

**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. 24220

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex D. Barker
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letters & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Darin A. Dolezal
B-1	Project Location Map
B-2	Subsea Structure Map
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach Map of First Bone Spring Sand
B-5	Gross Isopach Map of Second Bone Spring Sand Interval
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Green Cards and White Slips

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24220	APPLICANT'S RESPONSE
Date	April 21, 2024
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	Crazy Goat
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Ojo Chiso; Bone Spring Pool (Code 96553)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	South/North
Description: TRS/County	E/2 E/2 of Sections 11 and 14, Township 22 South, Range 34 East, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	Yes, there is a depth severance in the Bone Spring formation within the Unit and BTA seeks to pool interests from the top of the First Bone Spring to the Base of the Second Bone Spring, found at a stratigraphic equivalent of 10,444 feet.
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	Crazy Goat 8711 14-11 State Com 4H (API # ---) SHL: 285' FSL & 1650' FEL (Unit O), Section 14, T22S, R34E BHL: 50' FNL & 990' FEL (Unit A), Section 11, T22S, R34E Completion Target: Approx. 10,350' TVD
Well #2	Crazy Goat 8711 14-11 State Com 65H (API # ---) SHL: 285' FSL & 1590' FEL (Unit O), Section 14, T22S, R34E BHL: 50' FNL & 990' FEL (Unit A), Section 11, T22S, R34E Completion Target: Approx. 9,600' 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
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	N/A
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)	Exhibit A-3
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-2
Depth Severance Discussion	Exhibit 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, B-5
Additional Information	
Special Provisions/Stipulations	N/A
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:	3/19/2024

**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. 24220

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

1. I am a landman with 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 land matters were accepted as 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 from the top of the First Bone Spring formation to the base of the Second Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 11 and 14, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the Crazy Goat 8711 14-11 State Com #4H and Crazy Goat 8711 14-11 State Com #6H wells (“Wells”), which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11.

**BTA Oil Producers, LLC
Case No. 24220
Exhibit A**

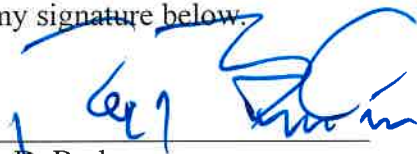
6. The Wells will be completed in the Ojo Chiso; Bone Spring Pool (Code 96553).
7. The completed interval of the Wells will be orthodox.
8. There is a depth severance in the Bone Spring formation within the Unit. Therefore, BTA seeks to pool interests from the top of the First Bone Spring to the base of the Second Bone Spring, found at a stratigraphic equivalent of 10,444' as shown in the Schlumberger Compensated Neutron/Litho Density Log, Run No. 1 (January 2, 1988) for the 8711 Chiso #1 Wellbore (API #30-025-30141).
9. **Exhibit A-2** contains the C-102s for the Wells.
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 highlighted in yellow. All of the parties are locatable.
11. BTA has conducted a diligent search of all county public records including phone directories and computer databases. BTA also used the Accurint subscription service to locate interest owners.
12. **Exhibit A-4** contains sample well proposal letters and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs 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.
13. In my opinion, BTA made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

14. BTA requests overhead and administrative rates of \$12,000 per month while the Wells are being drilled and \$1,200 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.


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

16. 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.

17. 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.



Rex D. Barker



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. 24220

APPLICATION

In accordance with NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (“BTA” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) seeking an order pooling all uncommitted interests from the top of the First Bone Spring formation to the base of the Second Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 11 and 14, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”). In support of this application, BTA 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. Applicant seeks to dedicate the Unit to the **Crazy Goat 8711 14-11 State Com #4H** and **Crazy Goat 8711 14-11 State Com #6H** wells (“Wells”), which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11.
3. The completed intervals of the Wells will be orthodox.
4. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, BTA seeks to pool interests from the top of the First Bone Spring to the base of the Second Bone Spring at a stratigraphic equivalent of 10,444’ as shown in the Schlumberger

**BTA Oil Producers, LLC
Case No. 24220
Exhibit A-1**

Compensated Neutron/Litho Density Log, Run No. 1 (January 2, 1988) for the 8711 Chiso #1 Wellbore (API #30-025-30141).

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the Unit.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to permit 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 the operator of the proposed horizontal wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, 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 initial wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the horizontal wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623

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.

BTA Oil Producers, LLC (“Applicant”) seeks an order pooling all uncommitted interests from the top of the First Bone Spring formation to the base of the Second Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 11 and 14, Township 22 South, Range 34 East, Lea County, New Mexico (“Unit”). Applicant seeks to dedicate the Unit to the **Crazy Goat 8711 14-11 State Com #4H** and **Crazy Goat 8711 14-11 State Com #6H** wells (“Wells”), which will be drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 14 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 11. The completed intervals of the Wells will be orthodox. Due to a depth severance in the Bone Spring formation within the Unit, BTA seeks to pool interests from the top of the First Bone Spring to the base of the Second Bone Spring at a stratigraphic equivalent of 10,444’ as shown in the Schlumberger Compensated Neutron/Litho Density Log, Run No. 1 (January 2, 1988) for the 8711 Chiso #1 Wellbore (API #30-025-30141). Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 27 miles southwest of Hobbs, 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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Ojo Chiso; Bone Spring
Property Code	Property Name	Well Number
	CRAZY GOAT 8711 14-11 STATE COM	6H
OGRID No.	Operator Name	Elevation
260297	BTA OIL PRODUCERS, LLC	3470'

Surface Location

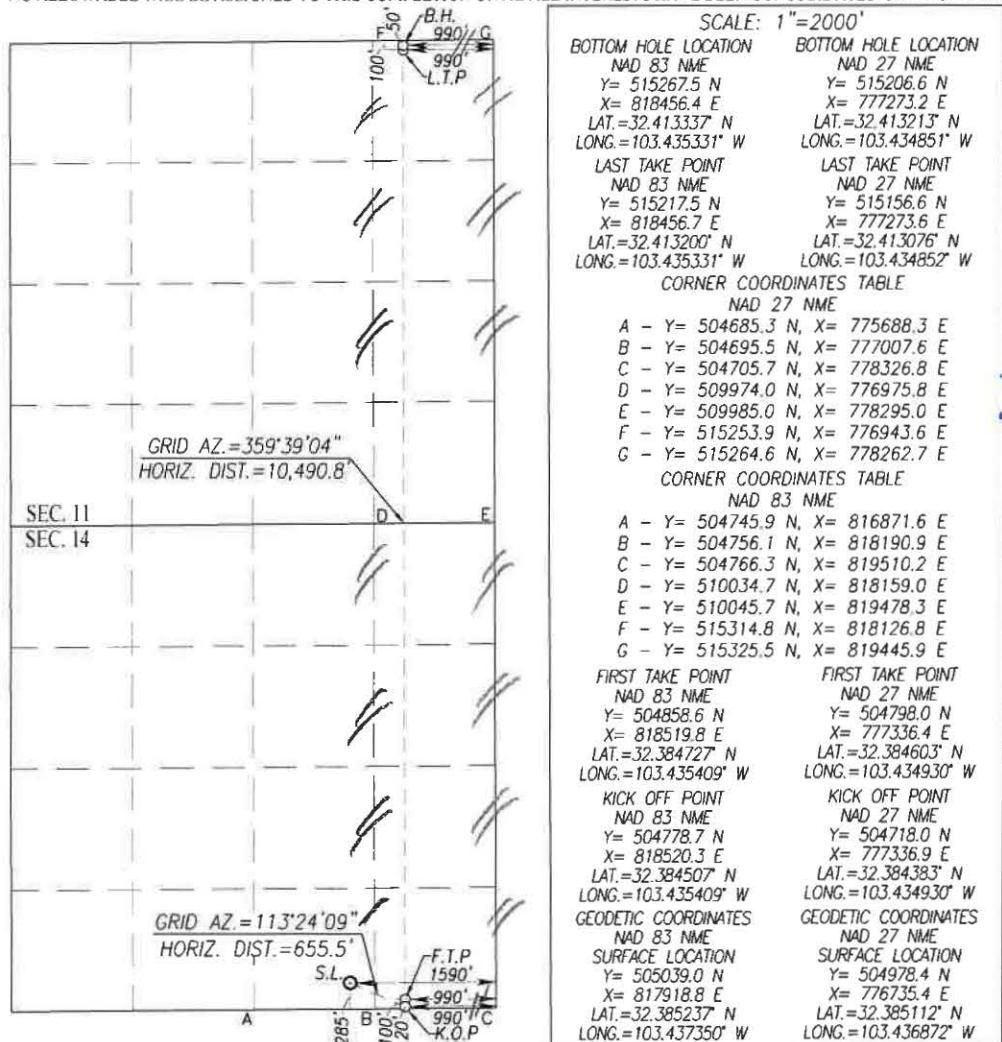
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	14	22-S	34-E		285	SOUTH	1590	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	22-S	34-E		50	NORTH	990	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION
I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sammy Hajar 8/22/23
Signature Date

Sammy Hajar
Printed Name
SHAJAR@BTAOIL.COM
E-mail Address

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes and surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge.

