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

CASE NO. 22811

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 11, 2022

COMPULSORY POOLING APPLIC	CATION CHECKLIST
ALL INFORMATION IN THE APPLICATION MUS	T BE SUPPORTED BY SIGNED AFFIDAVITS
Case No.:	22811
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	None
Well Family	Bluebell
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	240 8010
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	E/2 W/2 of Section 18 and the E/2 NW/4 of Section 19, Township 17
Description: 1k3/county	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,	Add Wells as needed
completion status (standard or non-standard)	
Well #1	Bluebell 22115 19-18 State Com #1H (API # pending)
VVCII #1	SHL: 2,140' FSL & 1,350' FWL (Unit K) of Section 19, T17S-R36E
	BHL: 50' FNL & 1980' FWL (Unit C) of Section 18, T175-R36E
	Completion Target: Pennslyvania Shale (Approximately 11,570' 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	LAHIDIT A-4
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	20070
Proposed Notice of Hearing	Exhibit A-1
1 TOPOSEU NOTICE OF FICALING	LAHINIT A-1
Proof of Mailed Notice of Hearing (20 days before bearing)	C1 C2
Proof of Mailed Notice of Hearing (20 days before hearing)	C-1, C-2
Proof of Published Notice of Hearing (10 days before	
hearing) Ownership Determination	C-3
Released to Imaging: 5/31/2022 1:51:10 PM Land Ownership Schematic of Spacing Unit	Exhibit A-3
The state of the s	

Received by OCD: 5/31/2022 1:35:47 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	None
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.	
grand and a state of the state	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
rinited Maine (Attorney or Farty Nepresentative).	Dana 3. Haruy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	5/31/2022

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

CASE NO. 22811

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 E/2 W/2 of Section 18 and the E/2 NW/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the Bluebell 22115 19-18 State Com #1H well ("Well") to be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 19 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 18.
 - 6. The completed interval of the Well will be orthodox.

BTA Oil Producers, LLC Case No. 22811 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 Date

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

CASE NO. 22811

<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 E/2 W/2 of Section 18 and the E/2 NW/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 **Bluebell 22115 19-18 State Com #1H** well ("Well") to be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 19 to a bottom hole location in the NE/4 NW/4 (Unit C) 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. 22811 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 jmclean@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 E/2 W/2 of Section 18 and the E/2 NW/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Bluebell 22115 19-18 State Com #1H well ("Well") to be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 19 to a bottom hole location in the NE/4 NW/4 (Unit C) 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: (305) 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

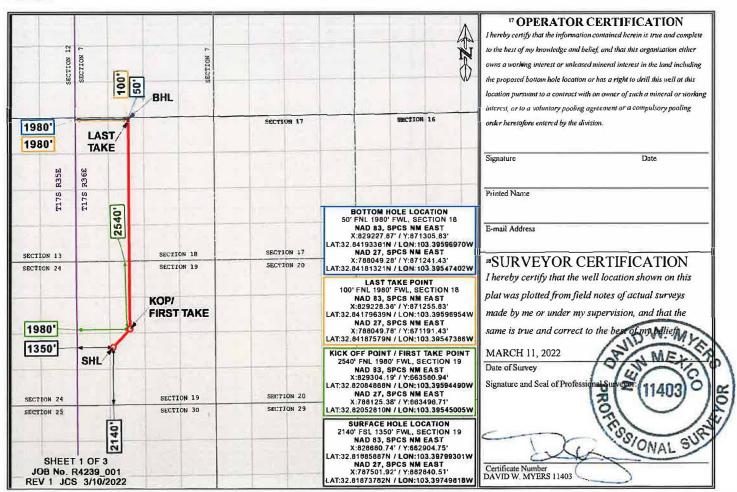
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Numbe		98	² Pool Code 333		Upp	er Penn Pool	e	
⁴ Property Code			Bl	LUEBEI	⁵ Property N LL 22115 19	anie -18 STATE CO)M	⁶ W	ell Number 1 H
⁷ OGRID №. 260297				ВТА	- parameter 1 man			Elevation 3893¹	
					¹⁰ Surface L	ocation			
UL or lot no.	Section 19	Township 17S	Range 36E	Lot Idn	Feet from the 2140	North/South line	Feet from the	East/West line WEST	County LEA
	**	,	" Bott	tom Hole	Location If	Different From	Surface		

