APPLICATION OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 22810** 

### **EXHIBIT INDEX**

### Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex Barker
A-1	Application & Proposed Notice of Hearing
A-2	C102s for Wells
A-3	Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled
A-4	Sample Well Proposal Letter and AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Resume of David Childers
B-2	Project Location Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross-Section, Subsea Depth
B-5	Gross Isopach
Exhibit C	Affidavit of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Affidavit of Publication for May 12, 2022

# COMPULSORY POOLING APPLICATION CHECKLIST

ALL IN ONWATION IN THE ATTECHTION WOS	T BE SUPPORTED BY SIGNED AFFIDAVITS
Case No.:	22810
Hearing Date:	6/2/2022
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID	260297
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea
	County, New Mexico
Entries of Appearance/Intervenors	
Well Family	Big Piney
Formation/Pool	
Formation Name(s) or Vertical Extent	Pennsylvanian Shale Formation
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Pennsylvanian Shale Formation
Pool Name and Pool Code	Upper Penn Pool (Code 98333)
Well Location Setback Rules	Statewide
Spacing Unit Size	240-acre
Spacing Unit	2.0 00.0
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 17
Chandrad Harisantal Mall Creating Hait (V/AI) If No	South, Range 36 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No,	Yes
describe	
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	Add wells as needed
location, footages, completion target, orientation,	
completion status (standard or non-standard)	
Well #1	Big Piney 22115 19-18 State Com #2H (API # pending)
	SHL: 2,140' FSL & 1,350' FEL (Unit J) of Section 19, T17S-R36E
	BHL: 50' FNL & 1980' FEL (Unit B) of Section 18, T17S-R36E
	Completion Target: Pennslyvania Shale (Approximately 11,595' TVD)
	Completion status: Standard
	- 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	EATHWILE T
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
	200%
Requested Risk Charge	200/0
Notice of Hearing	Fullihita A. 4
Proposed Notice of Hearing	Exhibit A-1
Description of the state of the	64.63
Proof of Mailed Notice of Hearing (20 days before hearing)	C-1, C-2
Proof of Published Notice of Hearing (10 days before	
hearing)	C-3
Ownership Determination	
teleased to Imaging: 5/31/2022 12:39:22 PM Land Ownership Schematic of Spacing Unit	Exhibit A-3

Received by OCD: 5/31/2022 12:20:53 PM	Page 3 of
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
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	Exhibit A-4
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-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
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-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-3
Gross Isopach	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-4
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):	/s/ Dana S. Hardy
Date:	·

APPLICATION OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

**CASE NO. 22810** 

### SELF-AFFIRMED STATEMENT OF REX D. BARKER

- I am a landman at BTA Oil Producers, LLC ("BTA") 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 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 BTA's application and proposed hearing notice 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. BTA seeks an order pooling all uncommitted mineral interests in the Pennsylvanian Shale Formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the Big Piney 22115 19-18 State Com #2H well ("Well") to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 18.
  - 6. The completed interval of the Well will be orthodox.

BTA Oil Producers, LLC Case No. 22810 Exhibit A

- 7. The Well is located in the Upper Penn Pool (Code 98333).
- 8. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15.
  - 9. Exhibit A-2 contains the C-102 for the Well.
- 10. 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 BTA seeks to pool.
- 11. 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.
- 12. BTA has conducted a diligent search of all public records in Lea County including phone directories and computer databases.
  - 13. All interest owners BTA seeks to pool are locatable.
- 14. In my opinion, BTA 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.
- 15. BTA requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.
- 16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

- 17. In my opinion, the granting of BTA's application will 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.

Rex D. Barker

5-19-2022

APPLICATION OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO.** 22810

### <u>APPLICATION</u>

Pursuant to NMSA § 70-2-17, BTA Oil Producers, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Pennsylvanian Shale Formation, underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). In support of its application, Applicant states the following.

- 1. Applicant (OGRID No. 260297) is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Big Piney 22115 19-18 State Com #2H** well ("Well") to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 18.
  - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

BTA Oil Producers, LLC Case No. 22810 Exhibit A-1 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.

WHEREFORE, Applicant requests this application be set for hearing on June 2, 2022, 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

Jaclyn McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

imclean@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC

Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Big Piney 22115 19-18 State Com #2H well ("Well") to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 18. 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 8 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) 748-9720
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