Date of Survey: 06/27/2023
Signature: Gary G. Eidson
Professional Surveyor Seal: 12641
REGISTERED PROFESSIONAL SURVEYOR

Gary G. Eidson 06/27/2023
Certificate Number Gary G. Eidson 12641

ACK JWSC W.O. 23 11 0188

BTA Oil Producers, LLC
Case No. 24220
Exhibit A-2

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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-51284	Pool Code 96553	Pool Name Ojo Chiso; Bone Spring
Property Code 333897	Property Name CRAZY GOAT 8711 14-11 STATE COM	
OGRID No. 260297	Operator Name BTA OIL PRODUCERS, LLC	Well Number 4H Elevation 3471'

Surface Location

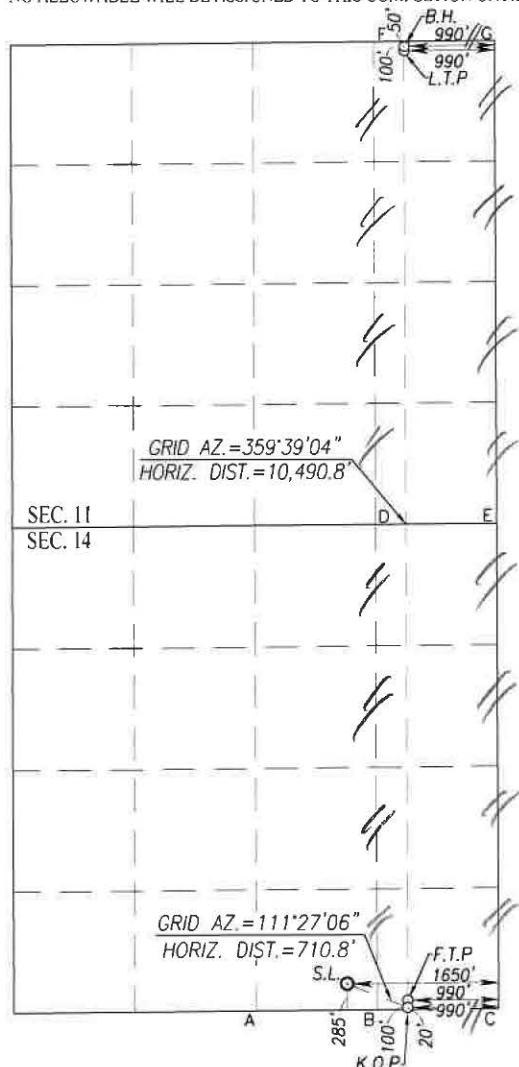
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	14	22-S	34-E		285	SOUTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	22-S	34-E		50	NORTH	990	EAST	LEA

Dedicated Acres 320	Joint or Infill	Consolidation Code	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



SCALE: 1"=2000'

BOTTOM HOLE LOCATION NAD 83 NME Y= 515267.5 N X= 818456.4 E LAT.=32.413337° N LONG.=103.435331° W	BOTTOM HOLE LOCATION NAD 27 NME Y= 515206.6 N X= 77273.2 E LAT.=32.413213° N LONG.=103.434851° W
LAST TAKE POINT NAD 83 NME Y= 515217.5 N X= 818456.7 E LAT.=32.413200° N LONG.=103.435331° W	LAST TAKE POINT NAD 27 NME Y= 515156.6 N X= 77273.6 E LAT.=32.413076° N LONG.=103.434852° W

CORNER COORDINATES TABLE

NAD 27 NME

A - Y= 504685.3 N, X= 775688.3 E
B - Y= 504695.5 N, X= 777007.6 E
C - Y= 504705.7 N, X= 778326.8 E
D - Y= 509974.0 N, X= 776975.8 E
E - Y= 509985.0 N, X= 778295.0 E
F - Y= 515253.9 N, X= 776943.6 E
G - Y= 515264.6 N, X= 778262.7 E

CORNER COORDINATES TABLE

NAD 83 NME

A - Y= 504745.9 N, X= 816871.6 E
B - Y= 504756.1 N, X= 818190.9 E
C - Y= 504766.3 N, X= 819510.2 E
D - Y= 510034.7 N, X= 818159.0 E
E - Y= 510045.7 N, X= 819478.3 E
F - Y= 515314.8 N, X= 818126.8 E
G - Y= 515325.5 N, X= 819445.9 E

FIRST TAKE POINT
NAD 83 NME
Y= 504858.6 N
X= 818519.8 E
LAT.=32.384727° N
LONG.=103.435409° W

FIRST TAKE POINT
NAD 27 NME
Y= 504798.0 N
X= 777336.4 E
LAT.=32.384603° N
LONG.=103.434930° W

KICK OFF POINT
NAD 83 NME
Y= 504778.6 N
X= 818520.3 E
LAT.=32.384507° N
LONG.=103.435409° W

KICK OFF POINT
NAD 27 NME
Y= 504718.0 N
X= 777336.9 E
LAT.=32.384383° N
LONG.=103.434930° W

GEODETIC COORDINATES
NAD 83 NME
SURFACE LOCATION
Y= 505038.6 N
X= 817858.8 E
LAT.=32.385237° N
LONG.=103.437545° W

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y= 504978.0 N
X= 776675.5 E
LAT.=32.385113° N
LONG.=103.437066° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sammy Hajar 8/22/23
Signature Date

