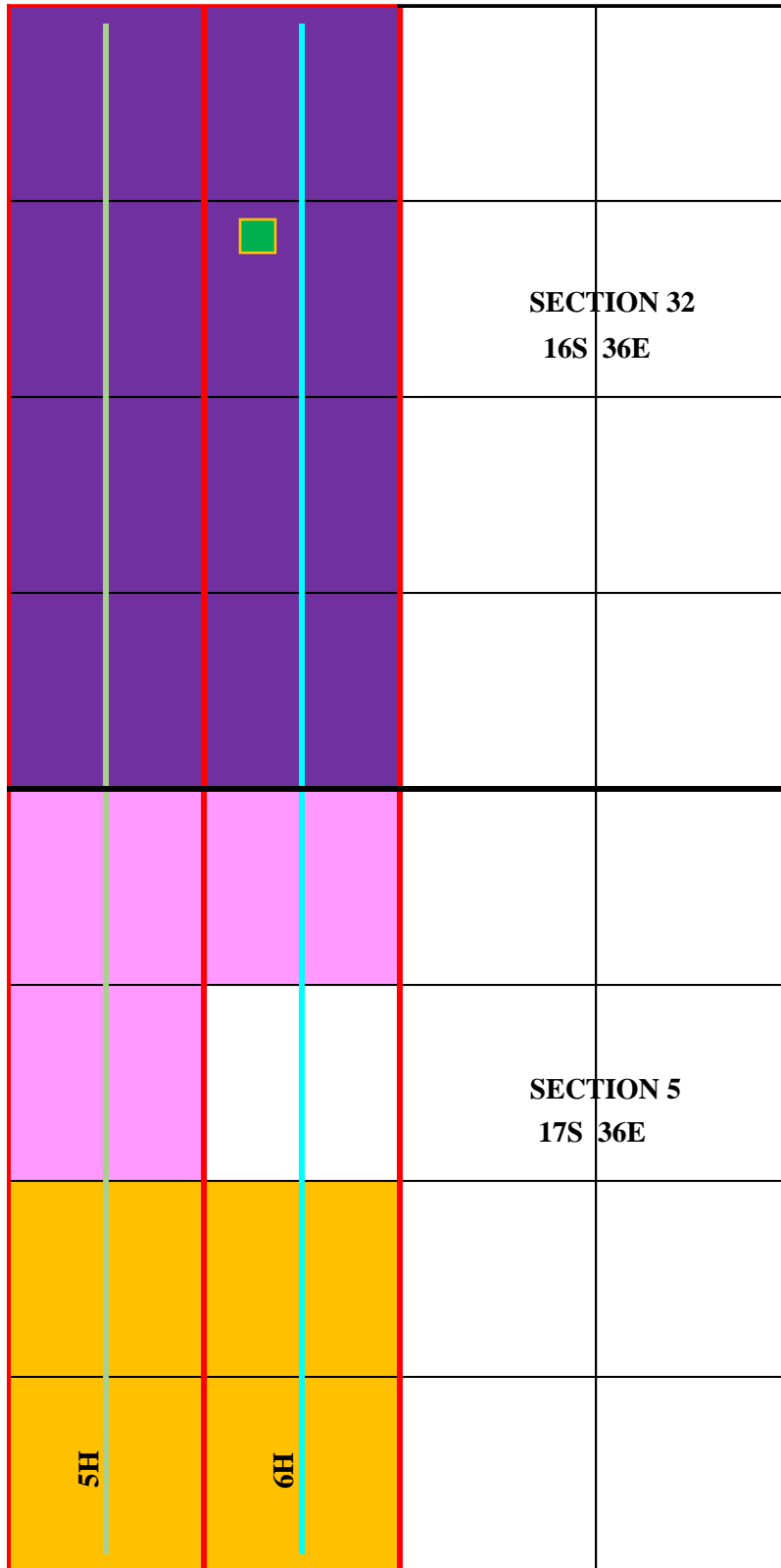
CERTIFIED MAIL™








RECEIVED  
JAN 17 2024  
BTA  
OIL PRODUCERS

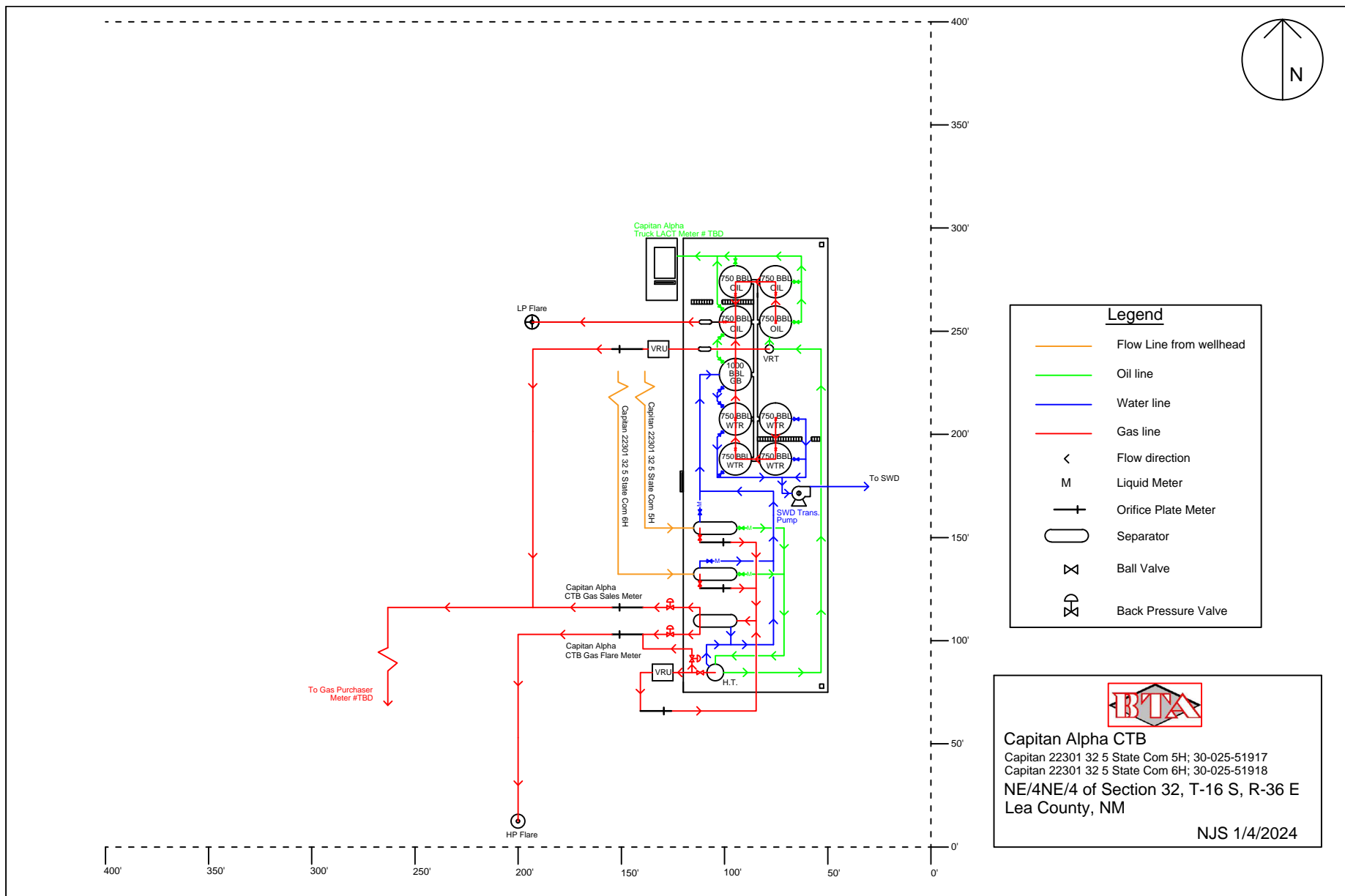


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**BTA Capitan 22301 32-5 State Com Drilling and Spacing Units**



-  **State of NM OGL VC-0791**
-  **State of NM OGL B1-0639**
-  **State of NM OGL VC-1151**
-  **State of NM OGL B0-4119**
-  **Capitan 22301 32-5 State Com #5H**
-  **Capitan 22301 32-5 State Com #6H**
-  **Capitan Alpha CTB**





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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY BTA OIL PRODUCERS, LLC**

**ORDER NO. CTB-1113**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. BTA Oil Producers, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.

10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



---

**ALBERT CHANG  
DIRECTOR**

**DATE:** 7/16/2025

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1113**

Operator: **BTA Oil Producers, LLC (260297)**

Central Tank Battery: **Capitan Alpha Central Tank Battery**

Central Tank Battery Location: **UL F, Section 32, Township 16 South, Range 36 East**

Gas Title Transfer Meter Location: **UL F, Section 32, Township 16 South, Range 36 East**

### Pools

| Pool Name                              | Pool Code    |
|--|--------------|
| <b>WC-025 G-09 S173615C;UPPER PENN</b> | <b>98333</b> |

### Leases as defined in 19.15.12.7(C) NMAC

| Lease                                       | UL or Q/Q      | S-T-R             |