Dedicated Acres
240

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

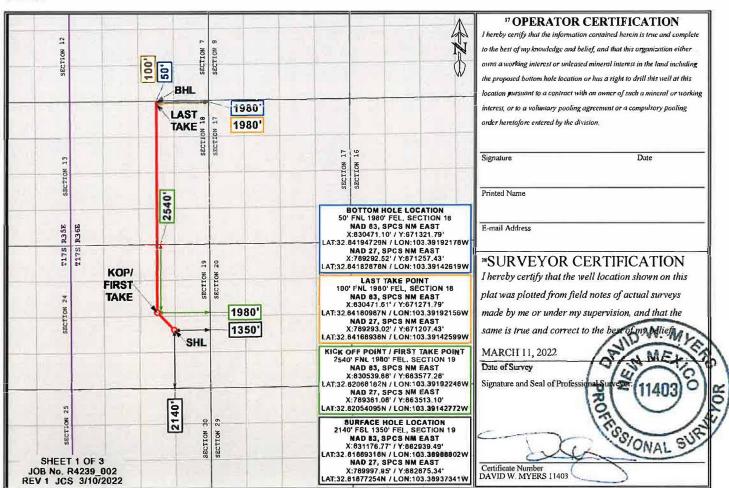
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r	98	<sup>2</sup> Pool Code 8333	Upper Penn Pool					
<sup>1</sup> Property Code					<sup>5</sup> Property N	lame			<sup>6</sup> Well Number	
			В	BIG PINEY 22115 19-18 STATE COM					2H	
<sup>7</sup> OGRID	No.				<sup>8</sup> Operator N	lame			9	Elevation
26029	97			BTA OIL	PRODU	JCERS, LLC				3880'
1				10 S	urface L	ocation				
UL or lot no.	Section	Township	Range	Lot Idn Fe	et from the	North/South line	Feet from the	East	/West line	County
J	19	17S	36E	2	140	SOUTH	1350	EAS	EAST LEA	
	<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn Fe	eet from the	North/South line	Feet from the	East	/West line	County
В	18	17S	36E		50	NORTH	1980	EAS	AST LEA	
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.										

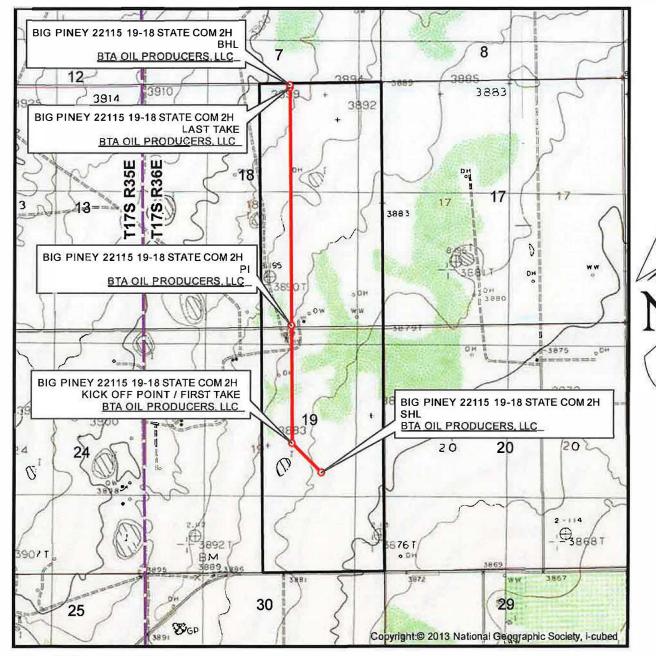
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 00°30'16.80998'

BTA Oil Producers, LLC Case No. 22810 Exhibit A-2

### LOCATION VERIFICATION MAP



SEC. 19 TWP. 17-S RGE. 36-E

SURVEY: N.M.P.M. COUNTY: LEA

OPERATOR: BTA OIL PRODUCERS, LLC DESCRIPTION: 2140' FSL & 1350' FEL

ELEVATION: 3880'

LEASE: BIG PINEY 22115 19-18 STATE COM

U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

BTA Oil Producers, LLC Case No. 22810 Exhibit A-3 1 " = 2,000 ' CONTOUR INTERVAL = 10'



SHEET 2 OF 3
PREPARED BY:
R-SQUARED GLOBAL, LLC
510 TRENTON ST., UNIT B,
WEST MONROE, LA 71291
318-323-8900 OFFICE
JOB No. R4239\_002

# VICINITY MAP

34	35	<sup>36</sup> T16S R35E	31 <b>T16S</b>	32 <b>R36E</b>	GRAHAM 33	34	35
3	2	T17S R35E	T17S	<b>R36E</b>	4 STILES	3 3	2
10 BIG PIN	11 EY 22115 19-18 BTA OIL PF	12 S STATE COM 2 BH RODUCERS, LL	IL	8	9	10	11
15 BIG PIN		RODUCERS, LL	PI 18	LAST TA BTA OIL BIG PIN	AKE PRODUCERS,	15 STATE COM 2	14
BIG PIN		24 3 STATE COM 2 NT / FIRST TAK RODUCERS, LL	(E 19 0	20 02	21	UBAR UBAR	23
27	26 BUCKEYE	SWAMP 25	30	LEE RANCH NOGALERO	28	MM HIGHWAY 483	26
34	35 R35E	<sup>36</sup> 717S R35E	717S R36E	32	33	<sup>34</sup> T17S R36E	35
3	T18S R35E	1	6	5	4	T18S R36E	2

