

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 22325

EXHIBIT INDEX

Compulsory Pooling Checklist

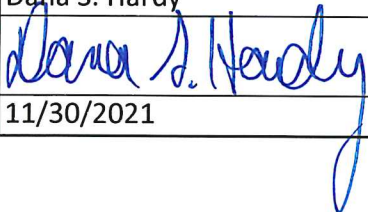
- Exhibit A** **Self-Affirmed Statement of Nick C. McClelland**
- A-1 Application & Proposed Notice of Hearing
- A-2 C-102(s)
- A-3 Plat of Tracts, Tract Ownership, Pooled Party, Unit Recapitulation
- A-4 Sample Well Proposal Letter & AFE(s)
- A-5 Summary of Communications
- A-6 Hearing Notice Letter and Return Receipts
- A-7 Affidavit of Publication

- Exhibit B** **Self-Affirmed Statement of John Worrall**
- B-1 Location Map
- B-2 Structure Map
- B-3 Cross Section

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22325
Hearing Date:	12/2/2021
Applicant	Manzano LLC
Designated Operator & OGRID	OGRID # 231429
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Manzano LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors	
Well Family	Bodacious
Formation/Pool	
Formation Name(s) or Vertical Extent	Upper Penn
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Upper Penn
Pool Name and Pool Code	Upper Penn pool (98333)
Well Location Setback Rules	Statewide
Spacing Unit Size	280-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	SE/4SE/4 of Section 9, E/2E/2 of Section 16, and E/2NE/4 of Section 21, Township 17 South, Range 36 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/a
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Bodacious State #91H (API # pending) SHL: 1460 FSL, 660 FEL, Unit I, S9-T17S-R36E BHL: 2590 FNL, 660 FEL, Unit H, S21-T17S-R36E Completion Target: Upper Penn (Approx. 12100' TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	7,500
Production Supervision/Month \$	750
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	
Date:	11/30/2021

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 22325

SELF-AFFIRMED STATEMENT
OF NICK C. MCCLELLAND

1. I am the Land Manager at Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of the application and proposed hearing notice in this case are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. Manzano seeks an order pooling all uncommitted interests in the *Upper Penn Pool* (code 98333) underlying a standard 280-acre, more or less, horizontal spacing unit (“Unit”) comprised of the SE/4SE/4 of Section 9, E/2E/2 of Section 16, and E/2NE/4 of Section 21, Township 17 South, Range 36 East, Lea County, New Mexico.

5. The Unit will be dedicated to the **Bodacious State Com #91H** well (“Well”), which will be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 9 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 21.

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

MANZANO LLC
Case No. 22325
Exhibit A

7. **Exhibit A-2** contains the C-102 for the Well.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Manzano seeks to pool highlighted in yellow.

9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

10. Manzano has conducted a diligent search of all county public records including phone directories and computer databases.

11. All interest owners Manzano seeks to pool are locatable.

12. In my opinion, Manzano made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

13. Manzano requests overhead and administrative rates of \$7,500 per month while the Well is being drilled and \$750 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Manzano and other operators in the vicinity.

14. Notice of this application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.

15. Notice of this application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

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

17. In my opinion, the granting of Manzano's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



Nick C. McClelland

11/19/21
Date

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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 22325

APPLICATION

Pursuant to NMSA § 70-2-17, Manzano LLC (“Applicant”) (OGRID No. 231429) applies for an order pooling all uncommitted mineral interests in the Upper Penn formation underlying a 280-acre, more or less, standard horizontal spacing unit (“Unit”) comprised of the SE/4SE/4 of Section 9, E/2E/2 of Section 16, and E/2NE/4 of Section 21, Township 17 South, Range 36 East, Lea County, New Mexico. In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Bodacious State Com #91H** well (“Well”) to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 9 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 21.
3. The completed interval of the Well is orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all the mineral interest owners.
5. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

MANZANO LLC
Case No. 22325
Exhibit A-1

WHEREFORE, Applicant requests this application be set for hearing on December 2, 2021, and that after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
 Dana S. Hardy
 Michael Rodriguez
 P.O. Box 2068
 Santa Fe, NM 87504-2068
 Phone: (505) 982-4554
 Facsimile: (505) 982-8623
 dhardy@hinklelawfirm.com
 mrodriguez@hinklelawfirm.com
 Counsel for Manzano LLC

Application of Manzano LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Lower Canyon formation underlying a 280-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the SE/4SE/4 of Section 9, E/2E/2 of Section 16, and E/2NE/4 of Section 21, Township 17 South, Range 36 East, Lea County, New Mexico. The Unit will be dedicated to the **Bodacious State #91H** well ("Well") to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 9 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 21. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 6 miles south of Lovington, New Mexico.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 354-6178 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 and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name BODACIOUS STATE	Well Number 91H
OGRID No.	Operator Name MANZANO LLC	Elevation 3861'