North/South line UL or lot no. Range East/West line County Section Township Lot Idn Feet from the Feet from the 1980 C 18 17S 36E 50 NORTH WEST LEA Dedicated Acres Joint or Infill Consolidation Code S Order No. 240

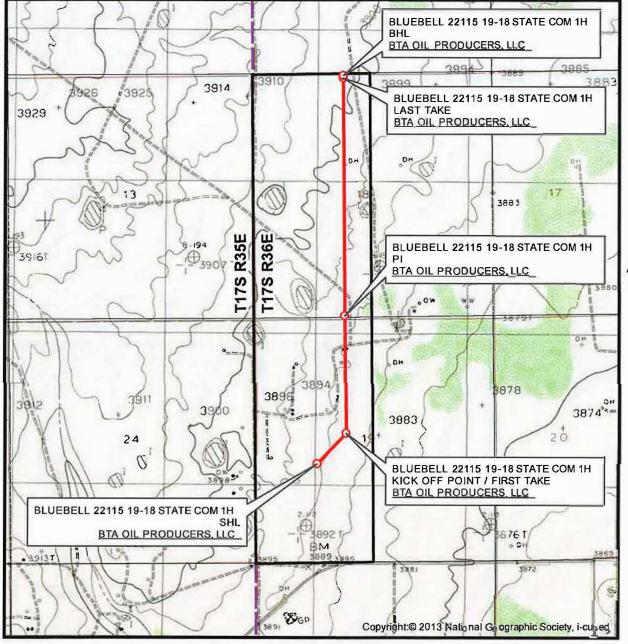
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

BTA Oil Producers, LLC Case No. 22811 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' FWL

ELEVATION: 3893^t

LEASE: BLUEBELL 22115 19-18 STATE COM

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

BTA Oil Producers, LLC Case No. 22811 Exhibit A-3



CONTOUR INTERVAL = 10'



SHEET 2 OF 3
PREPARED BY:
R-SQUARED GLOBAL, LLC
510 TRENTON ST., UNIT B,
WEST MONROE, LA 71291
318-323-6900 OFFICE
JOB No. R4239_001

VICINITY MAP

33	³⁴ T16S R35E	35	36	31 T16S R36E	32	GRAHAM 33	34
4	T17S R35E	2	1	T17S R36E	5	4 STILES	3
9	10 BLUEBELL	11 . 22115 19-18 ST BTA OIL PROD	BHL	7	8	9	10
16	15	14	13	LAS	JEBELL 22115 ST TAKE A OIL PRODUCI 17		OM 1H
21	22	22115 19-18 S BTA OIL PROI 23 2115 19-18 STA	PI DUCERS, LLC 24 TE COM 1H	KIC	UEBELL 22115 CK OFF POINT / A OIL PRODUC!	FIRST TAKE	OM 1H
28	27 COM COM	26	CERS, LLC SA	7175 R364	RANCH NOGALERO	28	MM HIGHWAY 483
33	र्चू 34	35 R35E	36	31	32	33 T17S	34 R36E
4	3	T18S R35E	1	6	5	T18S	R36E

SEC. 19 TWP. 17-S RGE, 36-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: BTA OIL PRODUCERS, LLC DESCRIPTION: 2140' FSL & 1350' FWL ELEVATION: 3893' LEASE: BLUEBELL 22115 19-18 STATE COM U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