SEC. 19 TWP. 17-S RGE. 36-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: BTA OIL PRODUCERS, LLC DESCRIPTION: 2140' FSL & 1350' FEL ELEVATION: 3880' LEASE: BIG PINEY 22115 19-18 STATE COM U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

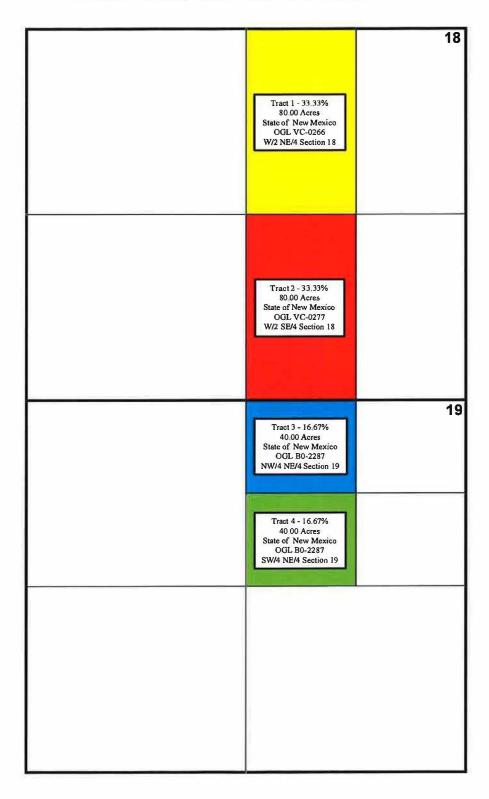
1"=1 MILE



SHEET 3 OF 3 PREPARED BY: R-SQUARED GLOBAL, LLC 510 TRENTON ST., UNIT B, WEST MONROE, LA 71291 318-323-8900 OFFICE JOB No. R4239\_002

# 240.00 Acre Spacing Unit for the Big Piney 22115 19-18 State Com #2H

#### Township 17 South, Range 36 East, Lea County, New Mexico



### Big Piney 22115 19-18 State Com #2H Unit Recapitulation

Tract 1	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL VC-0266 W/2 NE/4 Section 18, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 2	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL VC-0277 W/2 SE/4 Section 18, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 3	Leasehold Owner	WI	40.00 Acres
State of New Mexico OGL B0-2287 NW/4 NE/4 Section 19, T17S, R36E, Lea County, New Mexico	Maverick Permian LLC	100.0000%	40.0000
Tract 4	Leasehold Owner	WI	40.00 Acres
State of New Mexico OGL B0-2287 SW/4 NE/4 Section 19, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC  Maverick Permian LLC	50.0000% 50.0000%	20.0000 20.0000
Recapitulation	Leasehold Owner	WI	240.00 Acres
Big Piney 22115 19-18 State Com #2H	BTA Oil Producers, LLC  Maverick Permian LLC	75.0000% 25.0000%	180.0000 60.0000
Total		100.0000%	240.0000



CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.
ASHLEY BEAL LAFEVERS
ALEX BEAL

### BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET MIDLAND, TEXAS 79701-5021 432-682-3753 FAX 432-683-0311 GULF COAST DISTRICT TOTAL PLAZA 1201 LOUISIANA STREET, STE. 570 HOUSTON, TEXAS 77002 713-658-0077 FAX 713-655-0346

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

March 7, 2022

<u>Federal Express</u> 7762 2889 7187

In re: Well Proposal – Big Piney 22115 19-18 State Com #2H

Township 17 South, Range 36 East, N.M.P.M.

Section 18: W/2 E/2 Section 19: W/2 NE/4 Lea County, New Mexico

SHL: Section 19 - 2140' FSL & 1350' FEL BHL: Section 18 - 50' FNL & 1980' FEL

BTA 22115 Village

COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701

Attn: Mr. Adam C. Reker

Dear Adam:

BTA Oil Producers, LLC, as Operator, hereby proposes the drilling of the Big Piney 22115 19-18 State Com #2H Well (the "Well"), a horizontal Pennsylvanian Shale communitized well with a TVD of 11,595' and a MD of 19,068' (the "Operation"), at the above referenced location. The anticipated spud date for the Well will be July 26, 2022. The Cumulative Well Costs of the Operation are estimated to be \$9,315,598.00, as detailed in our enclosed Authority for Expenditure.

BTA proposes drilling the Well under the terms of a modified AAPL Form 610-2015 Model Form Operating Agreement with the following general provisions:

- 300% / 100% / 300% non-consent penalty
- \$8,000.00 / \$800.00 drilling and producing overhead rates

BTA Oil Producers, LLC Case No. 22810 Exhibit A-4

- Contract Area of 240.00 acres, being W/2 E/2 of Section 18 and W/2 NE/4 of Section 19, T17S, R36E, Lea County, New Mexico, limited to the Pennsylvanian Shale Formation
- BTA Oil Producers, LLC named as Operator

Should you elect to participate in the drilling of the Well, please indicate so by returning a signed copy of this letter along with a signed copy of the AFE to my attention within thirty (30) days. Be advised that in the near term, BTA will submit an application for a Compulsory Pooling Hearing with the New Mexico Oil Conservation Division to pool any uncommitted working interest owners.