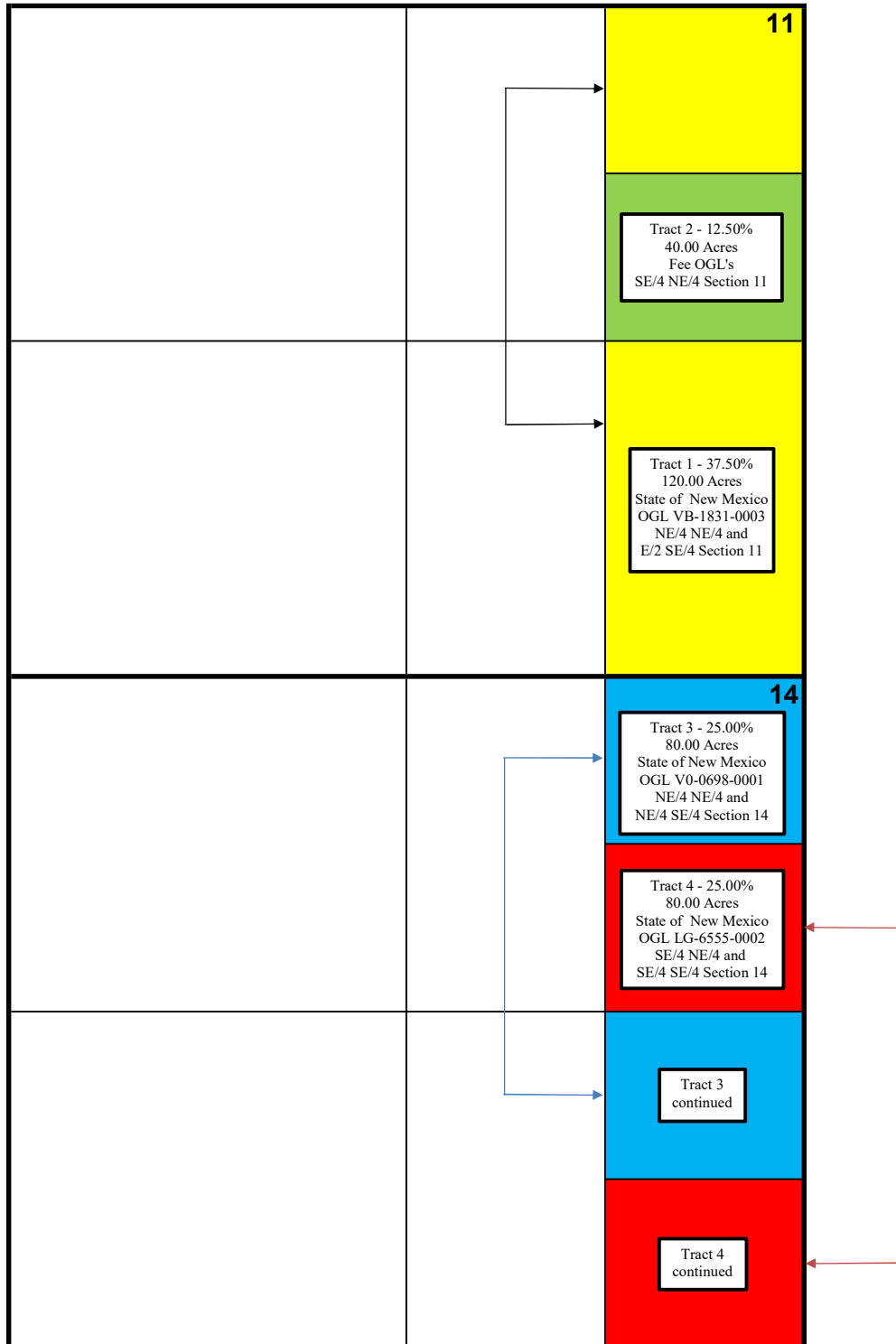
Sammy Hajar
Printed Name
SHAJAR@BTAOIL.COM
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of all surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge.

NEW MEXICO
DECEMBER 16, 2020
Date of Survey
Signature of Registered Professional Surveyor
12641
Gary G. Eidson
Certificator Number Gary G. Eidson 12641
Ronald J. Eidson 3239
ACK REL W/O 20110589 JWSC W/O 23 13 0190

**320.00 Acre Spacing Unit for the Crazy Goat 8711 14-11 State Com #4H and 6H Wells
Covering the E/2 E/2 of Section 11 and the E/2 E/2 of Section 14,
T-22-S, R-34-E, N.M.P.M., Lea County, New Mexico**



**BTA Oil Producers, LLC
Case No. 24220
Exhibit A-3**

Crazy Goat 8711 14-11 State Com State Com #4H & 6H Unit Recapitulation

Tract 1	Leasehold Owner	WI	120.00 Acres
State of New Mexico OGL VB-1831 NE/4 NE/4 and E/2 NE/4 Section 11, T22S, R34E, Lea County, New Mexico	BTA Oil Producers, LLC	47.206166%	56.6472
	MRC Permian Company	41.305396%	49.5665
	Ross Duncan Properties, LLC	2.619219%	3.1431
	Featherstone Development Corporation	3.143062%	3.7717
	Prospector, LLC	2.357297%	2.8288
	Big Three Energy Group, LLC	2.357297%	2.8288
	Ray Westall and wife, Karen Westall	1.011563%	1.2139
		<u>100.000000%</u>	<u>120.0000</u>
Tract 2	Leasehold Owner	WI	40.00 Acres
Fee Oil and Gas Lease (1897-594) Fee Oil and Gas Lease (1897-599) Fee Oil and Gas Lease (1913-804) SE/4 NE/4 of Section 11, T22S, R34E, Lea County, New Mexico	BTA Oil Producers, LLC	47.206166%	18.8825
	MRC Permian Company	41.305396%	16.5222
	Ross Duncan Properties, LLC	2.619219%	1.0477
	Featherstone Development Corporation	3.143062%	1.2572
	Prospector, LLC	2.357297%	0.9429
	Big Three Energy Group, LLC	2.357297%	0.9429
	Ray Westall and wife, Karen Westall	1.011563%	0.4046
		<u>100.000000%</u>	<u>40.0000</u>
Tract 3	Leasehold Owner	WI	80.0000
State of New Mexico OGL V0-0698 NE/4 NE/4 and NE/4 SE/4 of Section 14, T22S, R34E, Lea County, New Mexico	BTA Oil Producers, LLC	100.000000%	80.0000
Tract 3	Leasehold Owner	WI	80.0000

State of New Mexico OGL LG-6555 SE/4 NE/4 and SE/4 SE/4 of Section 14, T22S, R34E, Lea County, New Mexico	BTA Oil Producers, LLC	100.000000%	80.0000
--	------------------------	-------------	---------

Recapitulation	Leasehold Owner	WI	320.0000
Crazy Goat 8711 14-11 State Com #4H and 6H	BTA Oil Producers, LLC	73.603083%	235.5297
	MRC Permian Company	20.652698%	66.0887
	Ross Duncan Properties, LLC	1.309610%	4.1908
	Featherstone Development Corporation	1.571531%	5.0289
	Prospector, LLC	1.178648%	3.7717
	Big Three Energy Group, LLC	1.178648%	3.7717
	Ray Westall and wife, Karen Westall	0.505782%	1.6185
Total		100.000000%	320.0000



BTA OIL PRODUCERS, LLC

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

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
ADAMS DAVENPORT
MICHAEL BEAL

December 20, 2023

Federal Express
7745 5520 7490

In re: Crazy Goat 8711 14-11 State Com Well Proposals
E/2 Section 11 and E/2 Section 14, Township 22 South, Range 34 East,
Lea County, New Mexico
BTA 8711 Chiso, Tr. I, II, V, VI

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

Attn: Ms. Diane E. Strickling
Senior Land Coordinator

Dear Diane:

BTA Oil Producers, LLC (“BTA”), as Operator, proposes to drill the following Crazy Goat 8711 14-11 State Com Wells (the ”Wells”), as two-mile horizontal, communitized, 1st and 2nd Bone Spring Wells. Pad drilling is scheduled to begin in mid-February, 2024.

BTA proposes drilling the Wells under the terms of a 2015 AAPL Operating Agreement which is included for your review and approval. The JOA has these general provisions:

- 300%/100%/ 300% non-consent penalty;
- \$12,000.00 / \$1,200.00 drilling and producing rates;
- Contract Area of 640 acres, being the E/2 of Section 11 and the E/2 of Section 14, T22S, R34E, limited to the 1st and 2nd Bone Spring Formation; and
- BTA Oil Producers, LLC named as Operator.

Please review the Operating Agreement, and if acceptable, secure the execution of the signature pages and return the executed set to BTA at your earliest convenience. After the memorandum is recorded in Lea County, New Mexico, BTA will provide you with a copy of such.

BTA Oil Producers, LLC Proposed Wells**Crazy Goat 8711 14-11 State Com #3H**

- BTA proposes drill the 2nd Bone Spring horizontal well from the E/2 of Section 14 to the E/2 of Section 11, with a TVD of 10,100' and a MD of 20,355'. SL: 285' FSL & 1680' FEL in Section 14. BHL: 50' FNL & 1815' FEL in Section 11.
- BTA's AFE estimates Dry Hole Costs of \$3,869,159.00; Completion and Equipping Costs of \$6,580,480.00; for a total of \$10,449,639.00.

Crazy Goat 8711 14-11 State Com #4H

- BTA proposes drill the 2nd Bone Spring horizontal well from the E/2 of Section 14 to the E/2 of Section 11, with a TVD of 10,350' and a MD of 20,505'. SL: 285' FSL & 1650' FEL in Section 14. BHL: 50' FNL & 990' FEL in Section 11.
- BTA's AFE estimates Dry Hole Costs of \$3,874,459.00; Completion and Equipping Costs of \$6,580,480.00; for a total of \$10,454,939.00.