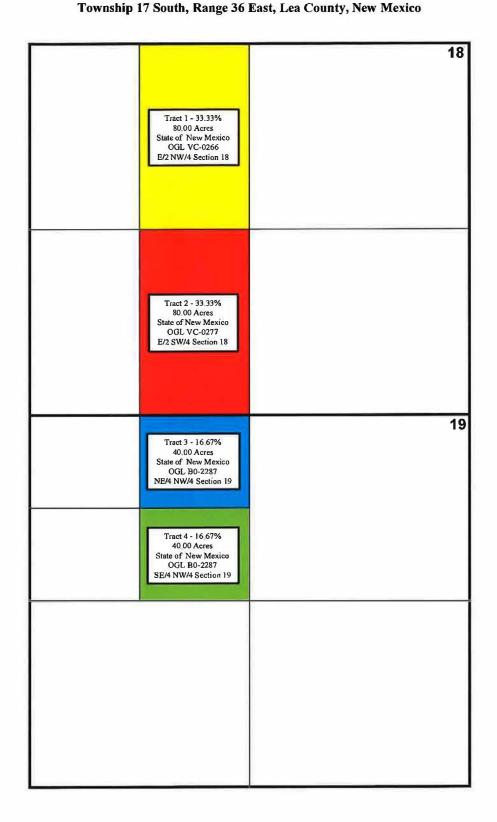
1 " = 1 MILE



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_001



240.00 Acre Spacing Unit for the Bluebell 22115 19-18 State Com #1H



Bluebell 22115 19-18 State Com #1H Unit Recapitulation

Leasehold Owner	WI	80.00 Acres
BTA Oil Producers, LLC	100.0000%	80.0000
Leasehold Owner	WI	80.00 Acres
BTA Oil Producers, LLC	100.0000%	80.0000
Leasehold Owner	WI	40.00 Acres
BTA Oil Producers, LLC	100.0000%	40.0000
Leasehold Owner	WI	40.00 Acres
BTA Oil Producers, LLC	6.2500%	2.5000
Maverick Permian LLC	93.7500%	37.5000
Leasehold Owner	WI	240.00 Acres
BTA Oil Producers, LLC	84.3813%	202.5150
Maverick Permian LLC	15.6188%	37.4850
	100.0000%	240.0000
	Leasehold Owner BTA Oil Producers, LLC Leasehold Owner BTA Oil Producers, LLC Leasehold Owner BTA Oil Producers, LLC Maverick Permian LLC Leasehold Owner BTA Oil Producers, LLC	BTA Oil Producers, LLC 100.0000% Leasehold Owner WI BTA Oil Producers, LLC 100.0000% Leasehold Owner WI BTA Oil Producers, LLC 100.0000% Leasehold Owner WI BTA Oil Producers, LLC 6.2500% Maverick Permian LLC 93.7500% BTA Oil Producers, LLC 84.3813% Maverick Permian LLC 15.6188%



CARLTON SEAL, 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 2, 2022

Federal Express 7761 8956 9924

In re: Well Proposal - Bluebell 22115 19-18 State Com #1H

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

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

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

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 Bluebell 22115 19-18 State Com #1H Well (the "Well"), a horizontal Pennsylvanian Shale communitized well with a TVD of 11,576' and a MD of 19,043' (the "Operation"), at the above referenced location. The anticipated spud date for the Well will be July 24, 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

1

- Contract Area of 240.00 acres, being the E/2 W/2 of Section 18 and the E/2 NW/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.

Landman	
ebell 22115 19-18 State Com #1H We	:11
_	
_	
	Landman 22115 19-18 State Com #1H Well nents to BTA Oil Producers, LLC) ebell 22115 19-18 State Com #1H We

C:\Users\hwhipple\Documents\Land\Letters\Rex Barker\Well Proposal Ltr - COG - Bluebell #1H.docx

BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Location:

Bluebell 22115 19-18 State Com #01H SHL 2140 FSL & 1350 FW1 Sec 19, 17S, 36E FTP: 2546 FML & 1980 FWL Sec 19, 17S, 36E LTP: 100 FSL & 1980 FWL Sec 18, 17S, 36E SHL: 50 FNL & 1980 FWL, Sec 18, 17S, 36E