|---|----------------|-------------------|
| <b>CA Upper Penn SLO 204759 PUN 1402020</b> | <b>W/2 W/2</b> | <b>32-16S-36E</b> |
|   | <b>W/2 W/2</b> | <b>05-17S-36E</b> |
| <b>CA Upper Penn SLO 204760 PUN 1402038</b> | <b>E/2 W/2</b> | <b>32-16S-36E</b> |
|   | <b>E/2 W/2</b> | <b>05-17S-36E</b> |

### Wells

| Well API            | Well Name                           | UL or Q/Q      | S-T-R             | Pool         |
|---------------------|-------------------------------------|----------------|-------------------|--------------|
| <b>30-025-51917</b> | <b>CAPITAN 22301 32 5 STATE COM</b> | <b>W/2 W/2</b> | <b>32-16S-36E</b> | <b>98333</b> |
|                     | <b>#005H</b>                        | <b>W/2 W/2</b> | <b>05-17S-36E</b> |              |
| <b>30-025-51918</b> | <b>CAPITAN 22301 32 5 STATE COM</b> | <b>E/2 W/2</b> | <b>32-16S-36E</b> | <b>98333</b> |
|                     | <b>#006H</b>                        | <b>E/2 W/2</b> | <b>05-17S-36E</b> |              |

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS

Action 296703

CONDITIONS

|   |   |
|---|---|
| Operator:<br>BTA OIL PRODUCERS, LLC<br>104 S Pecos<br>Midland, TX 79701 | OGRID:<br>260297  |
|   | Action Number:<br>296703  |
|   | Action Type:<br>[C-107] Surface Commingle or Off-Lease (C-107B) |

CONDITIONS

| Created By     | Condition   | Condition Date |
|----------------|---|----------------|
| sarah.clelland | Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at <a href="mailto:OCD.Engineer@emnrd.nm.gov">OCD.Engineer@emnrd.nm.gov</a> . | 7/17/2025      |