

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

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

CASE NO. 23484

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Adams Davenport
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Project Location Map of the Capitan 22301 28-33 State Com #12H well
B-2	Subsea Structure Map, Cross-Section Line
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23484	APPLICANT'S RESPONSE
Date	May 4, 2023
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 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	Capitan
Formation/Pool	
Formation Name(s) or Vertical Extent:	Pennsylvanian Shale
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Pennsylvanian Shale
Pool Name and Pool Code:	WC025 G09 S173615C; Upper Penn Pool (Code 98333)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.37-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4, E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	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
Applicant's Ownership in Each Tract	Exhibit A-3
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	Capitan 22301 33-4 State Com #12H (API # ---) SHL: 300' FNL & 1319' FEL (Unit A), Section 33, T16S, R36E BHL: 50' FSL & 660' FEL (Unit P), Section 4, T17S, R36E Completion Target: Pennsylvanian Shale (Approx. 11,570' TVD)
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 \$	\$12,000.00
Production Supervision/Month \$	\$1,200.00

Received by: OCD- 5/3/2023 4:12:24 PM Justification for Supervision Costs	Exhibit A	Page 3 of 33
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 C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	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-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)	Exhibit B-2	
Cross Section (including Landing Zone)	Exhibit B-3	
Gross Isopach Map	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	

Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	5/2/2023

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

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

CASE NO. 23484

**SELF-AFFIRMED STATEMENT
OF ADAMS DAVENPORT**

1. 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 not previously testified before the New Mexico Oil Conservation Division ("Division").

2. I have a Bachelors of Science in Energy Management from The University of Tulsa and 4 years of experience in the petroleum industry. Prior to graduation, I worked the summers of 2017 and 2018 as a Landman Intern with Hilcorp Energy Company. In May 2019, I began working full time in a land capacity for Hilcorp Energy Company. In April 2022, I was hired by BTA as a Landman. I maintain active memberships with the American Association of Professional Landmen and the Permian Basin Landman Association.

3. 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**.

4. 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.

5. BTA seeks an order pooling all uncommitted mineral interests in the Pennsylvanian Shale formation underlying a 319.37-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4,

**BTA Oil Producers, LLC
Case No. 23484
Exhibit A**

E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit").

6. The Unit will be dedicated to the **Capitan 22301 33-4 State Com #12H** well ("Well"), which will be completed in the Upper Penn Pool (Code 98333). The Well will be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33, Township 16 South, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 4, Township 17 South.

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

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

9. **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 highlighted in yellow. All of the parties are locatable.

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

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. 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**.

13. BTA requests overhead and administrative rates of \$12,000 per month while the Well is being drilled and \$1,200 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.

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

15. 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.

16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony 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.

Adams Davenport
Adams Davenport

04/28/2023
Date

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

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

CASE NO. 23484

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) (“BTA” or “Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 319.37-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4, E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”). In support of this application, BTA 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 **Capitan 22301 33-4 State Com #12H** well (“Well”), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33, Township 16 South, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 4, Township 17 South.
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. 23484
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 interests in the Unit should be pooled and Applicant should be designated as the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 4, 2023, and, after notice and hearing as required by law, 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 charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated 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 M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
ypena@hinklelawfirm.com
Counsel for BTA Oil Producers, LLC

Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 319.37-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4, E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 33-4 State Com #12H** well ("Well"), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33, Township 16 South, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 4, Township 17 South. 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 cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 3 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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACERAGE DEDICATION PLAT

¹ API Number	² Pool Code 98333	³ Pool Name WC025 G09 S173615C; UPPER PENN
⁴ Property Code	⁵ Property Name CAPITAN 22301 33-4 STATE COM	⁶ Well Number 12H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3896'