If you have any questions or require further information, please let me know.

Sincerely.

	Rex D. Barker
	Landman
	· ·
-	Elect to participate in the Big Piney 22115 19-18 State Com #2H Well (Send Well Information Requirements to BTA Oil Producers, LLC)
	Elect to go non-consent in the Big Piney 22115 19-18 State Com #2H Well
COG Operat	ting LLC
Ву:	
Title:	
Date:	
RB/HW	
Enclosure	
C:\Users\hwhipp	ole\Documents\Land\Letters\Rex Barker\Well Proposal Ltr - COG - Big Piney #2H.docx

## BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Location:

Big Piney 22115 19-18 State Com #02H SHL: 2140 FSL & 1350 FEL Sec 19, 17S, 36E FTP: 2540 FML & 1980 FEL Sec 19, 17S, 36E LTP: 100 FRU & 1980 FEL Sec 16, 17S, 36E BHL: 50 FNL & 1980 FEL Sec 18, 17S, 36E

Total Depth:

11,595' TVO 19,068' MD

Lea County, NM

Penn Shale

	Date Prepared: 2/2/2022							
		N	Ε	Prepared By:	-	TW		
	PROGRAMA	and the same	2776	CASED HOLE	507	PLETION	12016	1000000
CODE	FORMATION EVALUATION	5		\$	5		3	
2203	Logs Cores		8,000			20,G00		28,000
2205	OST							
2211	LOCATION & ACCESS Survey & Stake		5,000					5,000
2212	Damages		45,000			45 000		45,000
2213	Road & Location Other Location	1	30,000			45,000		125,000 130,000
2223	DRILLING RIG Mobilization	4	35,000					135,000
2225	Caywork		17,000	94,000				611,000
2226	Footage Turnkey							
	DRILLING SUPPLIES							-5.000
2232	Bis Bha		75,000 45,000			60,000		75,000 105,000
2234 2236	Fuel Constitution	1	45,200	26,400				171,600
	Other Supplies MUD RELATED							
2241 2242	Mud Purchase Mud Rontal	1	15,000	5,000				120,000
2244	Frest; Water		55,000	1,000		450,000		506,000
2245 2246	Brine Solids Control (Cksed Loop)		45,000 33,000	6,000				45,000 39,000
2247	Mud Mankor		28,000					28,0C0
2249	Mud Related Other DRILLING SERVICES		8,000					6,0C0
2252 2253	BOP Related Casing Related		15,000 38,000	4,000 95,000				19,000 133,000
2254	Welding		8,000	2,000		5,000		15,600
2255 2256	Trucking Rental Equipment		22,500 82,000	10,000 8,000		54,000 350,000		86,500 440,000
2257	Other Services (Direction/GR Services)		53,000	0,000		020.000		253,000
2261	CEMENT Casing Cementing	1	15,000	165,000				280,000
2262	Other Cementing		13,000	103,000		150,000		150,000
2266	CONTRACT SERVICES Engineering		8,000					8,000
2267	Geological		22,000					22,000
2268 2269	Roustabout Wellsite Supervision		6,000	14,800		45,000 70,000		51,000 186,200
2270	Other Contract Services COMPLETION SERVICES		25,000			. 01000		25,000
2272	Pulling Unit					20,000		20.000
2273 2276	Dnerg Rig							
2277	Perforate Stimulation					272,000		272,000
2278	Other Compl, Services OVERHEAD					200,000		200,000
2280	Draing & Administrative		10,000			10,000		20,000
	TOTAL MARKET STATES	\$ 2,1	55,100	\$ 431,200	5	4,C55.0G0	S	6,641,300
	TANGELE COSTSI							
2311	TUBULARS Surface Casing (103/4* @ 2125)		25,000					125,000
2312	Intermediate Casing (7 5/8" @ 11,408")		33,000					533,000
2313	Drig Licer & Hanger Production Casing (5-1/2" x 5" ⊗ TO)			589,000				589,000
2315	Production Liner & Hangar (10,000 - TD)			003,000				020,020
2316	Other Tubulars WELL EQUIPMENT							
2321	Well Head		25,000	27,000		85,000		137,000
2322	Flowline Tubing					75,000 100,000		75,000 100,000
2326	Rods							
2327 2328	Pumps Pumping Unit							
2329 2331	Subsurface Equipment Other Wak Equipment		35,000	25 000		25,000 3,000		25,000 63,000
2301	LEASE EQUIPMENT		30,000	25 000		3,000		63,000
2361	Tenks Separators					75,000 100,000		75,000 100,000
2363	Heater Treater					25,000		25,000
2364 2365	Pumps Electrical System					15,000		15,000
2366	Meters					20,000		20,000
2367 2368	Connectors Lact Equipment					65,000		65,000
2369	Other Lease Equipment					100,000		100,000
	SUBTOTAL - TANGIBLES	7	18,000	641,00C	_	786,000	_	2,147,000
	SYSTEMS							
2353	Gas Line Tangioles							
2353 2381	Gas Line Intangibles Compressor							
7.382	Gas Plant Tangibles							
2362 2364	Gas Plant Intangibles Dehydrator							
		_						
	SUBTOTAL - SYSTEMS							
	TOTAL TANGIBLE COSTS	\$ 7	18,000	\$ 541,00G	\$	768,000	5	2,147,000
	GENERAL CONTINGENCIES	1	72,385	64,332		290,580		527,296
	The state of the s		45,436	\$ 1,136,532	5	5,133,590	•	9,315.598
				War Committee		-	7	2,010,200
	CUMULATIVE WELL COSTS.	1 3,0	45,485	5 4182.018	Section 2	9,315,508		
	trilla! Routing Date:							
	NE RTW BMM SB, CR, LJH, RMD, SEB, BBJ							
	Land Approval Block:							
	APPROVED BY							
	COMPANY:		_					
		-	_					
	DATE							