Total Depth:

11,570' TVD 19,043' MD

Principle Colored Prin		5HL: 50 FN'L & 1980 F	WL. Sec 18, 17S, 36E			2 30.0
Processed Biol. Processed					Formation:	Penn Shale
Manual Colors		Dele Fregareu. BB2022	4/8		TW	
COMESTION FORMATION FORM		MITPHONIC POSTS				TO ALCOSTS
1906 Coles		FORMATION EVALUATION		5		
COARDOLA ACCESS	2204	Coras	8.000		20,000	28,000
According		LOCATION & ACCESS	****			
1907 1908 1909	2212	Damages	45,000			5,000 45,000
1936 1936					45,000	125 000 130 000
Part	2:23		135 800			135 000
Turner			517,000	94,000		611,000
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145,000 25,000 300,0		Bits			50.000	75,000 105,000
### MUD RELATED ### Control of Control Control ### Con	2234	Fuel		26 400	50,000	171,600
22-24		MUD RELATED				
1924 1924 1924 1924 1925	2242	Mud Rental				120,000
2249				1,500	450,000	596,000 45,000
Multi-Related Other				6,000		39,000 26,000
2529		Mud Related Other				9,000
2256		BOP Retated				19,000
### SEAR SEGMENT Charles Services Search S	2254	Weiding	8 000	2,000		133,000 15 000
225						86,500 440,000
2015		Other Services (Direction / GR Se				253,000
CONTRACT SERVICES Spot S		Casing Cementing	115,0CG	165,000	450 000	28G,000 780,000
2200 Security Se		CONTRACT SERVICES	0.004		100,000	8,000
Website Supervision	2267	Geclogical	22,000			22.000
COMPLETION SERVICES	2269	Welsite Supervision	31,400	14,600		51,000 166,200
2776 Peterate 277,000 272,00	2270		25,000			25.000
272,000 272,	2272 2273				26.060	20,000
278	2275	Perforate			272,000	272,000 2,304,000
2006 2007 2008		Other Compl. Services				290,000
TAXOBLE COSTS TUBLIARS Surface Costs (10 347 @ 2195)	2280	Orilling & Administrative				20,000
TUBLIARS 125,000 125		The second section of the last section is a second section of the second section of the second section is a second section of the section of the second section of the section of the second section of the section o	\$ 2,155,100	\$ 431,200	\$ 4,055,000	\$ 5,841,300
2312 Intermediate Cashing F.63*@ 11,408 533,000 533,000 533,000 534,000 586,000		TUBULARS				
2314						125,000 533,009
2315		Orlg Liner & Hanger		559.GCC		589,000
West EQUIPMENT 25,000 27,000 65,000 737.0 732.0		Production Liner & Hanger (10,000 - TO				
Plumbin		WELL EQUIPMENT	25,000	27.000	85 000	137,000
2325 Rods	2322	Flawline	20,000	21,000	75,000	75,000 100,000
2008	2325	Rods			150,000	100,003
Company Comp	2328	Pumping Unit				55 400
Table		Other Well Equipment	35 000	25,000		63,000
25:00 25:00 25:00 25:00 25:00 25:00 25:00 25:00 15:00	2361					75,000
15,000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,00000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,0000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,00000 15,000000 15,000000 15,000000 15,000000 15,0000000 15,000000 15,000000 15,000000 15,000000 15,000000 15,000000 15,000000 15,000000 15,000000 15,0000000 15,00000000 15,000000000000000000000000000000000000						100,000 25,000
2866 Meters	2354	Pumps				15 000 100 000
2888	2366	Meters			20,000	20.000
SUBTOTAL - TANGBLES 718,000 441,000 785,000 2,147,1 2353 Gas Line Tangbles 2363 Gas Line Tangbles 2365 Gas Line Intengoles 2387 Gas Plant Tangbles 2382 Gas Plant Tangbles 2382 Gas Plant Intengoles 2382 Gas Plant Intengoles 2384 Bichydrator SUBTOTAL TANGBLE COSTS 5 5 T18,000 \$ 760,000 \$ 2,147,0 GENERAL CONTINGENCIES 5 T18,000 \$ 44,600 \$ 760,000 \$ 2,147,0 GENERAL CONTINGENCIES 5 5,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,5 COMULATIVE WELL COSTS 5 \$ 3,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,5 COMULATIVE WELL COSTS 5 \$ 3,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,5 Total Routing Date. 5 5,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,5 COMULATIVE WELL COSTS 5 \$ 3,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,5 Total Routing Date. 5 5,045,455 \$ 1,136,552 \$ 5,133,550 \$ 9,515,50 COMPANY 6 6 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6	2358	Last Equipment				
SYSTEMS Gas Line Tangibles	2369					190,000
Computer Computer		SUBTOTAL - TANGIBLES	218,030	841,000	785,000	2,147,000
2581 Ges Line Intergrates	2353	Gas Line Tangibles				
2382 Cas Plant Tangules	2353	Gas Line intangibles				
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DATE						