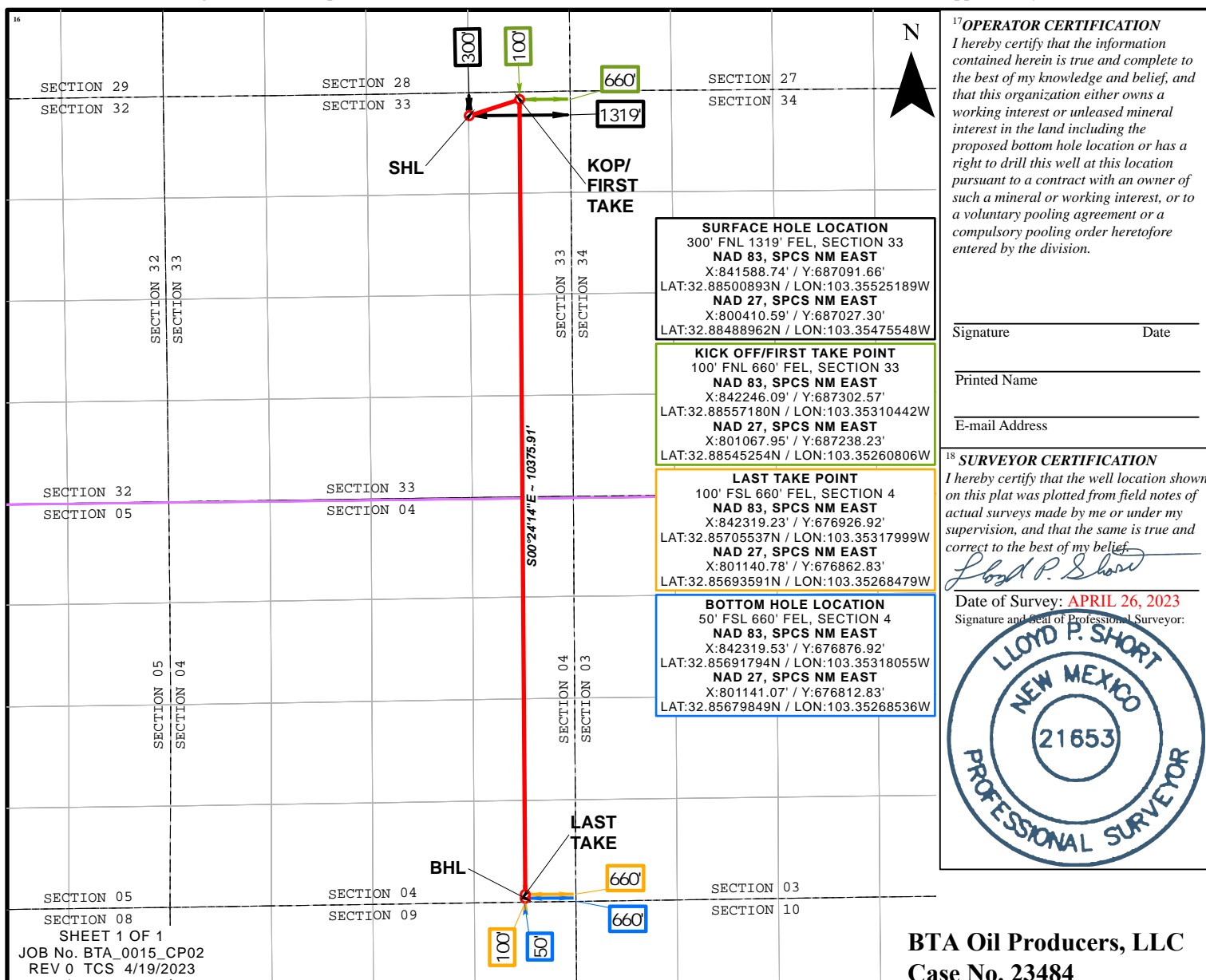
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	16S	36E		300	North	1319	East	LEA

¹¹ Bottom Hole Location If Different From Surface

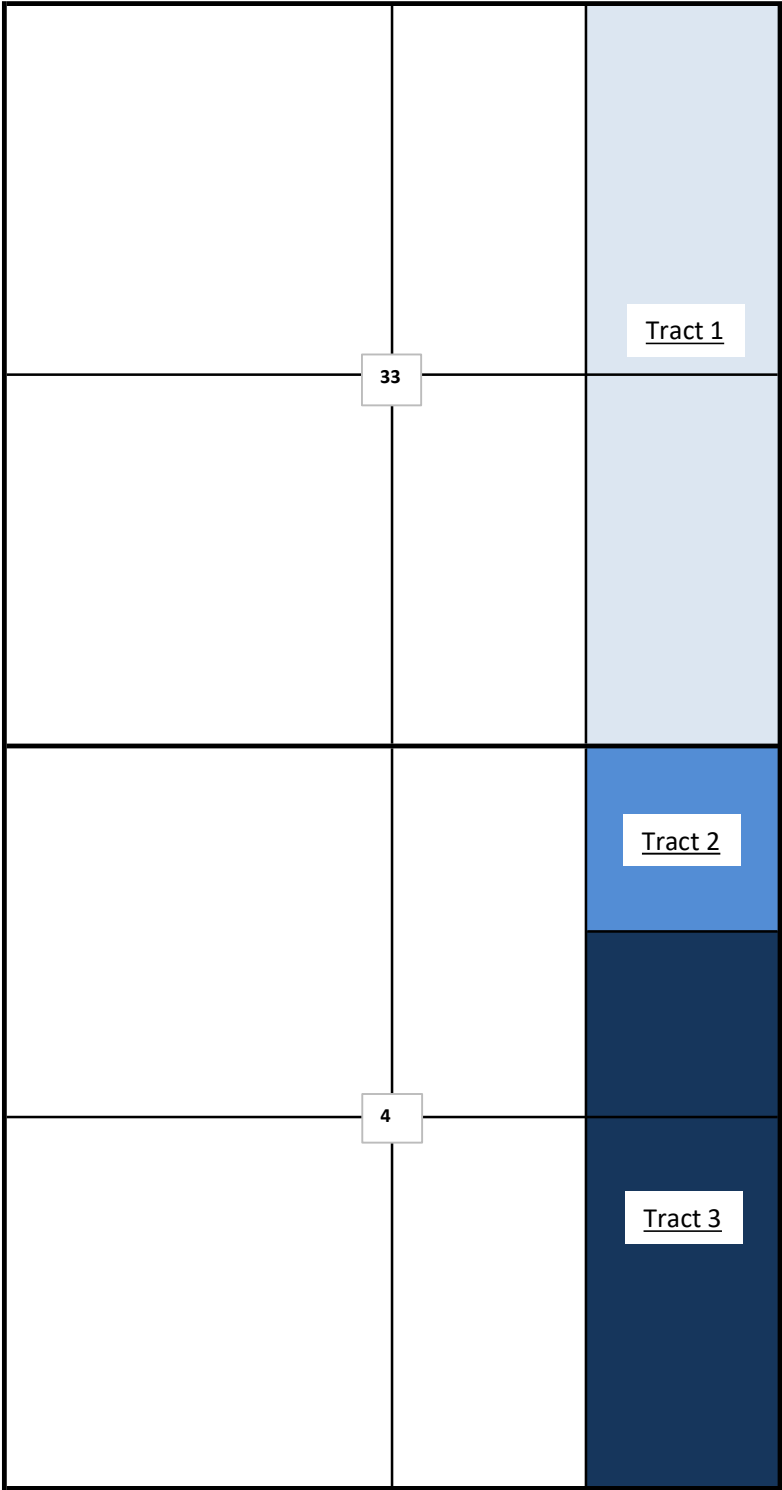
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	4	17S	36E		50	South	660	East	LEA
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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: 0|30|16.810000°