Released to Imaging: 5/31/2022 12:39:22 PM and desire the second time with the

### **CHRONOLOGY OF CONTACT**

Big Piney 22115 19-18 State Com #2H

3/7/2022	Sent Big Piney 22115 19-18 State Com #2H Well Proposal and AFE to COG Operating LLC by Fedex Envelope, Tracking #776228897187. Lea County Records reflect COG Operating LLC as current leasehold owner.
3/9/2022	Fedex Tracking #7762328897187 indicates COG Operating LLC received Big Piney 22115 19-18 State Com #2H Well Proposal and AFE this date.
3/23/2022	Emailed Adam Reker, Land Supervisor, COG Operating LLC/ConocoPhillips, requesting contact information for Maverick Natural Resources, LLC, leasehold purchaser under Big Piney 22115 19-18 State Com #2H Well.
3/23/2022	Received email response from Adam Reker, Land Supervisor, COG Operating LLC/ConocoPhillips, containing contact information for Kitt Jordan, Land Manager, Non-Op, Maverick Natural Resources, LLC, leasehold purchaser under Big Piney 22115 19-18 State Com #2H Well.
3/24/2022	Contacted Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
3/25/2022	Spoke with Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
3/31/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
4/5/2022	Zoom Meeting with Kitt Jordan, Emma Kelly and Jeff Darakhshan of Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
4/7/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
4/8/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
4/22/2022	Received email from Kitt Jordan at Maverick Natural Resources, LLC, stating Maverick is planning on participating in the well with part, possibly all their interest. Kitt Jordan also requested BTA submit farmout terms for evaluation.
4/25/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC, notifying him that we were working on terms as per his email of 4/22/2022.

### CHRONOLOGY OF CONTACT

### continued

4/26/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC, proposing basic terms for a BTA/Maverick Development Agreement covering Sections 18, 19 & 30, T17S, R36E, Lea County, New Mexico.
5/3/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
5/16/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.

APPLICATION OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 22810** 

### SELF-AFFIRMED STATEMENT OF DAVID CHILDERS

- I am a geologist at BTA Oil Producers, LLC ("BTA") 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.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). A copy of my resume is attached as **Exhibit B-1**.
  - 3. I am familiar with the geological matters that pertain to the above-referenced case.
- 4. **Exhibit B-2** is a project location map that shows the location of the proposed horizontal well spacing unit.
- 5. BTA is targeting the Pennsylvanian Shale Formation. **Exhibit B-3** is a subsea structure map that I prepared for this interval with 100-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black line. The structure map shows the Pennsylvanian Strawn Formation. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in the proposed unit.
- 6. **Exhibit B-3** also shows a cross-section line in red running West to East reflecting three wells penetrating the Pennsylvanian Shale Formation that I used to construct a stratigraphic

BTA Oil Producers, LLC Case No. 22810 Exhibit B cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

- 7. **Exhibit B-4** is a stratigraphic cross-section that I prepared using the logs from the three wells noted on Exhibit B-3. Each well in the cross-section contains the gamma ray in the first track, resistivity in the second track, and porosity curves in the third track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.
- 8. **Exhibit B-5** is a Gross Isopach map of the Pennsylvanian Shale Formation interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 400 to 450 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-4 is also shown as a red line on this map.
- 9. In my opinion the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.
- 10. Based on my geologic study, the Pennsylvanian Shale Formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.
- 11. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

- 12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 12 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.

David Childers

J-20-2022 Date

#### **David W. Childers**

Address: 10619 Gawain Lane, Houston, Texas 77024

Telephone: Cell: 713-715-8044 Work: 432-682-3753 e-mail: dchilders@btaoil.com

Professional Experience:

BTA Oil Producers. Houston, Texas (1999 - Present)

Geologist (1999 – 2008)

Provided geological support for BTA's Gulf Coast exploration program.