CHRONOLOGY OF CONTACT

Bluebell 22115 19-18 State Com #1H

3/2/2022	Sent Bluebell 22115 19-18 State Com #1H Well Proposal and AFE to COG Operating LLC by Fedex Envelope, Tracking #776189569924. Lea County Records reflect COG Operating LLC as current leasehold owner.
3/3/2022	Fedex Tracking # 776189569924 indicates COG Operating LLC received Bluebell 22115 19-18 State Com #1H 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 Bluebell 22115 19-18 State Com #1H 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 Bluebell 22115 19-18 State Com #1H Well.
3/24/2022	Contacted Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
3/25/2022	Spoke with Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
3/31/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
4/5/2022	Zoom Meeting with Kitt Jordan, Emma Kelly and Jeff Darakhshan of Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
4/7/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
4/8/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H 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 Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.
5/16/2022	Emailed Kitt Jordan at Maverick Natural Resources, LLC about Bluebell 22115 19-18 State Com #1H Well Proposal and AFE.

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

CASE NO. 22811

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

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

 $\frac{J-20-2022}{Date}$

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)

1991 – 1994: South Vermilion Parish exploration group.

1988 – 1991: 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.

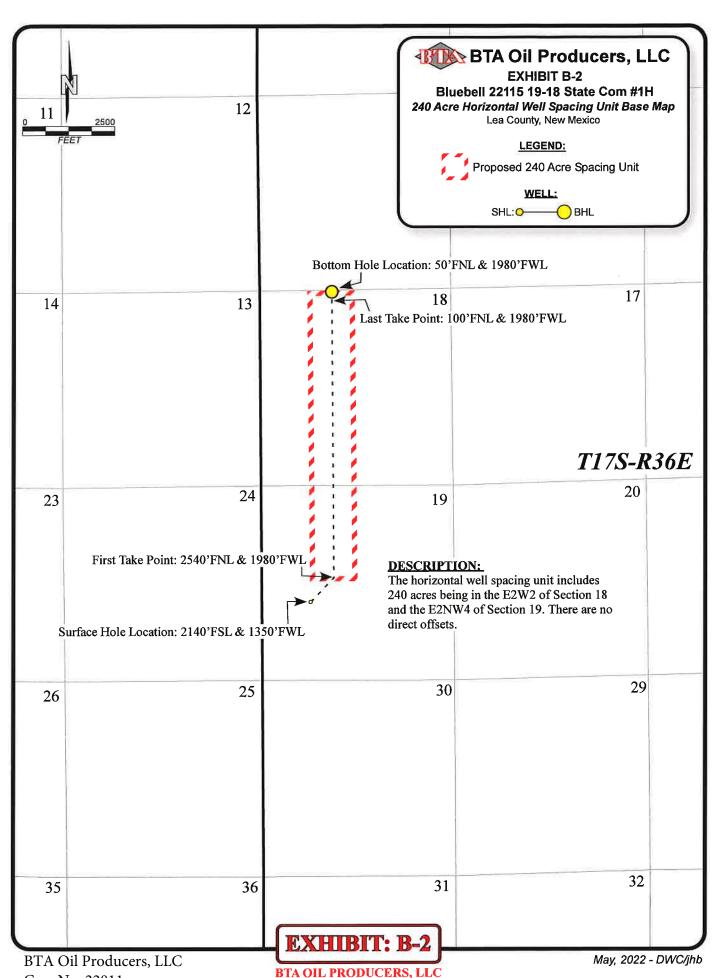
Childers, D.W. (1988), Miocene Stratigraphy of Offshore and Coastal Louisiana, Gulf of Mexico, Technical Progress Report, BRC 123-88, Shell Development, Bellaire Research Center, Houston.