**319.37 Acre Spacing Unit for the Capitan 22301 33-4 State Com #12H Well
Covering the E/2 E/2 of Section 33, T-16-S, R-36-E, N.M.P.M., and Lot 1, SE/4
NE/4, E/2 SE/4 of Section 4, T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico**



**BTA Oil Producers, LLC
Case No. 23484
Exhibit A-3**

Capitan 22301 33-4 State Com #12H Unit Recapitulation

Tract 1	Leasehold Owner	WI	160 Acres
State of New Mexico OGL VC-0792 E/2 E/2 Section 33, T16S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	160.0000
Tract 2	Leasehold Owner	WI	39.37 Acres
State of New Mexico OGL B0-3009 Lot 1 Section 4, T17S, R36E, Lea County, New Mexico	XTO Holdings, LLC	100.0000%	39.3700
Tract 3	Leasehold Owner	WI	120 Acres
State of New Mexico OGL B0-1553 SE/4 NE/4, E/2 SE/4 Section 4, T17S, R36E, Lea County, New Mexico	Occidental Permian LTD	100.0000%	120.0000
Recapitulation	Leasehold Owner	WI	319.37 Acres
Capitan 22301 33-4 State Com #12H	BTA Oil Producers, LLC	50.0986%	160.0000
	Occidental Permian LTD	37.5740%	120.0000
	XTO Holdings, LLC	12.3274%	39.3700
Total		<u>100.0000%</u>	<u>319.3700</u>

***Parties to be pooled are highlighted in yellow.**



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0314

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

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 3375
HOUSTON, TEXAS 77002
713-658-0077

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

February 16, 2023

In re: Well Proposal
Capitan 22301 33-4 State Com #12H
SHL: 280' FNL & 1,300' FEL Section 33, T16S, R36E
BHL: 50' FSL & 660' FEL Section 4, T17S, R36E
Lea County, New Mexico

BTA 22300 Arbor 2

XTO Holdings, LLC
Attn: Bryan J. Cifuentes
22777 Springwoods Village Parkway
Spring, Texas 77389-1425

Mr. Cifuentes:

BTA Oil Producers, LLC ("BTA") proposes to drill the Capitan 22301 33-4 State Com #12H (the "Well"), a horizontal, communitized, Pennsylvanian Shale Well with a TVD of 11,570' and a MD of 21,683'. The Well will be drilled as a two mile horizontal well at the above captioned location (the "Operation"). The Cumulative Well Costs of the Operation are estimated to be \$13,976,471.00 as detailed in our enclosed Authority for Expenditure ("AFE").

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

- 300% / 100% / 300% non-consent penalty;
- \$8,000.00 / \$800.00 drilling and producing rates;
- Contract Area of 320 acres, being the E2 E2 of Section 33, T16S-R36E and E2 E2 of Section 4, T17S, R36E, limited to the Pennsylvanian Shale formation; and
- BTA Oil Producers, LLC named as Operator.

Find enclosed two (2) copies of our AFE for the drilling of the Capitan 22301 33-4 State Com #12H Well. If you elect to participate in the drilling of the Well, please so indicate by returning a signed copy of this letter along with a signed copy of the AFE to this office using the enclosed envelope. Please note the Well is a horizontal well and there will not be a casing point election.

BTA Oil Producers, LLC
Case No. 23484
Exhibit A-4

Page 2

Your election must be received by BTA within 30 days of your receipt of this letter. In the event that there has been no election after 30 days from your receipt of this letter, BTA will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division.