Gulf Coast Exploration Manager (2008 – Present). Directed BTA's Gulf Coast exploration program from 2008 – 2016. Currently responsible for geological aspects of BTA's Wolfcamp exploitation program in the Delaware Basin (2016 – present).

### PetroCorp, Inc. Houston, Texas (1994 – 1999) Exploration Manager

Built and managed a Gulf Coast and Rocky Mountain exploration program and supervised the drilling of twenty-two wells resulting in five new field discoveries in Mississippi, Texas, and Colorado.

### Shell Oil Company. Houston, Texas (1979 – 1994)

<u>1991 – 1994:</u> South Vermilion Parish exploration group.

<u>1988 – 1991:</u> Project leader for the Anadarko Basin exploration team.

1984 – 1988: Stratigraphic Prediction Group, Bellaire Research Center. Worked extensively with New Orleans staff in the Louisiana shelf and slope. Integrated prospect-scale work of shelf and slope exploration staff into a regional overview of Miocene/Pliocene stratigraphy. Identified seismic stratigraphic means to predict presence of turbidite reservoirs in the Miocene, Pliocene, and Pleistocene sections of the Gulf of Mexico deep water exploration area.

1979 – 1984: Rocky Mountain Exploration district.

#### **Education:**

B.S. Geology: University of Oklahoma (1977). M.S. Geology: University of Oklahoma (1979).

Shell Oil Company Training: Taught Shell training courses and symposia in Houston, La Jolla, California, and The Hague concerning carbonate sequence stratigraphy, deep water clastics, and applied seismic stratigraphy. Guest lecturer at the University of Texas, Louisiana State University, the West Texas Geological Society, AAPG, and the Mississippi Geological Survey.

#### **Awards and Professional Affiliations:**

A.I. Levorsen Memorial Award (1993). Member Sigma Xi, Sigma Gamma Epsilon, AAPG, HGS.

#### **Selected Publications:**

Childers, D.W. (1987), Depositional History of the Mississippi Fan Complex, Technical Progress Report, BRC 77-87, Shell Development, Bellaire Research Center, Houston.

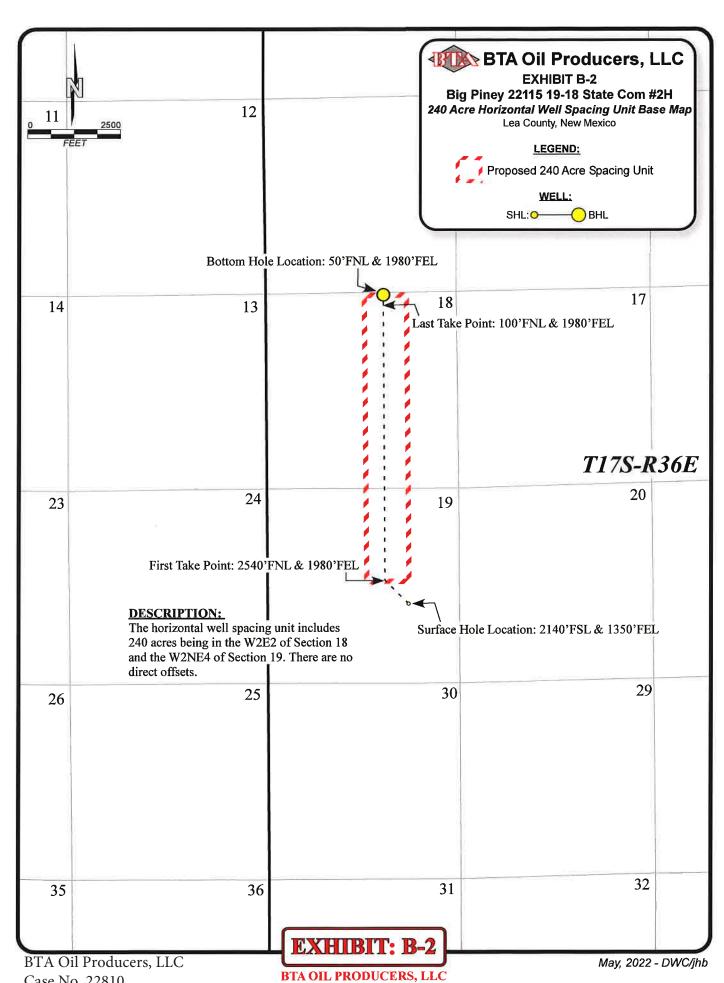
Childers, D.W. (1988), Miocene Stratigraphy of Offshore and Coastal Louisiana, Gulf of Mexico, Technical Progress Report, BRC 123-88, Shell Development, Bellaire Research Center, Houston.

Childers, D.W. (1992), Resolution of Morrowan Stratigraphy in the Western Anadarko Basin, Exploration Bulletin, Special Issue Summer, 1992, Shell International Petroleum Maatschappij b.v., The Hague.