Crazy Goat 8711 14-11 State Com #5H

- BTA proposes drill the 1st Bone Spring horizontal well from the E/2 of Section 14 to the E/2 of Section 11, with a TVD of 9,600' and a MD of 19,755'. SL: 285' FSL & 1620' FEL in Section 14. BHL: 50' FNL & 2260' FEL in Section 11.
- BTA's AFE estimates Dry Hole Costs of \$3,784,041.00; Completion and Equipping Costs of \$6,580,480.00; for a total of \$10,364,521.00.

Crazy Goat 8711 14-11 State Com #6H

- BTA proposes drill the 1st Bone Spring horizontal well from the E/2 of Section 14 to the E/2 of Section 11, with a TVD of 9,600' and a MD of 19,755'. SL: 285' FSL & 1590' FEL in Section 14. BHL: 50' FNL & 990' FEL in Section 11.
- BTA's AFE estimates Dry Hole Costs of \$3,784,041.00; Completion and Equipping Costs of \$6,580,480.00; for a total of \$10,364,521.00.

Also enclosed are two (2) AFE's for each Crazy Goat Well. If you elect to participate in the drilling of the Wells, please return a signed copy of this letter along with one signed copy of each AFE to this office using the enclosed envelope. Please note the Wells are horizontal wells and there will be no casing point elections.

BTA requests that you make an election within 30 days of receipt of this proposal. In the event that there has been no election after 30 days from your receipt of this proposal, 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,



Rex D. Barker

Landman

rbarker@btaoil.com

_____ Elect to participate in the Crazy Goat 8711 14-11 State Com #3H Well
(Send well information requirements to BTA)
_____ Elect not to participate in the Crazy Goat 8711 14-11 State Com #3H Well

_____ Elect to participate in the Crazy Goat 8711 14-11 State Com #4H Well
(Send well information requirements to BTA)
_____ Elect not to participate in the Crazy Goat 8711 14-11 State Com #4H Well

_____ Elect to participate in the Crazy Goat 8711 14-11 State Com #5H Well
(Send well information requirements to BTA)
_____ Elect not to participate in the Crazy Goat 8711 14-11 State Com #5H Well

_____ Elect to participate in the Crazy Goat 8711 14-11 State Com #6H Well
(Send well information requirements to BTA)
_____ Elect not to participate in the Crazy Goat 8711 14-11 State Com #6H Well

MRC Permian Company

By: _____

Title: _____

Date: _____

ORIGIN ID:MAFA (432) 682-3753
REX BARKER
BTA OIL PRODUCERS, LLC
104 SOUTH PECOS

SHIP DATE: 20DEC23
ACTWGT:
CAD: 111366055/NET4660

MIDLAND, TX 79701
UNITED STATES US

BILL SENDER

TO **DIANE E. STRICKLING**
MRC PERMIAN COMPANY
5400 LBJ FREEWAY, SUITE 1500

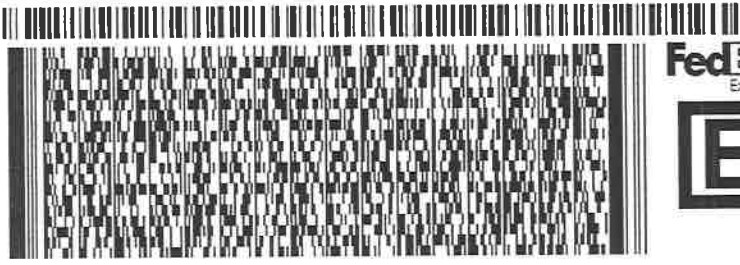
DALLAS TX 75240

(432) 682-3753
INV:
PO:

REF:

DEPT:

583J42BE49AE3



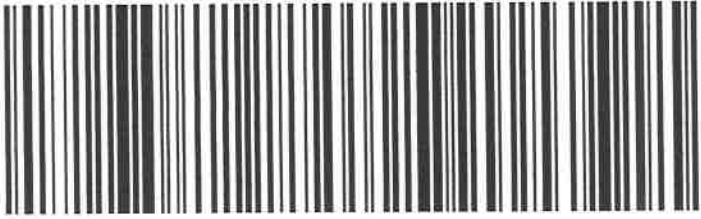
FRI - 22 DEC 5:00P

**** 2DAY ****

TRK# **7745 5520 7490**
0201

SP PNXA

75240
TX-US DFW



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

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

Well Name: Crazy Goat 8711 14-11 State Com #06H
 Location: SHL: 285 FSL 1590 FEL Section 14
 FTP: 100 FSL 990 FEL Section 14
 LTP: 100 FNL 990 FEL Section 11
 BHL: 50 FNL 990 FEL Section 11
 22S-34E. Lea County, NM

Total Depth: ~9,600' TVD
 ~19,755' MD

Formation: 1st Bone

Date Prepared: 12/13/2023

		Prepared By:			
		NE	NE	TW	
		DRY	CASED HOLE	COMPLETION	TOTAL COSTS
CODE	DESCRIPTION	\$	\$	\$	\$
INTANGIBLE COSTS					
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	60,000			60,000
2213	Road & Location	80,000		45,000	125,000
2214	Other Location	120,000			120,000
DRILLING RIG					
2223	Mobilization	120,000			120,000
2225	Daywork	630,000	94,500		724,500
2226	Footage				
2227	Turnkey				
DRILLING SUPPLIES					
2232	Bits	90,000			90,000
2233	BHA	55,000		65,000	120,000
2234	Fuel	175,000	26,250		201,250
2236	Other Supplies				
MUD RELATED					
2241	Mud Purchase	55,000	5,000		60,000
2242	Mud Rental				
2244	Fresh Water	55,000	1,000	800,000	856,000
2245	Brine	45,000			45,000
2246	Solids Control	30,000	4,500		34,500
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	85,000		123,000
2254	Welding	8,000	2,000	10,000	20,000
2255	Trucking	22,500	10,000	65,000	97,500
2256	Rental Equipment	82,000	8,000	375,000	465,000
2257	Other Services	297,000			297,000
CEMENT					
2261	Casing Cementing	90,000	155,000		245,000
2262	Other Cementing			120,000	120,000
CONTRACT SERVICES					
2266	Engineering	8,000			8,000
2267	Geological	22,000			22,000
2268	Roustabout	8,000		65,000	73,000
2269	Wellsite Supervision	74,000	11,100	75,000	160,100
2270	Other Contract Services	15,000			15,000
COMPLETION SERVICES					
2272	Pulling Unit			20,000	20,000
2273	Drilling Rig				
2276	Perforate			345,000	345,000
2277	Stimulation			3,100,000	3,100,000
2278	Other Compl. Services			200,000	200,000
OVERHEAD					
2280	Drilling & Administrative	10,000		10,000	20,000
TOTAL INTANGIBLE COSTS		\$ 2,253,500	\$ 406,350	\$ 5,315,000	\$ 7,974,850
TANGIBLE COSTS					
TUBULARS					
2311	Surface Casing	99,000			99,000
2312	Intermediate Casing	245,000			245,000
2313	Drig Liner & Hanger				
2314	Production Casing		475,000		475,000
2315	Production Liner & Hanger (10,000 - TD)				
2316	Other Tubulars				
WELL EQUIPMENT					
2321	Well Head	30,000	25,000	85,000	140,000
2322	Flowline			105,000	105,000
2325	Tubing			90,000	90,000
2326	Rods				
2327	Pumps				
2328	Pumping Unit				
2329	Subsurface Equipment			35,000	35,000
2331	Other Well Equipment	18,000	18,000	3,000	39,000
LEASE EQUIPMENT					
2361	Tanks			155,000	155,000
2362	Separators			145,000	145,000
2363	Heater Treater			-	-
2364	Pumps			25,000	25,000
2365	Electrical System			75,000	75,000
2366	Meters			35,000	35,000
2367	Connectors			65,000	65,000
2368	Lact Equipment			-	-
2369	Other Lease Equipment			75,000	75,000
SUBTOTAL - TANGIBLES		392,000	518,000	893,000	1,803,000
SYSTEMS					
2353	Gas Line Tangibles				
2353	Gas Line Intangibles				
2381	Compressor				
2382	Gas Plant Tangibles				
2382	Gas Plant Intangibles				
2384	Dehydrator				
SUBTOTAL - SYSTEMS					
TOTAL TANGIBLE COSTS		\$ 392,000	\$ 518,000	\$ 893,000	\$ 1,803,000
GENERAL CONTINGENCIES		158,730	55,461	372,480	586,671
TOTALS BY PHASE		\$ 2,804,230	\$ 979,811	\$ 6,580,480	\$ 10,364,521
CUMULATIVE WELL COSTS		\$ 2,804,230	\$ 3,784,041	\$ 10,364,521	