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

Sincerely,



Adams B. Davenport
Business Development

_____ Elect to Participate in the Capitan 22301 33-4 State Com #12H Well
(Send well information requirements to BTA)

_____ Elect to not to participate in the Capitan 22301 33-4 State Com #12H Well

XTO Holdings, LLC

By: _____

Title: _____

Date: _____

BTA OIL PRODUCERS

WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name:Capitan 22301 33-4 State Com #12H (PSAP)

Location:SHL: 280 FNL & 1300 FEL sec 33, T16S-36E

BHL: 50 FSL & 660 FEL sec 4, T17S-36E

Total Depth:11,570' TVD

21,683' MD

Lea County, NM

Formation:Penn Shale

Date Prepared: 2/16/2023

		Prepared By:			
		NE	NE	TW	
		DRY	CASED HOLE	COMPLETION	TOTAL COSTS
INTANGIBLE COSTS					
CODE	FORMATION EVALUATION	\$	\$	\$	\$
2203	Logs	8,000		20,000	28,000
2204	Cores				
2205	DST				
	LOCATION & ACCESS				
2211	Survey & Stake	5,000			5,000
2212	Damages	50,000			50,000
2213	Road & Location	85,000		100,000	185,000
2214	Other Location	160,000			160,000
	DRILLING RIG				
2223	Mobilization	205,000			205,000
2225	Daywork	971,500	134,000		1,105,500
2226	Footage				
2227	Turnkey				
	DRILLING SUPPLIES				
2232	Bits	115,000			115,000
2233	BHA	55,000		65,000	120,000
2234	Fuel	326,250	45,000		371,250
2236	Other Supplies				
	MUD RELATED				
2241	Mud Purchase	155,000	5,000		160,000
2242	Mud Rental				
2244	Fresh Water	55,000	1,000	700,000	756,000
2245	Brine	45,000			45,000
2246	Solids Control (Closed Loop)	43,500	6,000		49,500
2247	Mud Monitor	28,000			28,000
2249	Mud Related Other	8,000			8,000
	DRILLING SERVICES				
2252	BOP Related	15,000	4,000		19,000
2253	Casing Related	38,000	95,000		133,000
2254	Welding	8,000	2,000	15,000	25,000
2255	Trucking	22,500	10,000	70,000	102,500
2256	Rental Equipment	82,000	8,000	400,000	490,000
2257	Other Services (Direction/GR Services)	391,500			391,500
	CEMENT				
2261	Casing Cementing	115,000	185,000		300,000
2262	Other Cementing			150,000	150,000
	CONTRACT SERVICES				
2266	Engineering	8,000			8,000
2267	Geological	22,000			22,000
2268	Roustabout	6,000		80,000	86,000
2269	Wellsite Supervision	107,300	14,800	70,000	192,100
2270	Other Contract Services	25,000			25,000
	COMPLETION SERVICES				
2272	Pulling Unit			20,000	20,000
2273	Drilling Rig				
2276	Perforate			364,000	364,000
2277	Stimulation			3,840,000	3,840,000
2278	Other Compl. Services			220,000	220,000
	OVERHEAD				
2280	Drilling & Administrative	10,000		10,000	20,000
TOTAL INTANGIBLE COSTS		\$ 3,165,550	\$ 509,800	\$ 6,124,000	\$ 9,799,350
TANGIBLE COSTS					
CODE	TUBULARS				
2311	Surface Casing (13 3/8" @ 2125')	201,000			201,000
2312	Intermediate Casing (9 5/8" @ 4,650')	390,000			390,000
2313	Drlg Liner & Hanger (7-5/8" 4600" - 11100')	440,000			440,000
2314	Production Casing (5-1/2" x 5" @ TD)		915,000		915,000
2315	Production Liner & Hanger				
2316	Other Tubulars				
	WELL EQUIPMENT				
2321	Well Head	25,000	27,000	85,000	137,000
2322	Flowline			225,000	225,000
2325	Tubing			135,000	135,000
2326	Rods				
2327	Pumps				
2328	Pumping Unit				
2329	Subsurface Equipment			35,000	35,000
2331	Other Well Equipment	115,000	25,000	3,000	143,000
	LEASE EQUIPMENT				
2361	Tanks			150,000	150,000
2362	Separators			90,000	90,000
2363	Heater Treater			25,000	25,000
2364	Pumps			10,000	10,000
2365	Electrical System			150,000	150,000
2366	Meters			35,000	35,000
2367	Connectors			150,000	150,000
2368	Lact Equipment			55,000	55,000
2369	Other Lease Equipment			100,000	100,000
	SUBTOTAL - TANGIBLES	1,171,000	967,000	1,248,000	3,386,000
	SYSTEMS				
2353	Gas Line Tangibles				
2353	Gas Line Intangibles				
2381	Compresssor				
2382	Gas Plant Tangibles				
2382	Gas Plant Intangibles				
2384	Dehydrator				
	SUBTOTAL - SYSTEMS				
TOTAL TANGIBLE COSTS		\$ 1,171,000	\$ 967,000	\$ 1,248,000	\$ 3,386,000
GENERAL CONTINGENCIES		260,193	88,608	442,320	791,121
TOTALS BY PHASE		\$ 4,596,743	\$ 1,565,408	\$ 7,814,320	\$ 13,976,471
CUMULATIVE WELL COSTS		\$ 4,596,743	\$ 6,162,151	\$ 13,976,471	