Childers, D.W. (1992), Eustatic Signatures in Carbonate Sequences of the Permian Basin, Exploration Bulletin, Special Issue Summer, 1992, Shell International Petroleum Maatschappij b.v., The Hague.

Childers, D.W. (1997), Maynor Creek Field: 3-D seismic resolution of an Upper Cotton Valley Stratigraphic Trap. <u>Cotton Valley Formation in Mississippi</u>: <u>A Symposium</u>. Mississippi Geological Society pub., S.M. Oivanki ed., 1997.

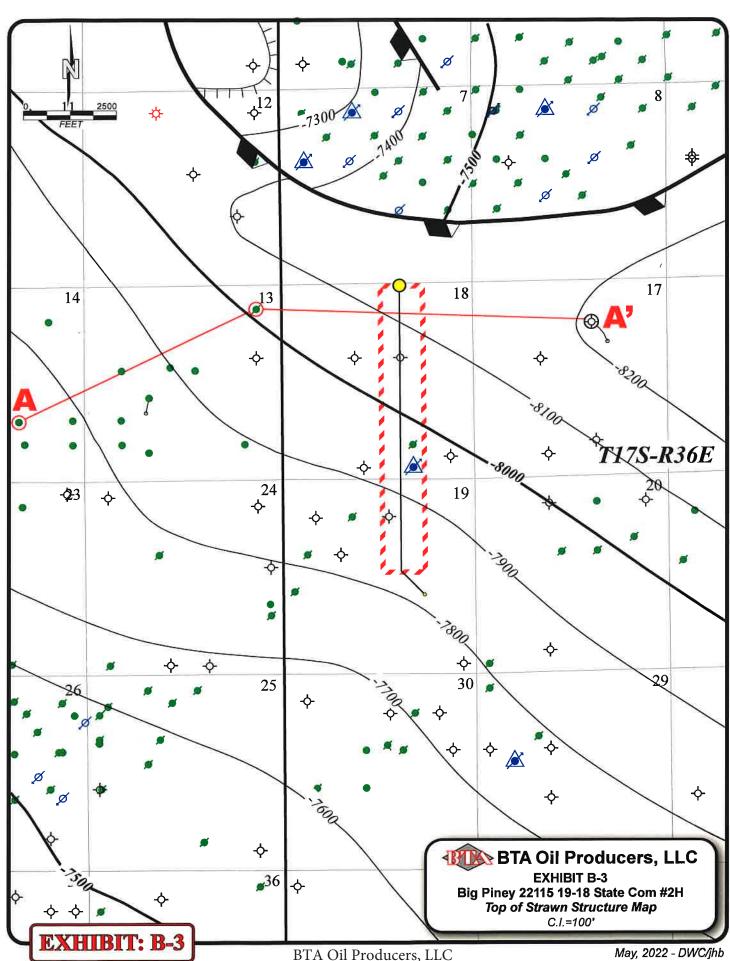




Case No. 22810

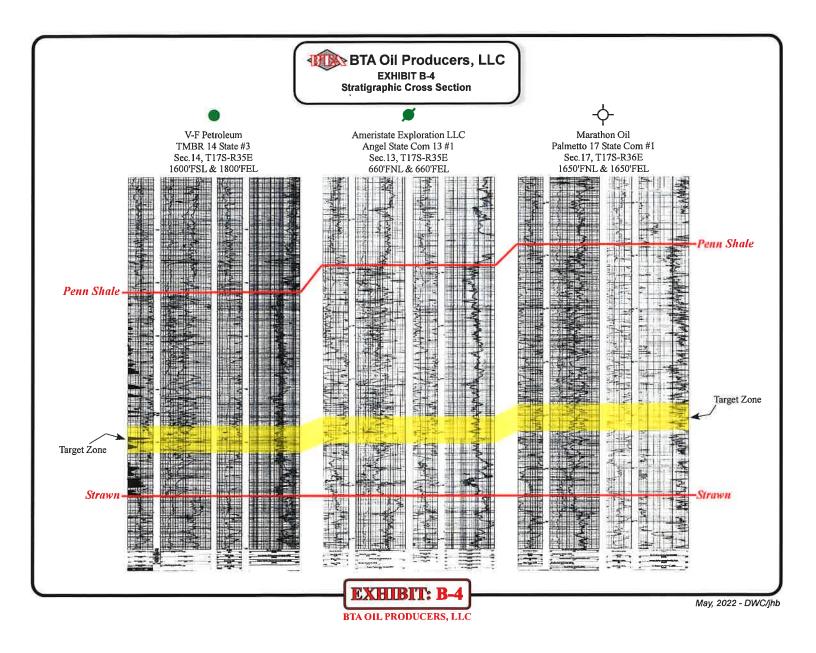
Released to Imaging: 5/31/2022 12:39:22 PM