Initial Routing Date:

Land Approval Block:

APPROVED BY: _____

COMPANY: _____

DATE: _____

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

Well Name: Crazy Goat 8711 14-11 State Com #04H
 Location: SHL: 285 FSL 1650 FEL Section 14
 FTP: 100 FSL 990 FEL Section 14
 LTP: 100 FNL 990 FEL Section 11
 BHL: 50 FNL 990 FEL Section 11
 22S-34E. Lea County, NM

Total Depth: ~10,350' TVD
 ~20,505' MD

Formation: 2nd Bone

Date Prepared: 12/13/2023

Prepared By:		
NE	NE	TW
DRY	CASED HOLE	COMPLETION

TOTAL COSTS

CODE	DESCRIPTION	NE DRY	NE CASED HOLE	TW COMPLETION	TOTAL COSTS
INTANGIBLE COSTS					
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	60,000			60,000
2213	Road & Location	80,000		45,000	125,000
2214	Other Location	120,000			120,000
DRILLING RIG					
2223	Mobilization	120,000			120,000
2225	Daywork	661,500	94,500		756,000
2226	Footage				
2227	Turnkey				
DRILLING SUPPLIES					
2232	Bits	90,000			90,000
2233	BHA	55,000		65,000	120,000
2234	Fuel	183,750	26,250		210,000
2236	Other Supplies				
MUD RELATED					
2241	Mud Purchase	55,000	5,000		60,000
2242	Mud Rental				
2244	Fresh Water	55,000	1,000	800,000	856,000
2245	Brine	45,000			45,000
2246	Solids Control	31,500	4,500		36,000
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	85,000		123,000
2254	Welding	8,000	2,000	10,000	20,000
2255	Trucking	22,500	10,000	65,000	97,500
2256	Rental Equipment	82,000	8,000	375,000	465,000
2257	Other Services	311,850			311,850
CEMENT					
2261	Casing Cementing	90,000	155,000		245,000
2262	Other Cementing			120,000	120,000
CONTRACT SERVICES					
2266	Engineering	8,000			8,000
2267	Geological	22,000			22,000
2268	Roustabout	8,000		65,000	73,000
2269	Wellsite Supervision	77,700	11,100	75,000	163,800
2270	Other Contract Services	15,000			15,000
COMPLETION SERVICES					
2272	Pulling Unit			20,000	20,000
2273	Drilling Rig				
2276	Perforate			345,000	345,000
2277	Stimulation			3,100,000	3,100,000
2278	Other Compl. Services			200,000	200,000
OVERHEAD					
2280	Drilling & Administrative	10,000		10,000	20,000
TOTAL INTANGIBLE COSTS		\$ 2,313,800	\$ 406,350	\$ 5,315,000	\$ 8,035,150
TANGIBLE COSTS					
TUBULARS					
2311	Surface Casing	99,000			99,000
2312	Intermediate Casing	245,000			245,000
2313	Drig Liner & Hanger				
2314	Production Casing		500,000		500,000
2315	Production Liner & Hanger (10,000 - TD)				
2316	Other Tubulars				
WELL EQUIPMENT					
2321	Well Head	30,000	25,000	85,000	140,000
2322	Flowline			105,000	105,000
2325	Tubing			90,000	90,000
2326	Rods				
2327	Pumps				
2328	Pumping Unit				
2329	Subsurface Equipment			35,000	35,000
2331	Other Well Equipment	18,000	18,000	3,000	39,000
LEASE EQUIPMENT					
2361	Tanks			155,000	155,000
2362	Separators			145,000	145,000
2363	Heater Treater			-	-
2364	Pumps			25,000	25,000
2365	Electrical System			75,000	75,000
2366	Meters			35,000	35,000
2367	Connectors			65,000	65,000
2368	Lact Equipment			-	-
2369	Other Lease Equipment			75,000	75,000
SUBTOTAL - TANGIBLES		392,000	543,000	893,000	1,828,000
SYSTEMS					
2353	Gas Line Tangibles				
2353	Gas Line Intangibles				
2381	Compressor				
2382	Gas Plant Tangibles				
2382	Gas Plant Intangibles				
2384	Dehydrator				
SUBTOTAL - SYSTEMS					
TOTAL TANGIBLE COSTS		\$ 392,000	\$ 543,000	\$ 893,000	\$ 1,828,000
GENERAL CONTINGENCIES		162,348	56,961	372,480	591,789
TOTALS BY PHASE		\$ 2,868,148	\$ 1,006,311	\$ 6,580,480	\$ 10,454,939
CUMULATIVE WELL COSTS		\$ 2,868,148	\$ 3,874,459	\$ 10,454,939	

Initial Routing Date:

Land Approval Block:

APPROVED BY: _____

COMPANY: _____

DATE: _____

CHRONOLOGY OF CONTACT

Crazy Goat 8711 14-11 State Com #3H, 4H, 5H & 6H

- 12/20/2023 Rex Barker, Landman for BTA Oil Producers, LLC, sent by FedEx, a Well Proposal Letter to Diane E. Strickling, Senior Land Coordinator for MRC Permian Company, proposing the Crazy Goat 8711 14-11 State Com #3H, 4H, 5H and 6H Wells.
- 1/9/2024 Emailed Diane E. Strickling expressing BTA's hope that MRC Permian Company will elect to participate in the Crazy Goat Wells and letting her know that pad drilling was scheduled to begin February 14, 2024.
- 1/9/2024 Diane Strickling replied that the BTA well proposals were entered into their system for their Team's evaluation. She said Clay Wooten is the Landman overseeing BTA's proposals.
- 1/9/2024 Emailed Diane Strickland, thanking her for her reply and to let her know that we would work through Clay Wooten on this venture.
- 1/11/2024 Clay Wooten, Senior Landman for Matador Resources Company (MRC) emailed a request for technical information on the proposed Crazy Goat Wells.
- 1/11/2024 Replied to Clay that we were gathering the information and asked if they had any questions on the BTA proposed Operating Agreement
- 1/12/2024 Emailed Clay Wooten with the requested technical information.
- 1/15/2024 Emailed BTA's revised drilling schedule to Clay Wooten.
- 1/19/2024 Emailed Clay Wooten and asked if MRC can make an election before our first spud date of February 6, 2024.
- 1/23/2024 Telephoned Clay Wooten about BTA's Crazy Goat Well Proposals.
- 1/23/2024 Clay Wooten emailed requesting a technical team call for January 25th at 1:30 p. m.
- 1/25/2024 Microsoft Teams Technical Meeting was held as scheduled. Participants for BTA were Britton McQuien, Engineer, Nick Eaton, Drilling, Trace Wohlfahrt, Completions, Darin Dolezal, Geologist, Willis Price, Land, Rex Barker, Land. Participants for MRC were Clark Collier, Asset Manager/Geologist, Jan Mosnes, Production Engineer, Perry Hawks, Drilling Engineer and Brady Borak, Reservoir Engineer.