Initial Routing Date:

NE RTW BMM SB, CR, LJH, RMD, SEB, BBJ

Land Approval Block:

APPROVED BY: _____

COMPANY: _____

DATE: _____

CHRONOLOGY OF CONTACT
Capitan 22301 33-4 State Com #12H

Occidental Permian, Ltd.

2/16/2023 Emailed and sent via Certified USPS Mail (Tracking No. 9214 8969 0099 9790 1822 0200 37) the well proposal to Hannah Eastwood.

2/17/2023 Email from Ms. Eastwood confirming receipt of the well proposals and requesting additional information regarding Occidental's title/interest.

2/19/2023 Replied via email with the requested information.

2/21/2023 Email from Ms. Eastwood with additional well information requests. Replied with the requested information and a copy of BTA's proposed JOA.

2/22/2023 Ms. Eastwood confirmed receipt of email.

3/6/2023 Sent a follow up email to see if Occidental needed any additional information to make an election.

3/14/2023 Email to Ms. Eastwood with additional well data information requested on 2/17/2023.

3/28/2023 Email from Ms. Eastwood with additional title questions. Call with Ms. Eastwood to answer title questions.

4/21/2023 Provided Ms. Eastwood with the pooling application filed.

4/25/2023 Called Ms. Eastwood to discuss the BTA well proposals. Ms. Eastwood indicated that Occidental would wait until after our compulsory pooling hearing to make an election whether or not to participate.

4/27/2023 Sent email to Ms. Eastwood to ask if Occidental would be interested in receiving a term assignment offer for Occidental's interest in BTA's unit.

5/1/2023 Ms. Eastwood confirmed that they would be interested in receiving a term assignment offer. Emailed offer.

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

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

CASE NO. 23484

**SELF-AFFIRMED STATEMENT
OF DAVID CHILDERS**

1. 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. I have previously testified before the Division and my credentials as an expert in geology were accepted as 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 project location map that shows the location of the proposed Capitan 22301 33-4 State Com #12H well.

4. BTA is targeting the Pennsylvanian Shale Formation. Exhibit B-2 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 dashed line. The structure map shows the Pennsylvanian Shale 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 this area.

5. Exhibit B-2 also shows a cross-section line in blue running North to South 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.

6. Exhibit B-3 is a stratigraphic cross-section that I prepared using the logs from the three wells noted on Exhibit B-2. Each well in the cross-section contains the gamma ray in the first track and resistivity in the second track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. Exhibit B-4 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 dashed line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 375 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-3 is also shown as a blue line on this map.

8. In my opinion, a stand-up orientation for the well is appropriate to properly develop the subject acreage because of an established directional pattern.

9. 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.

10. 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.