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.

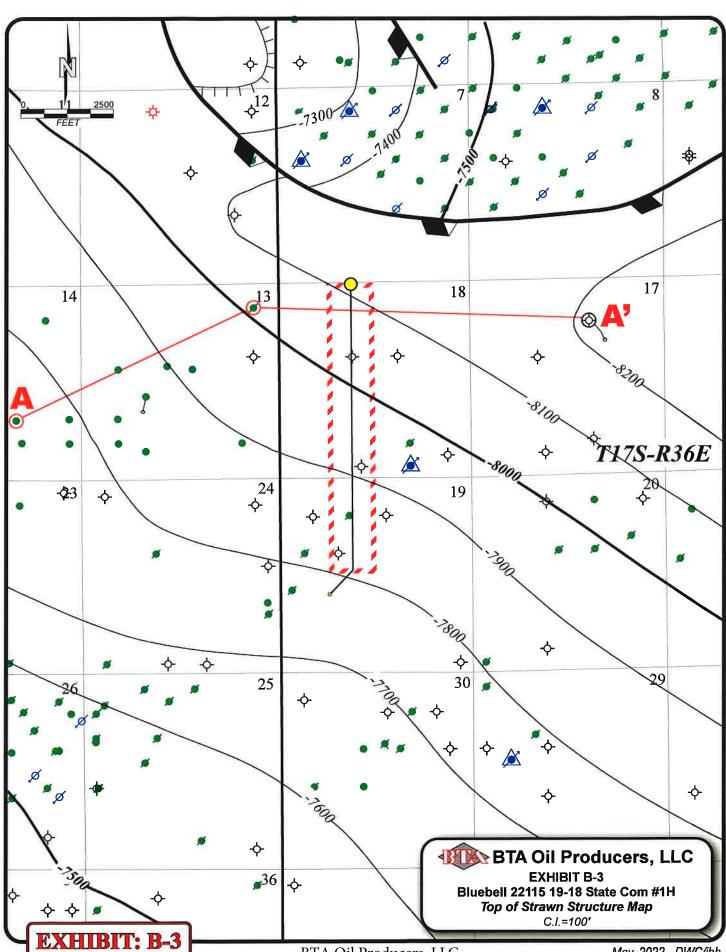
Childers, D.W. (1992), Eustatic Signatures in Carbonate Sequences of the Permian Basin, Exploration Bulletin, Special Issue Summer, 1992, Shell International Petroleum Maatschappij b.v., The Hague.

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.