CHRONOLOGY OF CONTACT
continued

- 1/26/2024 Emailed Clay Wooten for an update on BTA's proposed JOA. Telephoned Clay and left a message asking if MRC might elect to participate now and work on the JOA afterwards.
- 1/29/2024 Clay Wooten emailed Rex Barker that he would get with MRC's attorney to review the JOA.
- 1/30/2024 Telephoned Clay Wooten at MRC and left message.
- 1/30/2024 Clay Wooten returned call to Rex Barker and advised that the Crazy Goat Well Proposals were recommended for executive approval but did not know how long that may take.
- 2/2/2024 Emailed Clay Wooten asking for a report on MRC's Crazy Goat Well Proposal elections.
- 2/5/2024 Clay Wooten emailed and said he would ask his team to focus on the Crazy Goat Well Proposals.
- 2/7/2024 Emailed Clay Wooten for an update on the Crazy Goat Well Proposals.
- 2/9/2024 Emailed Clay Wooten for an update on the Crazy Goat Well Proposals.
- 2/12/2024 Clay Wooten emailed that he would get with his team.
- 2/15/2024 Emailed Clay Wooten and told him that BTA spud the Crazy Goat 8711 14-11 State Com #6H on 2/14/2024 and asked him for MRC's election.
- 2/19/2024 Clay Wooten emailed that MRC Management reviewed the Crazy Goat Well Proposals and that an election should be coming shortly. Clay is waiting to hear back from legal on BTA's proposed operating agreement.
- 2/19/2024 Kristen Juett of MRC emailed BTA with MRC's signed elections to participate in the Crazy Goat 8711 14-11 State Com #3H, 4H, 5H and 6H Wells.
- 2/20/2024 Emailed Clay Wooten and thanked him for the update.
- 2/20/2024 Emailed Kristen Juett thanking MRC for their elections and gave Kristen some requested well information.

**CHRONOLOGY OF CONTACT
continued**

- 2/26/2024 Emailed Kristen Juett with some requested well information.
- 3/5/2024 Emailed Clay Wooten and asked for an update.
- 3/11/2024 Emailed Clay Wooten and asked him when we could expect MRC's reply on our proposed operating agreement.
- 3/11/2024 Clay Wooten emailed Rex Barker with MRC's requested JOA revisions.
- 3/11/2024 Emailed Clay Wooten a PDF version of BTA's proposed JOA.
- 3/13/2024 Emailed Clay Wooten with BTA's response to the requested JOA revisions.
- 3/14/2024 Emailed Clay Wooten and explained that BTA would like to finalize the Crazy Goat JOA prior to 3/21/2024 so that we can dismiss the pending compulsory pooling cases. Asked if MRC would approve the JOA revisions this week.
- 3/14/2024 Clay Wooten emailed that people were out of the office on spring break and were unsure if they could get the JOA revisions turned around this week. Clay said he would update BTA early next week.

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. 24220

SELF-AFFIRMED STATEMENT
OF DARIN A. DOLEZAL

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 New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in geologic matters 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 Crazy Goat 8711 14-11 State Com #4H and Crazy Goat 8711 14-11 State Com #6H wells (“Wells”).
4. BTA is targeting the First and Second Bone Spring sands. **Exhibit B-2** is a subsea structure map of the Third Bone Spring Carbonate that I prepared for this interval with 50-foot contours. The proposed horizontal well spacing unit is highlighted in red and the approximate wellbore path for each of the proposed Wells are identified by the dashed black lines. The structure map shows the Bone Spring Formation 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 Bone Spring Formation. I have used these wells to construct a stratigraphic cross-section from A to A’ with a datum on the top of the Second Bone Spring Carbonate in proximity to the

proposed Wells. 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 target intervals are indicated in green and yellow. The cross-section demonstrates that both targeted intervals are continuous across the proposed spacing unit.

7. **Exhibit B-4** is a Gross Isopach map of the First Bone Spring Sand interval. The proposed horizontal well spacing unit is highlighted in red and the approximate wellbore path for each of the proposed Wells are identified by the dashed black lines. The anticipated average gross thickness of the First Bone Spring Sand interval is 190 feet. The Gross Isopach map demonstrates that the First Bone Spring Sand interval is present across the proposed spacing unit. The location of the previous cross-section from A to A' in **Exhibit B-3** is also shown as a blue line on these maps.

8. **Exhibit B-5** is a Gross Isopach map of the Second Bone Spring Sand interval. The proposed horizontal well spacing unit is highlighted in red and the approximate wellbore path for each of the proposed Wells are identified by the dashed black lines. The anticipated average gross thickness of the Second Bone Spring Sand interval is 375 feet. The Gross Isopach map demonstrates that the Second Bone Spring Sand interval is present across the proposed spacing unit. The location of the previous cross-section from A to A' in **Exhibit B-3** is also shown as a blue line on these maps.


9. In my opinion, a stand-up orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

10. Based on my geologic study, the Bone Spring 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 Wells.

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 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.


Darin Dolezal

3/13/24
Date

BTA Oil Producers, LLC

Case No. 24220

Crazy Goat 8711 14-11 State Com #4H & Crazy Goat 8711 14-11 State Com #6H

320.00 Acre Horizontal Well Spacing Unit Base Map

Lea County, New Mexico

LEGEND:



Proposed 320 Acre Spacing Unit

WELL:

SHL: ● BHL - BS1 Target

SHL: ● BHL - BS2 Target

Crazy Goat 8711 14-11 State Com #4H

Crazy Goat 8711 14-11 State Com #6H

DESCRIPTION:

The horizontal well spacing unit includes 320.00 acres being in the E/2E/2 of Section 11 and the E/2E/2 of Section 14, Township 23 South, Range 34 East.

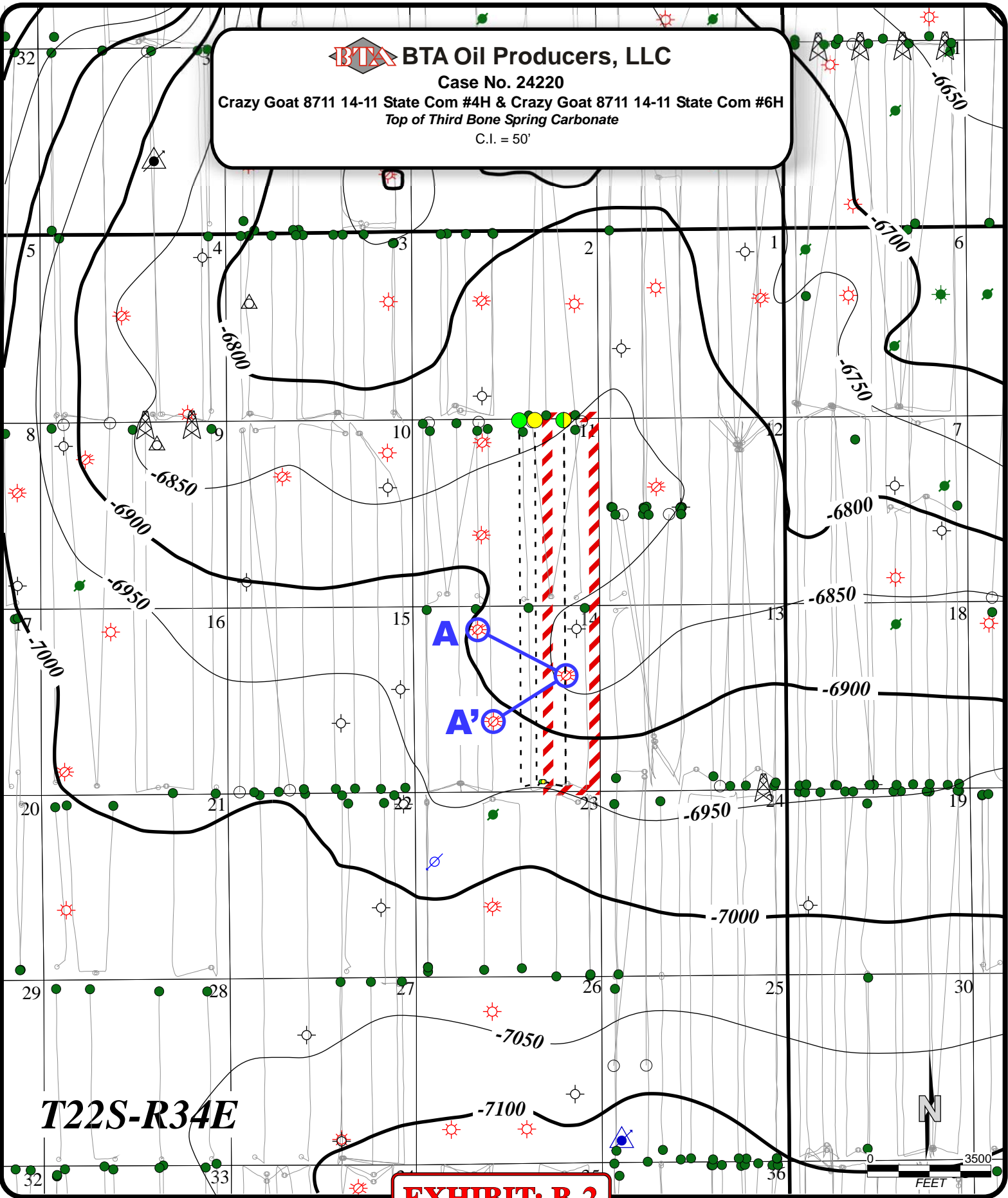
T22S-R34E

EXHIBIT: B-1

BTA Oil Producers, LLC
Case No. 24220

BTA OIL PRODUCERS, LLC

March, 2024 - DAD/jhb



BTA BTA Oil Producers, LLC
 Case No. 24220
 Crazy Goat 8711 14-11 State Com #4H & Crazy Goat 8711 14-11 State Com #6H
 Top of Third Bone Spring Carbonate
 C.I. = 50'