Surface Location

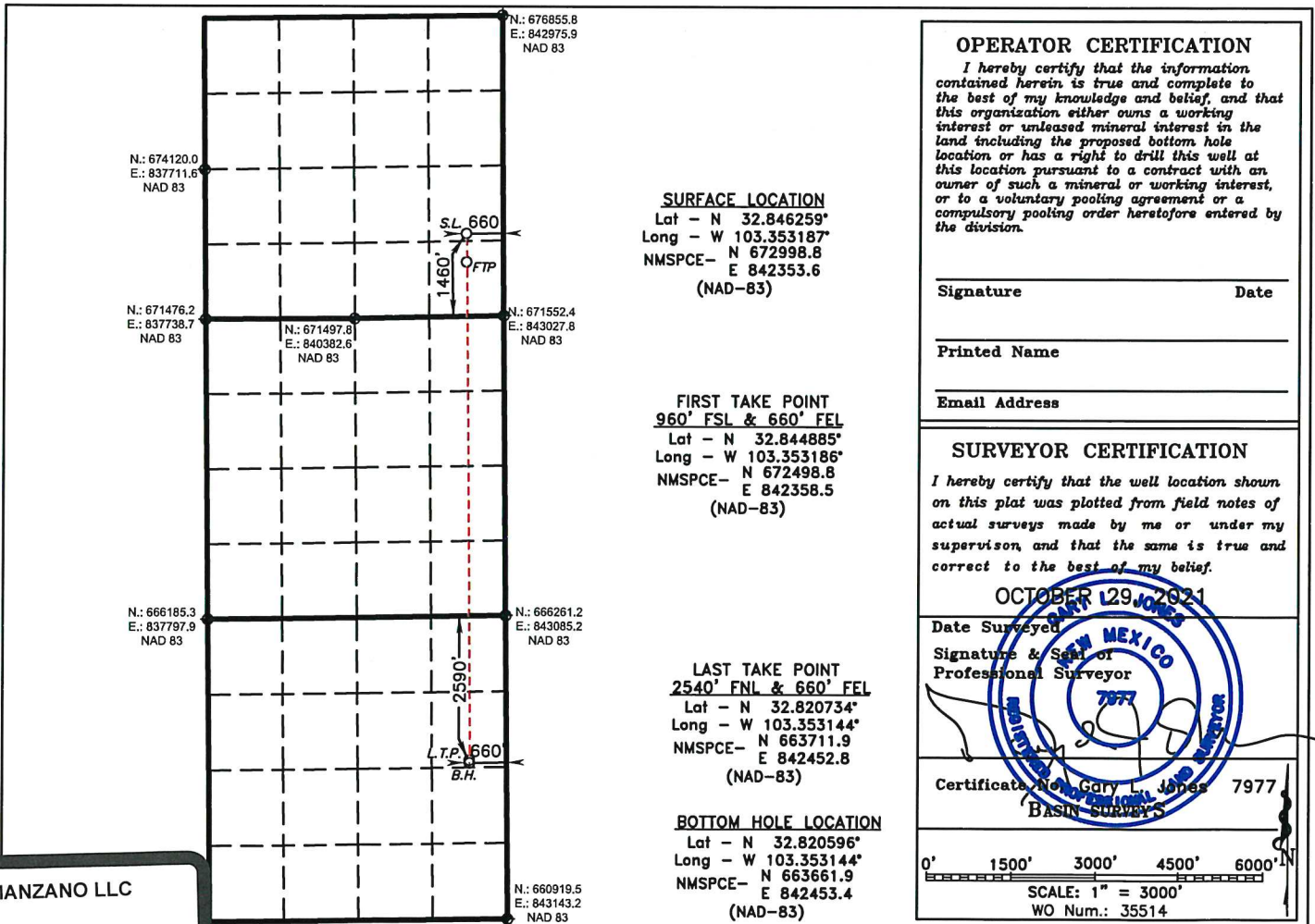
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	9	17 S	36 E		1460	SOUTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	21	17 S	36 E		2590	NORTH	660	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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

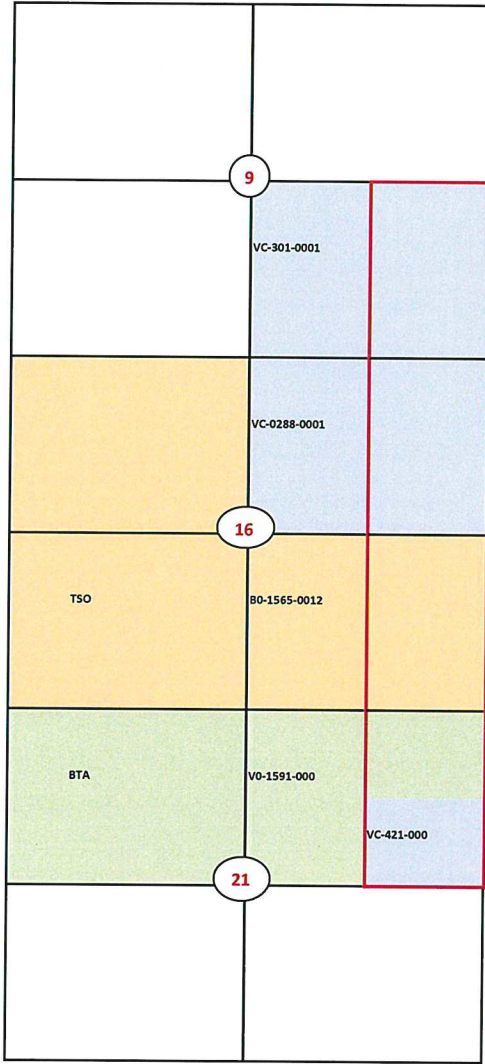


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Released to Imaging: 11/30/2021 1:49:11 PM