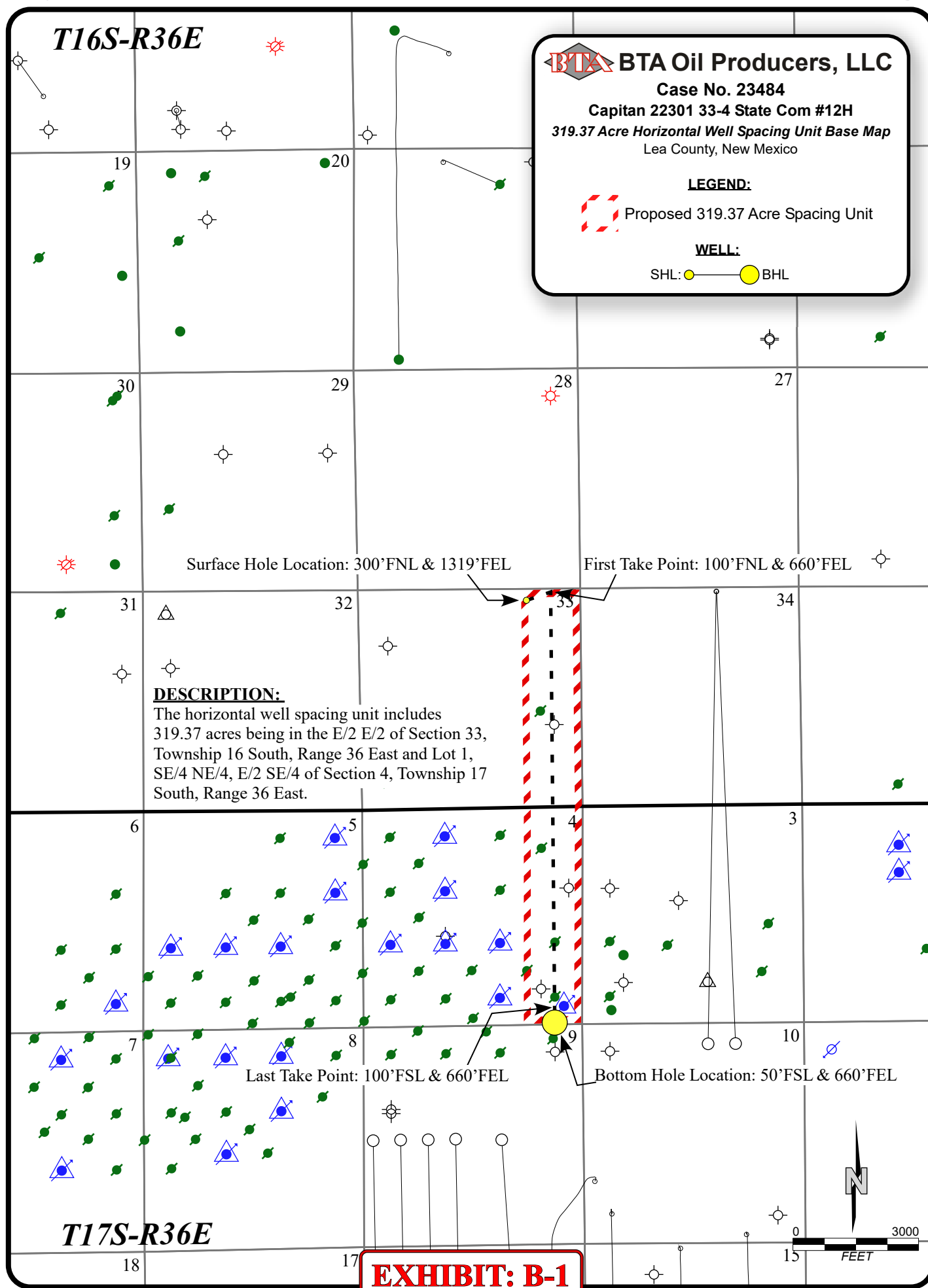
11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

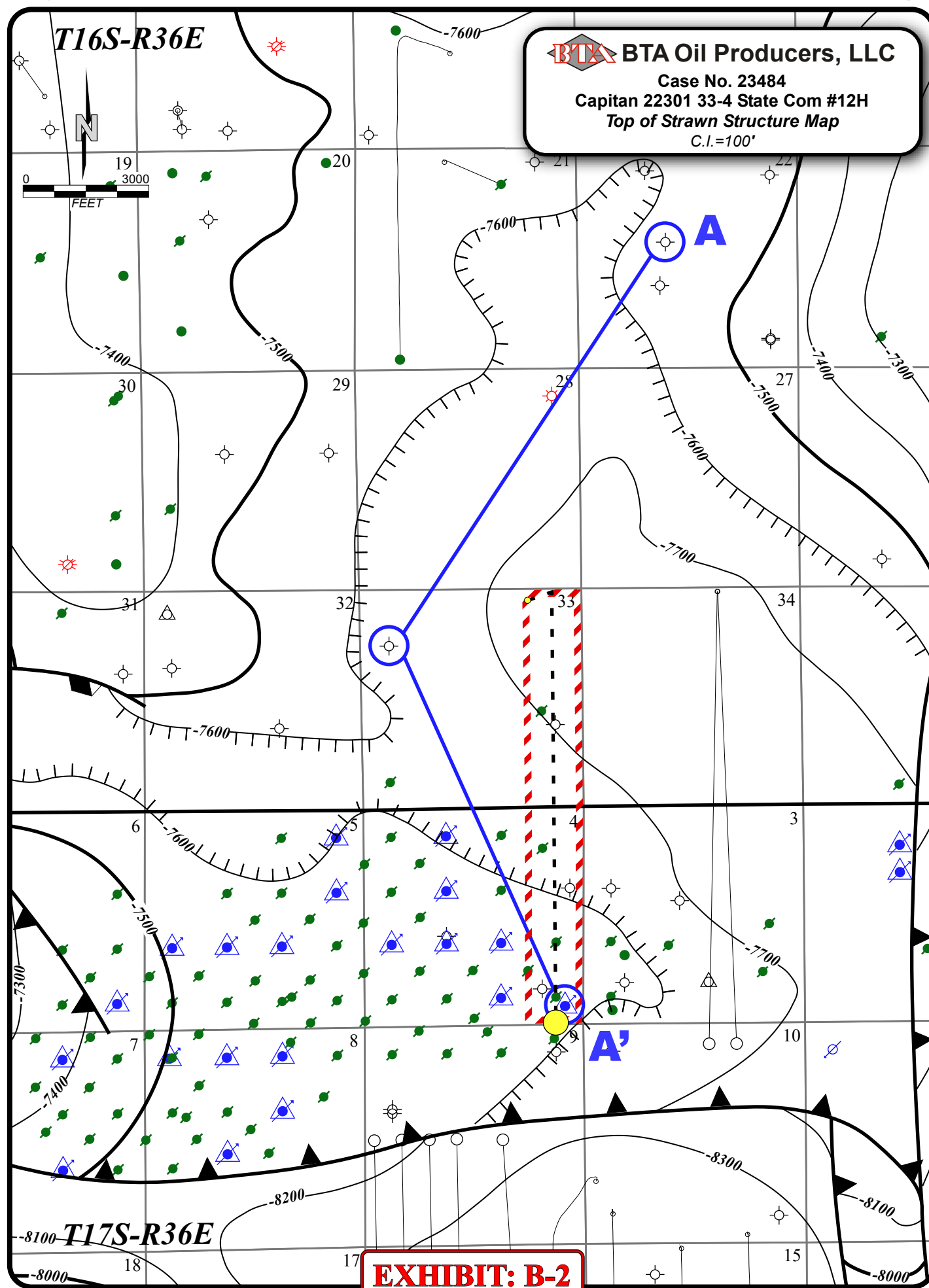
12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under