T22S-R34E

EXHIBIT: B-2

BTA Oil Producers, LLC
 Case No. 24220

BTA OIL PRODUCERS, LLC

March, 2024 - DAD/jhb

BTA Oil Producers, LLC

Case No. 24220

Crazy Goat 8711 14-11 State Com #4H & Crazy Goat 8711 14-11 State Com #6H

Stratigraphic Cross Section

BTA Oil Producers, LLC

Case No. 24220

Exhibit B-3

A

A'



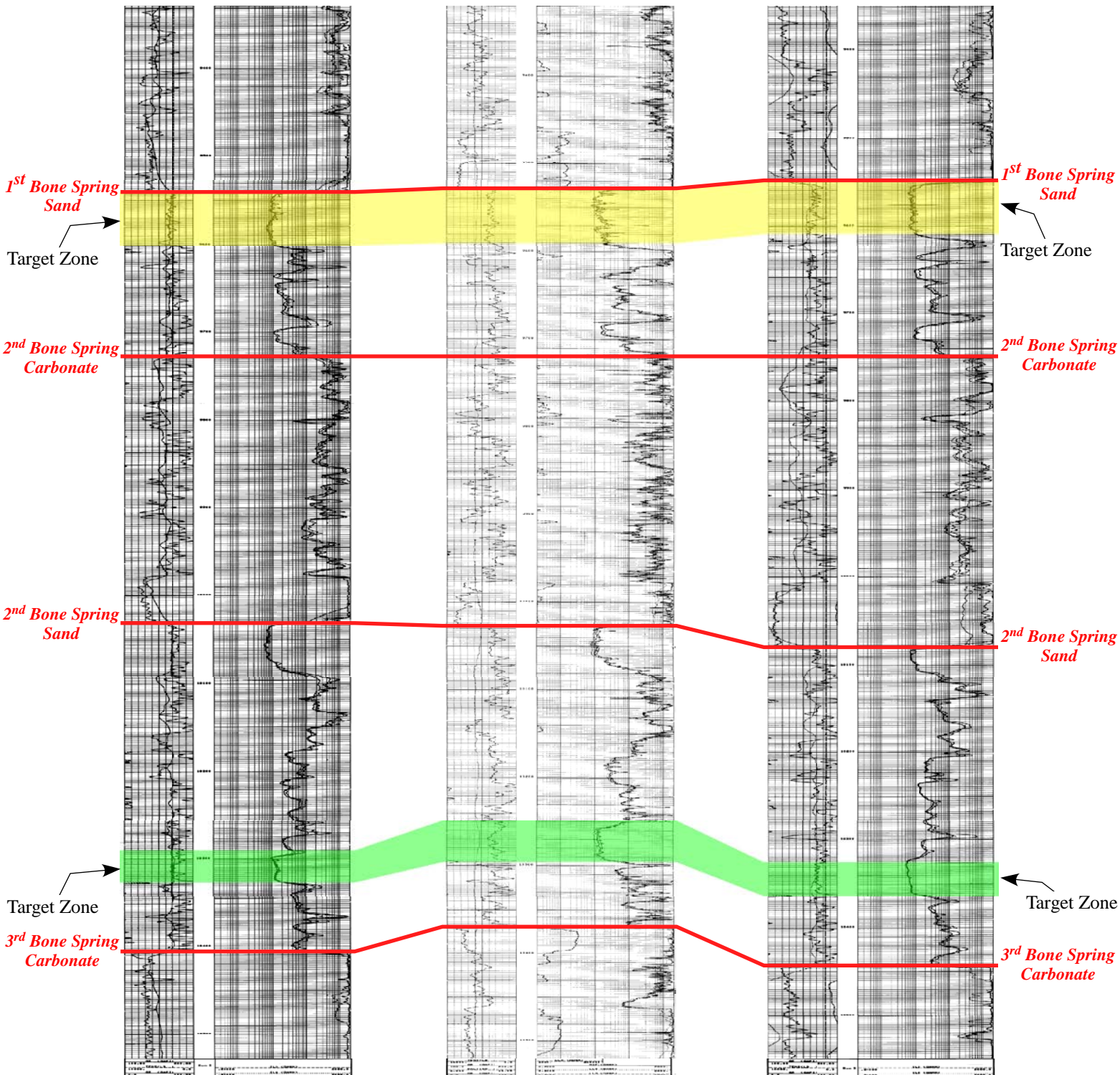
BTA Oil Producers
Chiso 8711 JV-P #1
Sec. 14, T22S-R34E
660'FNL & 1830'FWL



Pogo Producing Co.
BKD Com #1
Sec. 14, T22S-R34E
1980'FNL & 960'FWL



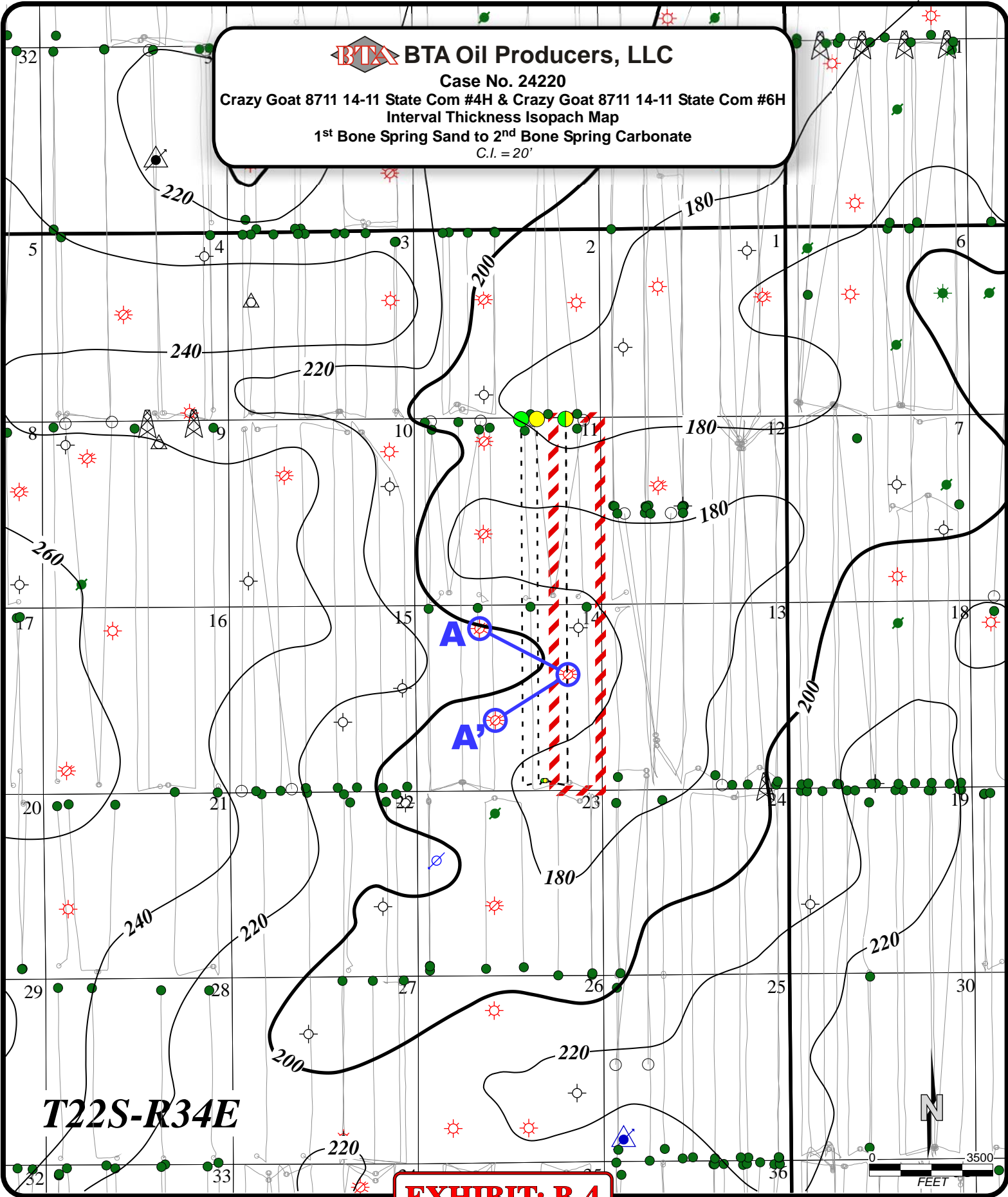
BTA Oil Producers
Chiso B 8711 JV-P Com #1
Sec. 14, T22S-R34E
1980'FSL & 2310'FWL