MANZANO LLC
Case No. 22325
Exhibit A-2

Exhibit A-3 Recapitulation
Manzano, LLC



T17S
R36E

Spacing Unit for Bodacious State Com #91H

MANZANO LLC
Case No. 22325
Exhibit A-3

Exhibit A-3 Recapitulation
Manzano, LLC

Spacing Unit

175-36E - Section 9: SE/4SE/4, Section 16: E/2E/2, Section 21: E/2NE/4
280

Tract 1	Section 9: SE/4SE/4 VC-301-0002 Section 16: E/2NE/4 VC-255-0002	Owner/Entity	WI	120 acres
		Manzano Energy Partners III, LLC	22.724%	27.26939
		Hanson Operating Company, Inc.	14.704%	17.6449
		Sharbro Energy, LLC	10.000%	12
		Abo Petroleum, LLC	5.000%	6
		Yates Energy Corporation	5.000%	6
		David Petroleum Corporation	4.000%	4.8
		Hanagan Petroleum Corporation	5.013%	6.015306
		Hutchings Oil Company	3.342%	4.010204
		Worrall Investment Corporation	2.673%	3.208163
		Scott Winn, LLC	2.000%	2.4
		Richard J. Forrest, Jr. & Susan Forrest Revocable Trust	2.673%	3.208163
		JAY III, LLC	2.000%	2.4
		Ruidoso Downs Racing, Inc.	2.673%	3.208163
		Babe Development, LLC	2.673%	3.208163
		McBride Minerals, LLC	1.337%	1.604082
		801, LLC	1.500%	1.8
		Hat Mesa, LLC	1.337%	1.604082
		Centennial, LLC	1.000%	1.2
		Scott Investment Corporation	1.337%	1.604082
		JTD Resources, LLC	1.337%	1.604082
		Axis Energy Corporation	1.337%	1.604082
		Cathryn Isabella Fenn Trust	1.000%	1.2
		Warren, Inc.	1.000%	1.2
		Warren Associates	1.000%	1.2
		SCW Interiors, Inc.	0.668%	0.80204
		Wade Petroleum Corporation	0.668%	0.80204
		Ernest Angelo, Jr.	0.500%	0.6
		Discovery Exploration	0.500%	0.6
		Gannaway Oil, LLC	0.334%	0.401021
		John Thompson	0.334%	0.401021
		Bowtie Slash Energy, Inc.	0.334%	0.401021
		TOTAL	100.000%	120

Tract 2	Section 16: E/2SE/4 B0-1565-012	Texas Standard Oil, LLC	100%	80
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Tract 3	Section 21: NE/4NE/4 V0-1591	BTA Oil Producers	100%	40
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Tract 4	Section 21: SE/4NE/4 VC-421-000	Owner/Entity	WI	40 acres
		Manzano Energy Partners III, LLC	22.9951%	9.198044
		Hanson Operating Company, Inc.	16.2190%	6.4876
		Sharbro Energy, LLC	10.0000%	4
		Abo Petroleum, LLC	5.0000%	2
		Yates Energy Corporation	5.0000%	2
		David Petroleum Corporation	2.0000%	0.8
		Hanagan Petroleum Corporation	5.0000%	2
		Worrall Investment Corporation	2.6667%	1.06668
		Scott Winn, LLC	2.0000%	0.8
		Richard J. Forrest, Jr. & Susan Forrest Revocable Trust	2.6667%	1.06668
		JAY III, LLC	2.0000%	0.8
		Ruidoso Downs Racing, Inc.	2.6667%	1.06668
		Babe Development, LLC	3.7533%	1.50132
		McBride Minerals, LLC	1.3333%	0.53332
		801, LLC	1.5000%	0.6
		Centennial, LLC	1.0000%	0.4
		Scott Investment Corporation	1.3333%	0.53332
		JTD Resources, LLC	1.3333%	0.53332
		Warren, Inc.	1.0000%	0.4
		Ernest Angelo, Jr.	0.6667%	0.26668
		Discovery Exploration	0.6667%	0.26668
		Gannaway Oil, LLC	0.3333%	0.13332
		John Thompson	0.3333%	0.13332
		Bowtie Slash Energy, Inc.	0.3333%	0.13332
		Joyco Investments, LLC	3.1046%	1.24184
		CLM Production Company	0.0947%	0.03788
		JOY Holdings, LLC	3.0000%	1.2
		SR Primo Holdings, LLC	0.3333%	0.13332
		Scott Exploration	0.6667%	0.26668
		TOTAL	100.0000%	40

Exhibit A-3 Recapitulation
Manzano, LLC

RECAPITULATION

Working Interest for each party in 280 acre proposed spacing unit:

Owner/Entity	WI	280 acre
Manzano Energy Partners III, LLC	13.0241%	36.46743
Hanson Operating Company, Inc.	8.6187%	24.1325
Sharbro Energy, LLC	5.7143%	16
Abo Petroleum, LLC	2.8571%	8
Yates Energy Corporation	2.8571%	8
David Petroleum Corporation	2.0000%	5.6
Hanagan Petroleum Corporation	2.8626%	8.015306
Hutchings Oil Company	1.4322%	4.010204
Worrall Investment Corporation	1.5267%	4.274843
Scott Winn, LLC	1.1429%	3.2
Richard J. Forrest, Jr. & Susan Forrest Revocable Trust	1.5267%	4.274843
JAY III, LLC	1.1429%	3.2
Ruidoso Downs Racing, Inc.	1.5267%	4.274843
Babe Development, LLC	1.6820%	4.709483
McBride Minerals, LLC	0.7634%	2.137402
801, LLC	0.8571%	2.4
Hat Mesa, LLC	0.5729%	1.604082
Centennial, LLC	0.5714%	1.6
Scott Investment Corporation	0.7634%	2.137402
JTD Resources, LLC	0.7634%	2.137402
Axis Energy Corporation	0.5729%	1.604082
Cathryn Isabella Fenn Trust	0.4286%	1.2
Warren, Inc.	0.5714%	1.6
Warren Associates	0.5714%	1.6
SCW Interiors, Inc.	0.2864%	0.80204
Wade Petroleum Corporation	0.2864%	0.80204
Ernest Angelo, Jr.	0.3095%	0.86668
Discovery Exploration	0.3095%	0.86668
Gannaway Oil, LLC	0.1908%	0.534341
John Thompson	0.1908%	0.534341
Bowtie Slash Energy, Inc.	0.1908%	0.534341
Joyco Investments, LLC	0.4435%	1.24184
CLM Production Company	0.0135%	0.03788
JOY Holdings, LLC	0.4286%	1.2
SR Primo Holdings, LLC	0.0476%	0.13332
Scott Exploration	0.0952%	0.26668
BTA Oil Producers, Inc.	14.2857%	40
Texas Standard Oil, LLC	28.5714%	80
TOTAL	100.0000%	280

TOTAL FP:	42.8571%	120
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September 22, 2021

BTA Oil Producers, LLC
104 South Pecos
Midland, TX 79701

ATTN: Rex Barker

RE: Manzano, LLC Bodacious State #91H ("Well")
Township 17 South, Range 36 East
Surface Location: Section 9: 1460' FSL & 660' FEL
Bottom Hole Location: Section 21: 2590' FNL & 660' FEL
Lea County, New Mexico

Manzano, LLC ("Manzano"), as Operator, hereby proposes to drill the captioned Well at the referenced Surface Location to the referenced Bottom Hole Location. The Well will be drilled to a true vertical depth of approximately 12,100' +/- 100' from surface and drilled horizontally to a measured depth of approximately 21,000 feet.

The Horizontal Spacing Unit ("HSU") for the Well will be 280 acres consisting of the SE4SE4 of Section 9-17s-36e, the E2E2 of Section 16-17s-36e and the E2NE4 of Section 21-17s-36e.

Manzano is proposing to drill the Well subject to the terms and conditions of a modified 1989H AAPL form of Operating Agreement which will be provided to you upon your request.

We anticipate spudding the Well in the 1st Quarter of 2022.

Enclosed herewith, please find our Authority for Expenditure ("AFE") which represents our estimated cost to drill and complete the Well.

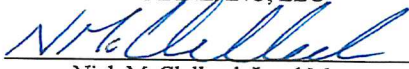
If you wish to participate in the Well, please execute and return a copy of the enclosed AFE and we will stay in touch with you about timing & paperwork.

Should you not be interested in joining in the drilling of the above referenced well, Manzano hereby offers to purchase a three (3) year Term Assignment ("Assignment") covering your interest in the proposed Horizontal Spacing Unit (which in your case is 40.00 acres in the NE/4NE/4 of Section 21-17s-36e) for \$500.00 per net acre delivered to Manzano (\$20,000.00) with you retaining an overriding royalty interest equal to existing burdens and 75% (ie, deliver a 75% NRI).

If you have any question or wish to discuss this proposal in further detail, please do not hesitate to give me a call at 575-623-1996 extension 309 or my cell phone number is 575-420-0173 (email is nick@manzanoenergy.com).

Sincerely,

MANZANO, LLC



Nick McClelland, Land Manager

MANZANO LLC
Case No. 22325
Exhibit A-4

MANZANO, LLC
Authority For Expenditure

PAGE 1 of 1

OPERATOR MANZANO, LLC	AFE # 1	DATE 9/22/2021
WELL NAME AND NUMBER BODACIOUS STATE #91H	FIELD OR PROSPECT SHOE BAR	
LOCATION - SL: 1460' FS & 660' FE - Sec 9-17s-36e BHL: 2590' FN & 660' FE-sec 21-17s-36e	SECTION (SL) 9	TOWNSHIP 17s
PROJECT DESCRIPTION AND LOCATION DRILL & COMPLETE 1.6-MILE LATERAL IN LOWER CANYON SHALE	COUNTY LEA	STATE NEW MEXICO
	PROPOSED FORMATION LOWER CANYON	PROPOSED DEPTH (tvd/md) 12100' TVD/21000' MD

COMMENTS:
3 Casing Strings - OBM in lateral - 37 Stage/21mm# (2500#/ft)