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

David Childers
David Childers

4-21-2023
Date





BTA Oil Producers, LLC

Case No. 23484
Capitan 22301 33-4 State Com #12H
Stratigraphic Cross Section

A**A'**

Chesapeake Operating Inc.
Teague 22 #1
Sec. 22, T16S-R36E
2272'FNL & 2125'FWL

David Arrington
Irresistible #1
Sec. 33, T16S-R36E
1351'FNL & 696'FWL

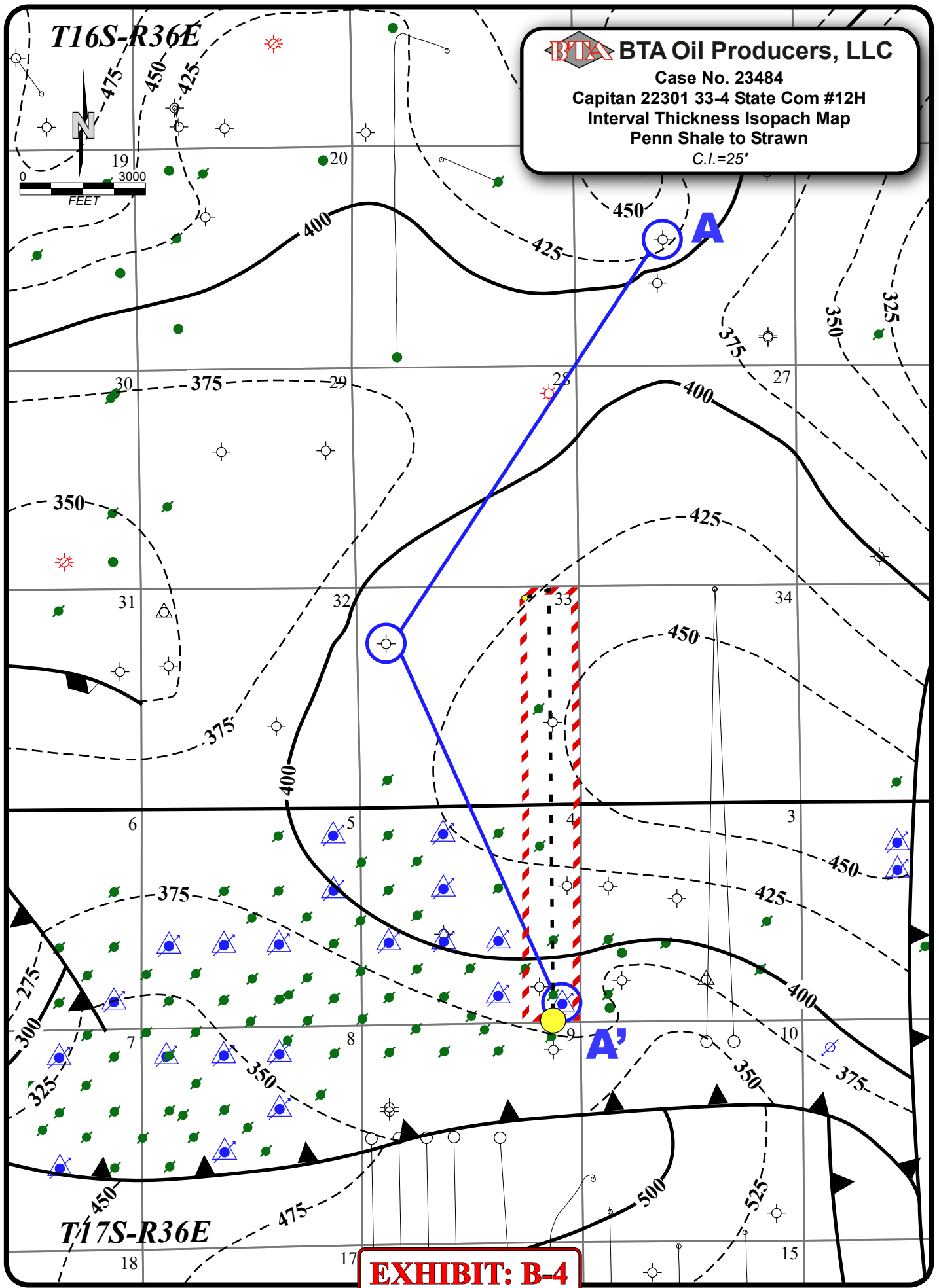
Texland Petroleum-Hobbs, LLC
OPL 4 State #1
Sec. 4, T17S-R36E
440'FSL & 440'FEL