*** DISPLAY NOT TO SCALE ***

EXHIBIT: B-3

BTA BTA Oil Producers, LLC
 Case No. 24220
 Crazy Goat 8711 14-11 State Com #4H & Crazy Goat 8711 14-11 State Com #6H
 Interval Thickness Isopach Map
 1st Bone Spring Sand to 2nd Bone Spring Carbonate
 C.I. = 20'



T22S-R34E

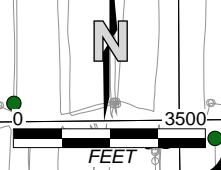
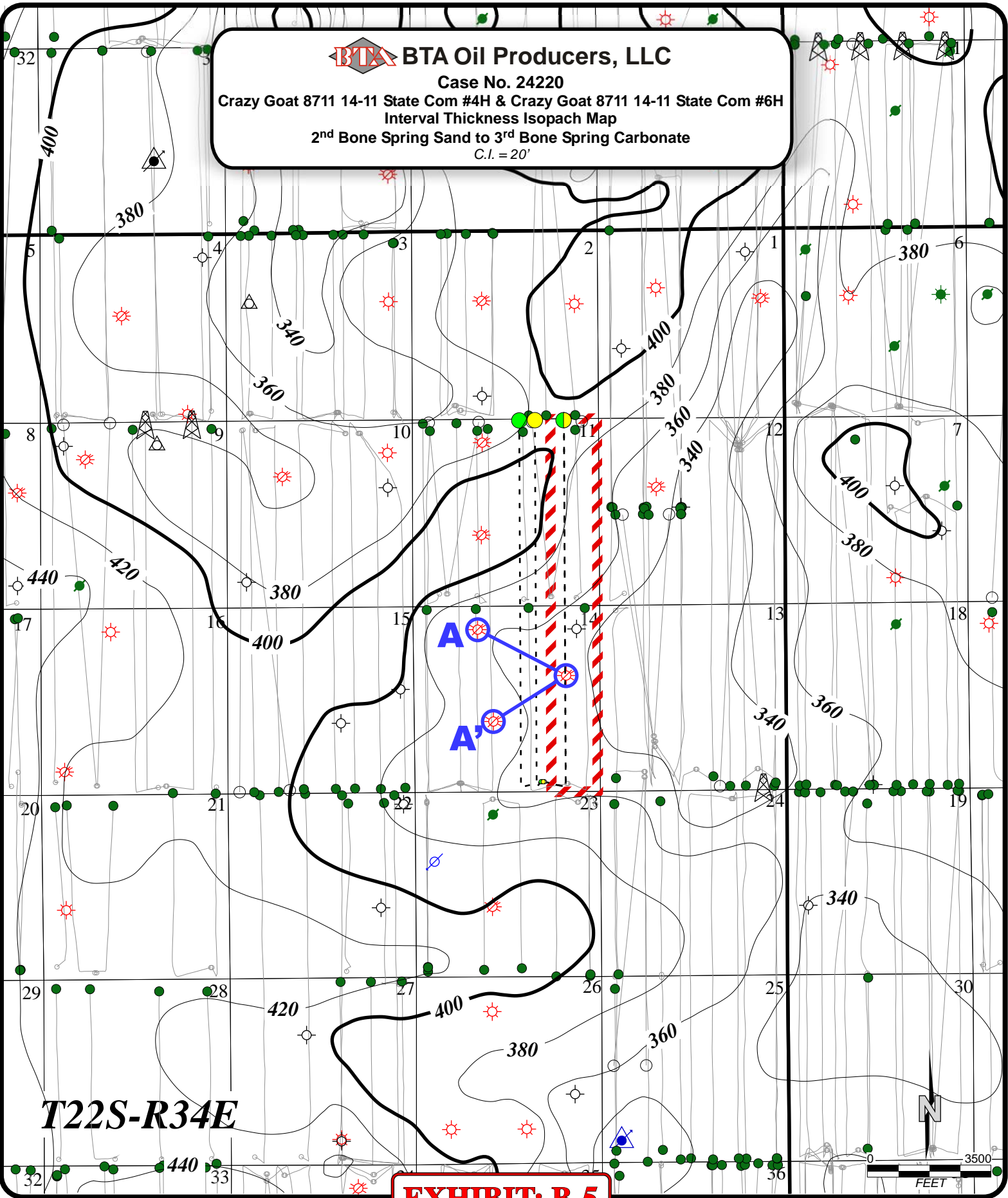


EXHIBIT: B-4
 BTA OIL PRODUCERS, LLC

BTA Oil Producers, LLC
 Case No. 24220

March, 2024 - DAD/jhb



BTA Oil Producers, LLC
Case No. 24220

EXHIBIT: B-5
BTA OIL PRODUCERS, LLC

March, 2024 - DAD/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. 24220

**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 Letters attached as **Exhibit C-1** and caused the Notice Letters, 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. 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

March 13, 2024
Date

**BTA Oil Producers, LLC
Case No. 24220
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

February 16, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24219 & 24220 – 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 **March 21, 2024**, beginning at 8:15a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, 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 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 Rex Barker, Landman, BTA Oil Producers, LLC, at 432-682-3753 if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

BTA Oil Producers, LLC

Case No. 24220

Exhibit C-1

Enclosure

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**

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

Case No. 24219 & 24220

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
MRC Permian Company Attn: Clay Wooten 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	02/16/24	02/23/24

**BTA Oil Producers, LLC
Case No. 24220
Exhibit C-2**

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL USE

POSTMARK
HERE
FEB 16 2024

SANTA FE NM MAIN POST OFFICE 87501

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____



Postage \$ _____

Total Postage and Fees \$ _____

MRC Permian Company
Attn: Clay Wooten
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
24219-20 - BTA Crazy Goat

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 0725 3429 25

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p style="text-align: center;">MRC Permian Company Attn: Clay Wooten 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240 <small>24219-20 - BTA Crazy Goat</small></p> <div style="text-align: center;">  9590 9402 8561 3186 6099 99 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0725 3429 25</p>	<p>A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery Wooten</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> <div style="text-align: center; font-size: 2em; font-weight: bold; color: #008000;">RECEIVED</div> <p style="text-align: center; font-size: 1.5em; font-weight: bold; color: #008000;">FEB 23 2024</p> <p>3. Service Type Hinkle Shanor <input type="checkbox"/> Priority Mail Express® Santa Fe NM 87501 <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

BTA Oil Producers, LLC
Case No. 24220
Exhibit C-3