INTANGIBLES	Cost To Casing Point	Completion Costs	TOTAL
Footage			
Drilling on Day Work - BCP	\$475,000		\$475,000
Drilling on Day Work - ACP		\$76,000	\$76,000
Drilling Rig - Move In/Move Out & Rig Up/Rig Down	\$300,000		\$300,000
Completion Rig & Coiled Tubing Unit		\$175,000	\$175,000
Survey, Permit, Damages, ROW & Legal	\$50,000	\$20,000	\$70,000
Road, Location, Pits, Fencing	\$100,000	\$25,000	\$125,000
Bits & Casing Tools	\$125,000		\$125,000
Rig Fuel	\$116,000		\$116,000
Mud and Chemicals	\$275,000		\$275,000
Drilling & Completion Water	\$20,000	\$625,000	\$645,000
Cementing and Cement Equipment	\$100,000	\$100,000	\$200,000
Mud Logging, Coring & DST's	\$30,000		\$30,000
Open Hole Logging			
Cased Hole Logging & Wireline Services		\$200,000	\$200,000
Equipment Rentals	\$250,000	\$175,000	\$425,000
Directional Services	\$300,000		\$300,000
Acidizing, Fracing & Stimulation		\$2,000,000	\$2,000,000
Tubular Inspection/Repair, Nipple Up	\$75,000	\$25,000	\$100,000
Casing Crews, Tools and Services	\$25,000	\$25,000	\$50,000
Labor & Installation		\$175,000	\$175,000
Supervision	\$63,000	\$30,000	\$93,000
Well Control Insurance	\$10,000		\$10,000
Administrative Overhead	\$7,500	\$5,000	\$12,500
Production Testing & Flowback		\$25,000	\$25,000
Abandonment Expense			
Disposal of Fluids/Cuttings	\$225,000	\$25,000	\$250,000
Miscellaneous Costs, Contingencies @ 5%	\$194,563	\$325,682	\$520,245
TOTAL INTANGIBLES	\$2,741,063	\$4,031,682	\$6,772,745

TANGIBLES						Drilling	Completion	TOTAL
CASING	FOOTAGE	SIZE	WEIGHT	GRADE	COST/FT			
Conductor					\$ -			
Surface	2150	13 3/8"	54.5	J55	\$ 55.00	\$118,250		\$118,250
Surface					\$ -			
Intermediate	10400	9 5/8"	40	L80HC	\$ 45.00	\$468,000		\$468,000
Intermediate					\$ -			
Liner					\$ -			
Production	20400	5 1/2"	20	P110HC	\$ 25.00		\$510,000	\$510,000
Production					\$ -			
Tubing	11400	2 7/8'	6.5#	L80	\$ 8.00		\$91,200	\$91,200
Subsurface Equipment & Pumps							\$50,000	\$50,000
Wellhead Equipment						\$25,000	\$25,000	\$50,000
Pumping Unit								
Flowlines							\$100,000	\$100,000
Tanks & Storage							\$115,000	\$115,000
Separation Equipment							\$200,000	\$200,000
Gas Sales Line & Equipment							\$10,000	\$10,000
Electrical, Instrumentation & Monitoring							\$75,000	\$75,000
Valves, Connections, Pumps & Meters							\$100,000	\$100,000
TOTAL TANGIBLES						\$611,250	\$1,276,200	\$1,887,450
TOTAL WELL COSTS						\$3,352,313	\$5,307,882	\$8,660,195
ROUNDED PROJECT COST						\$3,352,000	\$5,308,000	\$8,660,000

JOINT INTEREST SHARE			
COMPANY NAME BTA Oil Producers, LLC	Signature BY:	DATE	
COMPANY OWNERSHIP-% WI-BCP 14.2857% WI-ACP 14.2857%	COMPANY COST-COST TO CASING POINT \$478,857	COMPANY COST-COMPLETION COST \$758,286	

Chronology of Contact:

Texas Standard Oil, LLC

9/22/2021- Mailed Bodacious State Com #91H Well Proposal and AFE to Chevron USA (county records reflect Chevron as current owner)

10/4/2021- Certified receipt reflects Chevron received Well Proposal and AFE.

10/20/2021- Spoke with Chevron representative about well proposal and AFE.

10/20/2021- Send Email to Chevron with digital copies of well proposal and AFE.

11/3/2021- Find conveyance assigning Chevron leasehold to Texas Standard Oil, LLC recorded 10/27/2021 in the Lea County Courthouse.

11/3/2021- Send email and certified mail to Texas Standard with well proposal and AFE.

11/5/2021- Certified receipts reflects Texas Standard Oil, LLC received well proposal and AFE.

11/15/2021- Virtual meeting with Texas Standard Oil, LLC, discussing options.





HINKLE SHANOR LLP
ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

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

November 5, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL INTERESTED PARTIES SUBJECT TO NOTICE

Re: Case No. 22325 - Application of Manzano LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 2, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

MANZANO LLC
Case No. 22325
Exhibit A-6

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332

PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554
(FAX) 505-982-8623

7601 JEFFERSON ST NE • SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

7020 2450 0002 1364 9629

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To BTA Oil Producers, LLC

Street and 104 South Pecos

City, State Midland, TX 79701

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

NOV 10 2021
POST OFFICE 87507

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

BTA Oil Producers, LLC
104 South Pecos
Midland, TX 79701



9590 9402 6769 1074 5742 40

2. Article Number (Transfer from service label)

7020 2450 0002 1364 9629

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 [Signature] Addressee

B. Received by (Printed Name) C. Date of Delivery
John Doe 11/3/21

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

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Insured Mail
 - Insured Mail Restricted Delivery (over \$500)
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

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

Domestic Return Receipt

7020 2450 0002 1364 9902

CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To Texas Standard Oil LLC

Street and # One Petroleum Center-Bldg. One

City, State, Zip 3300 North A Street, Ste. 105
Midland, TX 79705

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>X TX STANDARD</p> <p>B. Received by (Printed Name) SD SOU C-29</p> <p>C. Date of Delivery 11/13</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Standard Oil LLC One Petroleum Center-Bldg. One 3300 North A Street, Ste. 105 Midland, TX 79705</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7020 2450 0002 1364 9902</p>	

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

Domestic Return Receipt

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 07, 2021
and ending with the issue dated
November 07, 2021.