*Penn Shale**Penn Shale*

Target Zone

Target Zone

*Strawn**Strawn***EXHIBIT: B-3**



BTA Oil Producers, LLC

Released to Imaging: 5/2/2023 4:21:07 PM
Case No. 23484 - Exhibit B-4

BTA OIL PRODUCERS, LLC

May, 2023 - DWC/jhb

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

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

CASE NO. 23484

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

1. 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** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On April 14, 2023, 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-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it 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.

/s/ Dana S. Hardy
Dana S. Hardy

May 2, 2023
Date

**BTA Oil Producers, LLC
Case No. 23484
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

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

April 12, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23484 – Application 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 application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **May 4, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/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 submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/OCD/OCDPermitting>) or via e-mail to ocd.hearings@emnrd.nm.gov 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 Adams Davenport, at BTA Oil Producers, LLC, by phone at 432-682-3753 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

BTA Oil Producers, LLC
Case No. 23484
Exhibit C-1

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

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

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

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

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

CASE NO. 23484

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Occidental Permian LTD Attn: Hannah Eastwood P.O. Box 4294 Houston, Texas 77210-4294	04/12/23	Per USPS Tracking (Last Checked 04/28/23): 04/19/23 – Delivered to individual at the address.
XTO Holdings, LLC Attn: Bryan J. Cifuentes 22777 Springwoods Village Pkwy Spring, Texas 77389-1425	04/12/23	04/26/23

**BTA Oil Producers, LLC
Case No. 23484
Exhibit C-2**

7020 0090 0000 0865 6335

U.S. Postal Service™ 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)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	
Sent To XTO Holdings, LLC Attn: Bryan J. Cifuentes 22777 Springwoods Village Pkwy Spring, Texas 77389-1425 23484 - BTA Capitan	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>XTO Holdings, LLC Attn: Bryan J. Cifuentes 22777 Springwoods Village Pkwy Spring, Texas 77389-1425 23484 - BTA Capitan</p> <p>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 6335</p>	<p>A. Signature x <i>W. Holland</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>9590 9402 7635 2122 8884 40</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

BTA Oil Producers, LLC
Case No. 23484
Exhibit C-3

7020 0090 0000 0865 6267

U.S. Postal Service™ 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)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To Occidental Permian LTD Attn: Hannah Eastwood P.O. Box 4294 Houston, Texas 77210-4294 23484 - BTA Capitan	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



USPS Tracking®

FAQs >

Tracking Number:

Remove X

70200090000008656267

Copy

Add to Informed Delivery (<https://informedelivery.usps.com/>)

Latest Update

Your item was delivered to an individual at the address at 1:15 pm on April 19, 2023 in HOUSTON, TX 77202.

Get More Out of USPS Tracking:

USPS Tracking Plus®

Delivered

Delivered, Left with Individual

HOUSTON, TX 77202

April 19, 2023, 1:15 pm

Available for Pickup

HOUSTON

April 15, 2023, 7:03 am

Departed USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER

April 14, 2023, 3:40 pm

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER

April 14, 2023, 11:23 am

In Transit to Next Facility

April 13, 2023

Departed USPS Facility

Feedback

ALBUQUERQUE, NM 87101
April 12, 2023, 9:54 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101
April 12, 2023, 7:32 pm

Hide Tracking History

Text & Email Updates



USPS Tracking Plus®



Product Information



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Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

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).

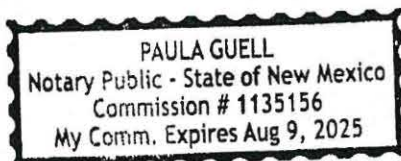
Beginning with the issue dated
April 14, 2023
and ending with the issue dated
April 14, 2023.


Publisher

Sworn and subscribed to before me this
14th day of April 2023.


Notary

My commission expires
August 09, 2025
(Seal)



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 NOTICE
April 14, 2023

This is to notify all interested parties, including Occidental Permian LTD; XTO Holdings, 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. 23484). The hearing will be conducted remotely on May 4, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 319.37-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 33, Township 16 South, Range 36 East, and Lot 1, SE/4 NE/4, E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 4, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Capitan 22301 33-4 State Com #12H** well ("Well"), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 33, Township 16 South, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 4, Township 17 South. 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 cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 3 miles south of Lovington, New Mexico.
#00277645

02107475

00277645

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

BTA Oil Producers, LLC
Case No. 23484
Exhibit C-4