

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

**APPLICATION OF BTA OIL PRODUCERS, LLC TO
RESCIND APPROVAL OF FOUR APPLICATIONS FOR
PERMITS TO DRILL ISSUED TO TEXAS STANDARD
OPERATING NM LLC, LEA COUNTY, NEW MEXICO.**

CASE NO. 23426

BTA OIL PRODUCERS, LLC'S NOTICE OF REBUTTAL EXHIBIT

BTA Oil Producers, LLC is submitting notice that it intends to introduce the attached correspondence, which has been marked as BTA Exhibit C-2, as a rebuttal exhibit in this matter.

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

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC

CERTIFICATE OF SERVICE

I hereby certify that on May 31, 2023, I caused a true and correct copy of the foregoing notice to be electronically served on the following:

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com
Attorneys for Texas Standard Operating NM LLC

/s/ Dana S. Hardy
Dana S. Hardy

Nick Eaton

From: Craig Young <craig@txsoil.com>
Sent: Thursday, March 02, 2023 3:55 PM
To: Nick Eaton
Cc: Willis Price; Tim Roberson; Alex Beal
Subject: RE: Operational Logistics

***** EXTERNAL EMAIL - Please use caution and **DO NOT** open attachments or click links from unknown or unexpected emails. *****

Nick,

Moving to the North does not work for us. To fully develop the tract we have, it is necessary to be south of the section line. If you would send us your surface and subsurface development plans we will see what we can do to work through any concerns you may have.

Regards,

Craig E. Young
Sr. VP Operations
432.693.6674
Craig@txsoil.com



From: Nick Eaton <NEaton@btaoil.com>
Sent: Wednesday, March 1, 2023 2:15 PM
To: Craig Young <craig@txsoil.com>
Cc: Willis Price <WPrice@btaoil.com>; Tim Roberson <tim@txsoil.com>; Alex Beal <albeal@btaoil.com>
Subject: RE: Operational Logistics

Craig,

Thank you for the quick response. Our concerns are both surface and subsurface related, as such we view the best solution is to place surface hole locations, facilities and wellbore positions entirely on lease for each party. We understand the importance of development timelines and hope that we can resolve the issue quickly and practically. Please don't hesitate to give me a call if you have any questions.

Respectfully,
Nick Eaton

From: Craig Young <craig@txsoil.com>
Sent: Tuesday, February 28, 2023 10:30 AM
To: Nick Eaton <NEaton@btaoil.com>
Cc: Willis Price <WPrice@btaoil.com>; Tim Roberson <tim@txsoil.com>; Alex Beal <albeal@btaoil.com>
Subject: RE: Operational Logistics

***** EXTERNAL EMAIL - Please use caution and **DO NOT** open attachments or click links from unknown or unexpected emails. *****

Nick,

I appreciate your concern. If we move these wells it will cost us approximately 500' of completable lateral in these wells. We are cut short on the north end by a fault, so these locations are necessary to fully develop the resources in our tract. If you have specific concerns with our wells in that section, we would be happy to work with you to address those concerns.

On another note, we are looking to drill a couple of wells to the north of this area, up by the Golden Tyche that you purchased from GDP. Who could I talk to about either buying water, or renting the frac pit just south of the Golden Tyche well?

Regards,

Craig E. Young
Sr. VP Operations
432.693.6674
Craig@txsoil.com



From: Nick Eaton <NEaton@btaoil.com>
Sent: Tuesday, February 28, 2023 8:51 AM
To: Craig Young <craig@txsoil.com>
Cc: Willis Price <WPrice@btaoil.com>; Tim Roberson <tim@txsoil.com>; Alex Beal <albeal@btaoil.com>
Subject: RE: Operational Logistics

Craig,

BTA is the operator of the Vindicator State Canyon Unit. This State Unit covers various sections in T17S 36E including all of section 21. Texas Standard has permitted the State 9-16 #1H-#4H wells on section 21 which will interfere with the development of the Vindicator Canyon State Unit.

BTA is requesting that these locations be moved off of the Vindicator Canyon State Unit.

Thank you,

Nick Eaton
Drilling Manager
BTA Oil Producers, LLC
432-682-3753



From: Willis Price <WPrice@btaoil.com>
Sent: Tuesday, February 28, 2023 8:25 AM
To: Nick Eaton <NEaton@btaoil.com>
Subject: FW: Operational Logistics

Nick:

I thought I would let you an Nathan coordinate talking to Craig on surface issues that we raised with Texas Standard. Thanks.

WDP

From: Tim Roberson <tim@txsoil.com>
Sent: Friday, February 24, 2023 5:04 PM
To: Willis Price <WPrice@btaoil.com>

Cc: Craig Young <craig@txsoil.com>; Charley Sharman <charley@txsoil.com>
Subject: Operational Logistics

***** EXTERNAL EMAIL - Please use caution and **DO NOT** open attachments or click links from unknown or unexpected emails. *****

Willis,

Happy Friday to you.

I know it is the end of the day for both of us so no worries until Monday or so but can you put Craig in touch with your operations engineer working the area. We just need to do come coordinating. I know you brought this up as well earlier this week and I relayed the message to our team. So if we can get a conversation going on between our teams on these surface items, we will be in good shape.

Thanks and have a good weekend.

Best regards,

Timothy M. Roberson
President



One Petroleum Center, Building One
3300 North A Street, Suite 105
Midland, Texas 79705
Office 432-219-6710 x202

2211 Norfolk Street, Suite 600
Houston, Texas 77098
Office 713-655-1195 x102
Direct 832-408-9682
Cell 713-201-0567