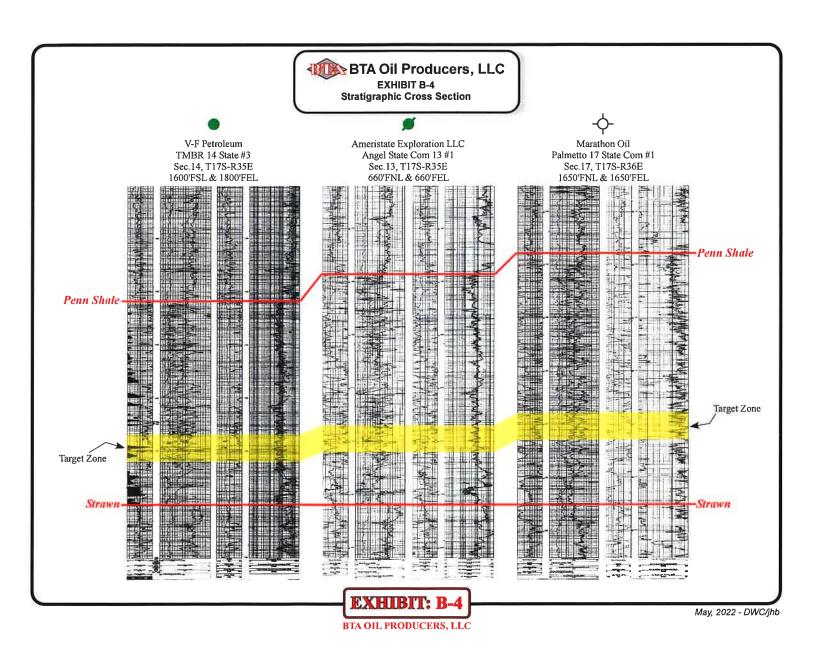
Case No. 22811 Released to Imaging: 5/31/2022 1:51:10 PM Exhibit B-2

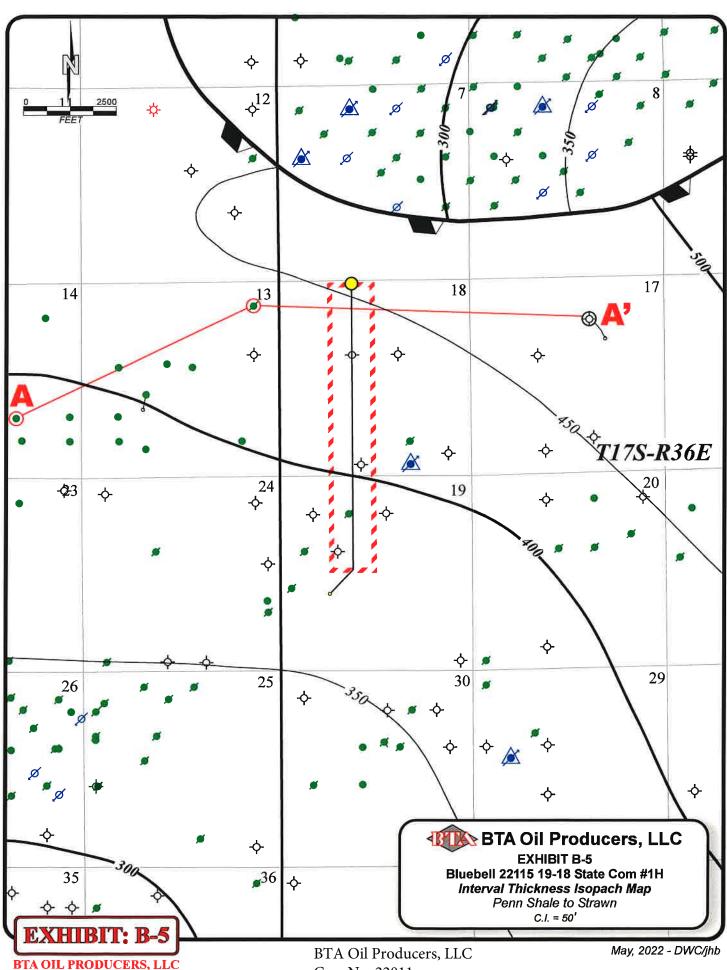


BTA OIL PRODUCERS, LLC Released to Imaging: 5/31/2022 1:51:10 PM

BTA Oil Producers, LLC Case No. 22811 Exhibit B-3

May, 2022 - DWC/jhb





Released to Imaging: 5/31/2022 1:51:10 PM

Case No. 22811 Exhibit B-5

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

CASE NO. 22811

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. 22811 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