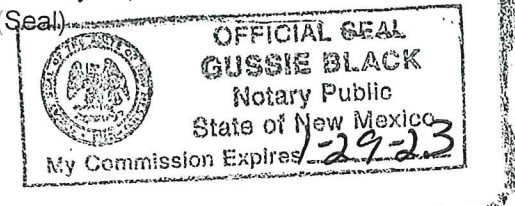
Publisher

Sworn and subscribed to before me this
7th day of November 2021.



Business Manager

My commission expires
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE November 7, 2021

This is to notify all interested parties, including BTA Oil Producers, LLC; Texas Standard Oil LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Manzano LLC (Case No. 22325). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 2, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order pooling all uncommitted mineral interests in the Upper Penn formation underlying a 280-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the SE/4SE/4 of Section 9, E/2E/2 of Section 16, and E/2NE/4 of Section 21, Township 17 South, Range 36 East, Lea County, New Mexico. The Unit will be dedicated to the **Bodacious State Com #91H** well ("Well") to be horizontally drilled from a surface location in the NE/4SE/4 (Unit I) of Section 9 to a bottom hole location in the SE/4NE/4 (Unit H) of Section 21. The completed interval of the Well will be orthodox. Also, to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 6 miles south of Lovington, New Mexico.
#37007

02107475

00260429

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



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

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 22325

SELF-AFFIRMED STATEMENT
OF JOHN WORRALL

1. I am a geologist at Manzano LLC (“Manzano”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”), and my credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a location map for the proposed horizontal spacing unit shown in yellow (“Unit”) within the Upper Penn formation. The approximate wellbore path for the proposed **Bodacious State #91H** well (“Well”) is represented by the red line. Manzano has three horizontal laterals in this interval, named the VCSU #153H, VCSU #154H, and the VCSU #223H which are represented by the green shaded boxes.

4. **Exhibit B-2** is a subsea structure map for the top of the Strawn formation. As shown on Cross Section A-A’ (Exhibit B-3), our objective are the shales in the Canyon formation overlying the Strawn formation. Data points that reach the Strawn are shown with a blue subsea depth. The approximate wellbore path for the Well is depicted by the red line. The map demonstrates the well will be crossing a small sub-basin. Our well plan is to land the well about

50 feet above the top of the Strawn, then follow structure updip to the south, at approximately 90.2 to 91.8 degrees. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted interval with horizontal wells across this spacing unit.

5. **Exhibit B-2** also identifies three wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A'. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area.

6. **Exhibit B-3** is a stratigraphic cross-section A-A' using the representative wells identified on **Exhibit B-2**. It contains gamma ray, resistivity and porosity logs. The proposed landing zone for the Well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Horizontal Spacing Unit.

7. In my opinion, a standup orientation for the Well is appropriate properly develop the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.

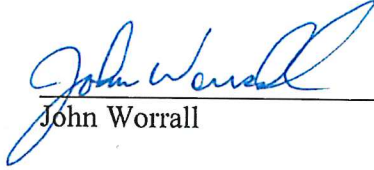
8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

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

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

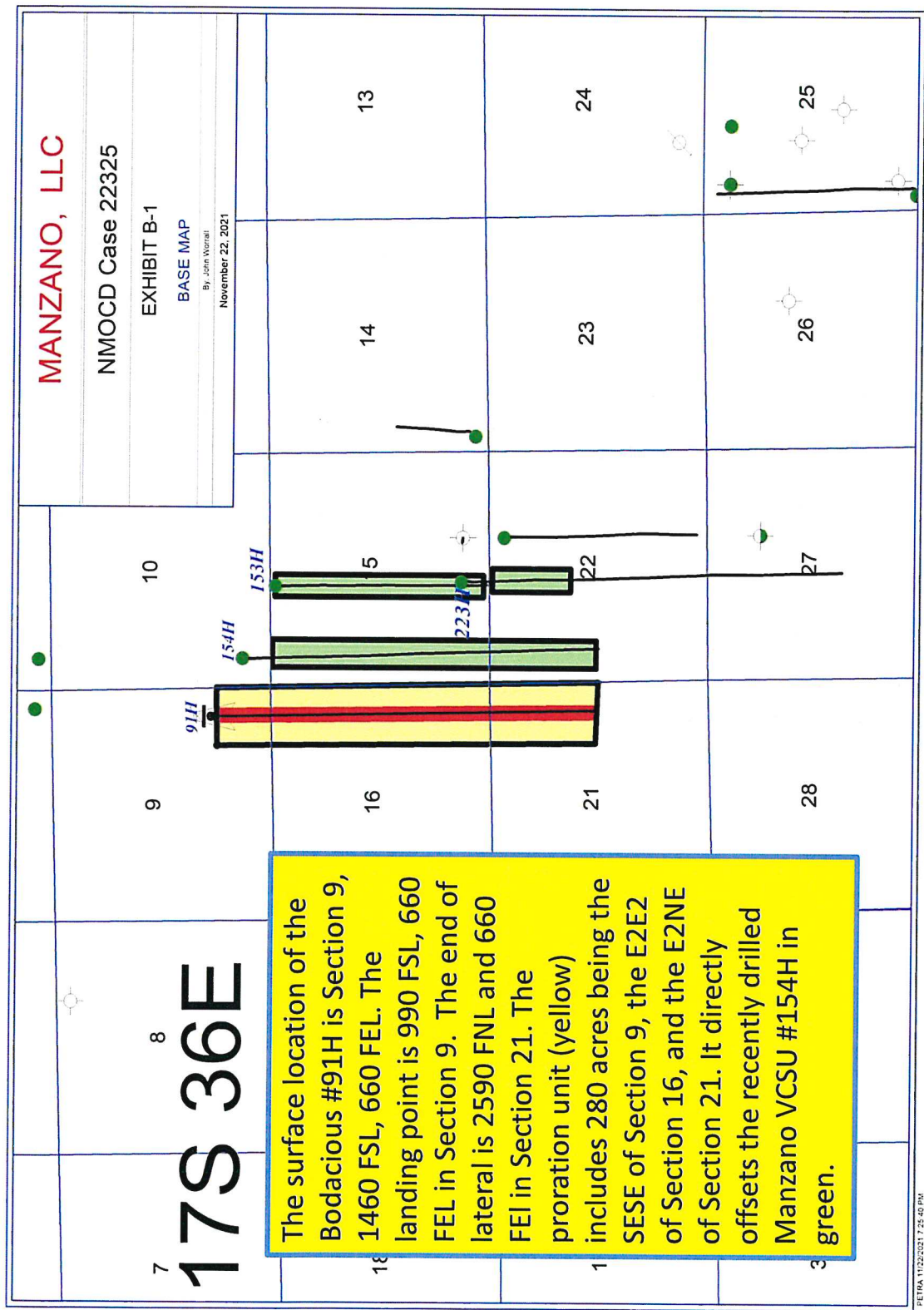
11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 10 above is true and correct and is made under