EXHIBIT B-2

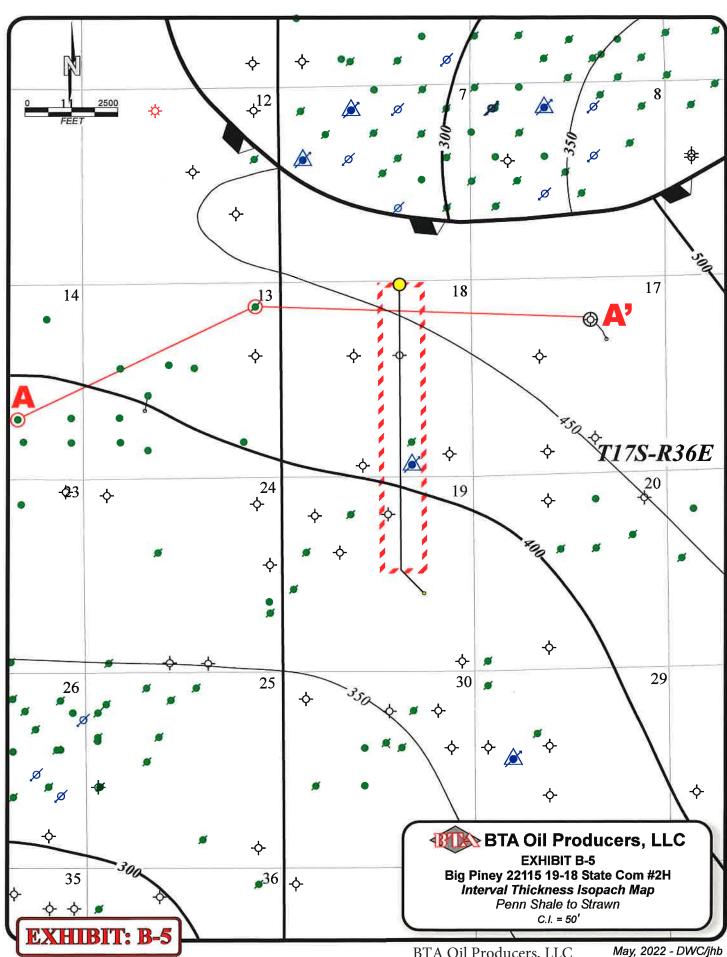


BTA OIL PRODUCERS, LLC Released to Imaging: 5/31/2022 12:39:22 PM

Case No. 22810 Exhibit B-3



BTA Oil Producers, LLC Case No. 22810 Exhibit B-4



BTA OIL PRODUCERS, LLC Released to Imaging: 5/31/2022 12:39:22 PM BTA Oil Producers, LLC Case No. 22810

Exhibit B-5

APPLICATION OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 22810** 

### SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of BTA Oil Producers, LLC, the Applicant herein.
  - 2. I am familiar with the Notice Letter attached as Exhibit C-1.
- 3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips as supporting documentation for proof of mailing.
- 4. On May 11, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as Exhibit C-3.
- 5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 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.

> BTA Oil Producers, LLC Case No. 22810 Exhibit C



### 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

May 4, 2022

### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 22809, 22810

Applications of BTA Oil Producers, LLC for Compulsory Pooling, Lea

County, New Mexico

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **June 2**, **2022** 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/">https://www.apps.emnrd.state.nm.us/ocd/ocdpermitting/</a>) 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 contact Rex D. Barker at (432) 682-3753 or rbarker@btaoil.com if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

BTA Oil Producers, LLC Case No. 22810 Exhibit C-1

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

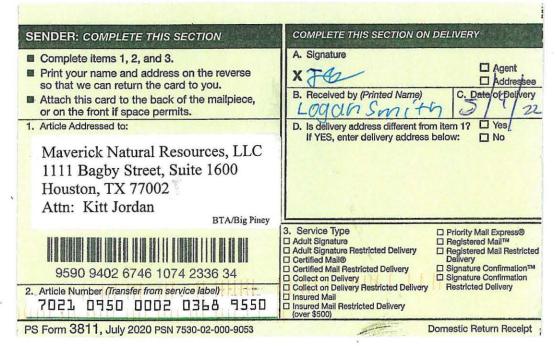
APPLICATIONS OF BTA OIL PRODUCERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 22809, 22810

#### **NOTICE LETTERS**

PARTY	NOTICE LETTER	RETURN RECEIVED
	SENT	
Maverick Natural Resources, LLC	5/4/22	05/13/22
1111 Bagby Street, Suite 1600		
Houston, TX 77002		
Attn: Kitt Jordan		





### **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 May 11, 2022 and ending with the issue dated May 11, 2022.

Publisher

Sworn and subscribed to before me this 11th day of May 2022.

**Business Manager** 

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 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 May 11, 2022

This is to notify all interested parties, including Maverick Natural Resources, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 22810). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted or June 2, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: http://www.emnrd.state.nm.us/OCD/hearings.html. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18 and the W/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Big Pliney 22115 19-18 State Com #2H well ("Well") to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 18. 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 8 miles south of Lovington, New Mexico.

02107475

00266666

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

BTA Oil Producers, LLC Case No. 22810 Exhibit C-3