Case Nos. 22812, 22811

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: 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://www.apps.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 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. 22811 Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
575-622-6510
(FAX) 575-623-9332
Released to Imaging: 5/31/2022 1:51:10 PM

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. 22812, 22811

NOTICE LETTERS

PARTY	NOTICE LETTER	RETURN RECEIVED
	SENT	
Dollyworks Partners, LP	5/4/22	Per USPS Tracking –
777 Main Street, Suite 3250		Delivered, Front Desk
Fort Worth, TX 76102		5/9/22
Attn: Larry W. Farris		
Marlu Partners, LP	5/4/22	05/17/22
777 Main Street, Suite 3250		
Fort Worth, TX 76102		
Attn: Larry W. Farris		
Maverick Natural Resources, LLC	5/4/22	05/13/22
1111 Bagby Street, Suite 1600		
Houston, TX 77002		
Attn: Kitt Jordan		

BTA Oil Producers, LLC Case No. 22811 Exhibit C-2

4554	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only
ď	For delivery information, visit our website at www.usps.com®.
0368	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate)
000	Return Receipt (electronic) S
0950	Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$ MAIN POST
7021	Sent To ATTN Larry W. Farris Street and Apt. No., or PO Box No.
	777 Main St. Suite 3250 City State, ZIP+48 Fort Worth, TX 76 102 Blyche PS Form 3800, April 2015 PSN 7550-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 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. 	A. Signature X
Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below:
Marlu Partners, LP 777 Main Street, Suite 3250 Fort Worth, TX 76102 Attn: Larry W. Farris	
9590 9402 6746 1074 2336 10 2. Article Number (Transfer from service label). 7021 0950 0002 10948 19574	3. Service Type □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Inburge Mail □ 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt







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FAQs >

Track Another Package +

Tracking Number: 70210950000203689567

Remove X

Your item was delivered to the front desk, reception area, or mail room at 1:19 pm on May 9, 2022 in FORT WORTH, TX 76102.

USPS Tracking Plus[®] Available ✓

⊘ Delivered, Front Desk/Reception/Mail Room

May 9, 2022 at 1:19 pm FORT WORTH, TX 76102 eeaback

Get Updates ✓

Text & Email Updates



Tracking History



May 9, 2022, 1:19 pm

Delivered, Front Desk/Reception/Mail Room

FORT WORTH, TX 76102

Your item was delivered to the front desk, reception area, or mail room at 1:19 pm on May 9, 2022 in FORT WORTH, TX 76102.

May 9, 2022, 1:18 pm

Delivery Attempted - No Access to Delivery Location FORT WORTH, TX 76102

May 7, 2022, 3:00 pm

Delivery Attempted - No Access to Delivery Location 76102

May 7, 2022, 9:56 am

Out for Delivery FORT WORTH, TX 76102

May 7, 2022, 9:45 am

Arrived at Post Office FORT WORTH, TX 76102

May 6, 2022, 11:35 pm

Departed USPS Regional Facility
FORT WORTH TX DISTRIBUTION CENTER

May 6, 2022, 8:26 am

Arrived at USPS Regional Facility
FORT WORTH TX DISTRIBUTION CENTER

May 5, 2022

In Transit to Next Facility

May 4, 2022, 9:41 pm

Departed USPS Facility ALBUQUERQUE, NM 87101

May 4, 2022, 9:00 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101

USPS Tracking Plus®

Product Information

V

See Less ∧

Can't find what you're looking for?

Go to our FAQs section to find answers to your tracking questions.

FAQs

Feedback

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 Dollyworks Partners, LP; Marlu Partners, LP; 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. 22811). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted on 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 E/2 W/2 of Section 18 and the E/2 NW/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico. ("Unit"). The Unit will be dedicated to the Bluebell 22115 19-18 State Com #1H well ("Well") to be horizontally drilled from a surface hole location in the NE/4 SW/4 (Unit K) of Section 19 to a bottom hole location in the NE/4 NW/4 (Unit C) 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

00266675

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

BTA Oil Producers, LLC Case No. 22811 Exhibit C-3