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



John Worrall

11/22/2021
Date



MANZANO, LLC

NMOCD Case 22325

EXHIBIT B-1

BASE MAP

By John Wenzel

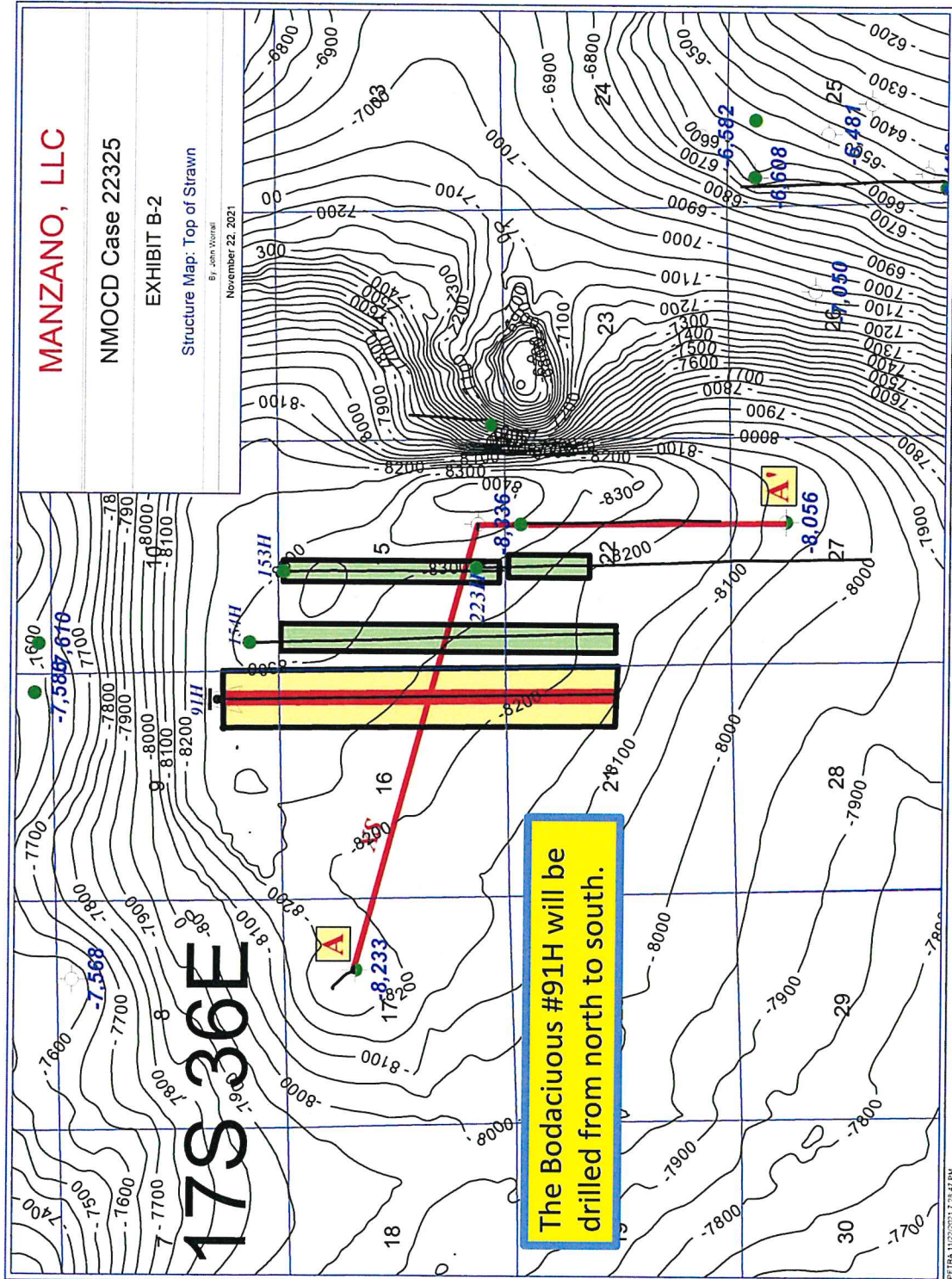
November 22, 2021

8
17S 36E

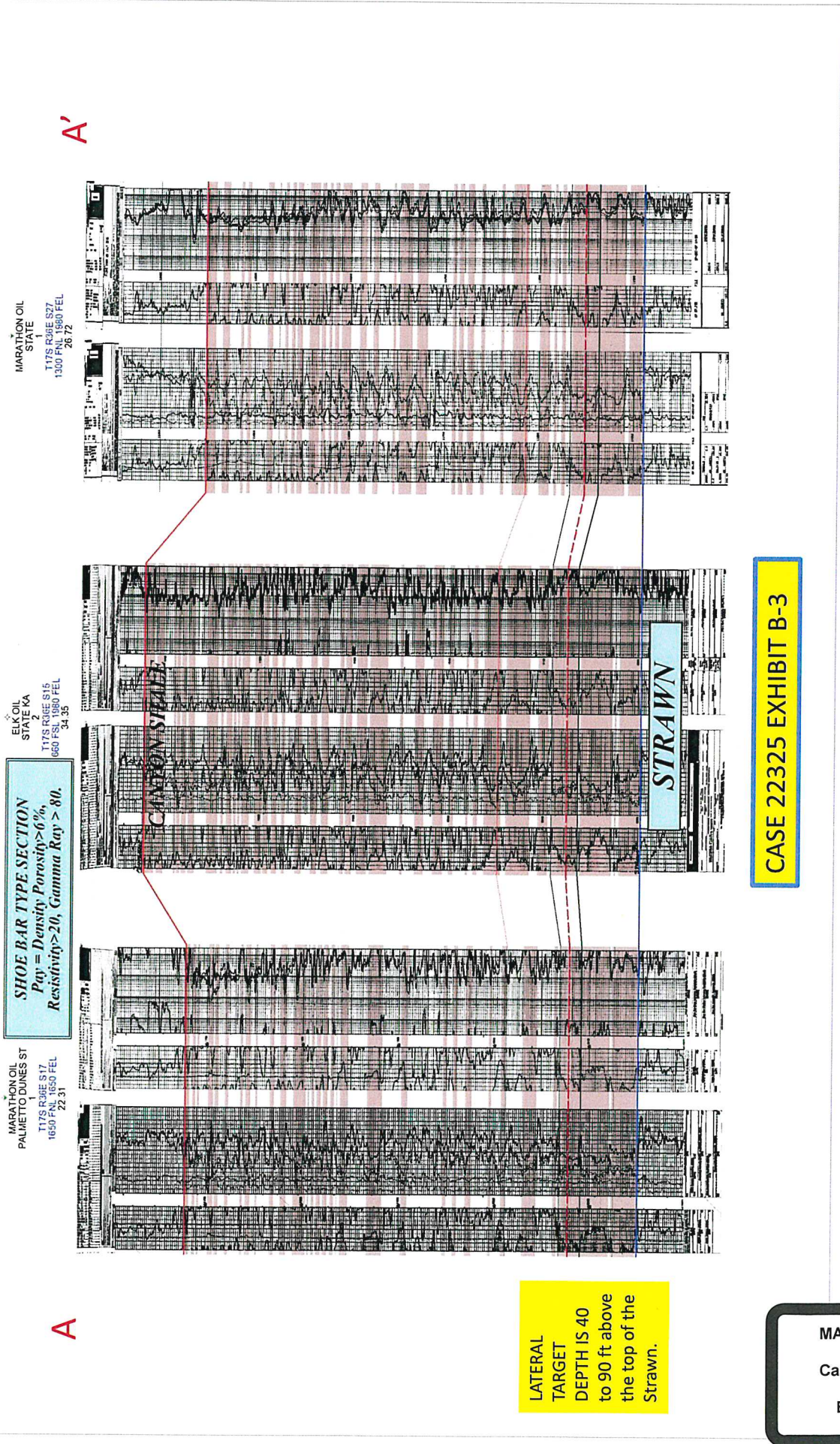
The surface location of the Bodacious #91H is Section 9, 1460 FSL, 660 FEL. The landing point is 990 FSL, 660 FEL in Section 9. The end of lateral is 2590 FNL and 660 FEL in Section 21. The proration unit (yellow) includes 280 acres being the SESE of Section 9, the E2E2 of Section 16, and the E2NE of Section 21. It directly offsets the recently drilled Manzano VCSU #154H in green.

PETRA 11/22/2021 1:25:40 PM

MANZANO LLC
 Case No. 22325
 Exhibit B-1



MANZANO LLC
 Case No. 22325
 Exhibit B-2



SHOE BAR TYPE SECTION
 Pay = Density Porosity > 6%,
 Resistivity > 20, Gamma Ray > 80.

LATERAL
 TARGET
 DEPTH IS 40
 to 90 ft above
 the top of the
 Strawn.

CASE 22325 EXHIBIT B-3

MANZANO LLC
 Case No. 22325
 Exhibit B-3