

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

**APPLICATION OF BTA OIL  
PRODUCERS, LLC TO EXTEND  
TIME TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**Case No. 24526  
Order No. R-22725**

**EXHIBIT INDEX**

Exhibit A	Self-Affirmed Statement of Adams Davenport
A-1	Application and Proposed Notice of Hearing
A-2	Order No. R-22725
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Notice Letters to All Interested Parties
B-2	Chart of Notice to All Interested Parties
B-3	Copies of Certified Mail Receipts and Returns
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**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF BTA OIL  
PRODUCERS, LLC TO EXTEND  
TIME TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**Case No. 24526  
Order No. R-22725**

**SELF-AFFIRMED STATEMENT  
OF ADAMS DAVENPORT**

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 qualifications as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-reference case. Copies of BTA’s application and proposed hearing notice are attached as **Exhibit A-1**.

3. The Division issued Order No. R-22725 (“Order”) in Case No. 23482 on June 7, 2023. The Order approved a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 16 South, Range 36 East, Lea County, New Mexico (“Unit”) and designated BTA as operator of the Unit.

4. The Order further pooled all uncommitted interests within the Pennsylvanian Shale formation in the WC025 G09 S173615C; Upper Penn Pool (Code 98333) underlying the Unit and dedicated the Unit to the Capitan 22301 28-33 State Com #10H well (“Well”). A copy of the Order is attached as **Exhibit A-2**.

5. The Order requires BTA to commence drilling the Well within one (1) year of the

**BTA Oil Producers, LLC  
Case No. 24526  
Exhibit A**

date of the Order unless BTA obtains a time extension from the Division Director for good cause shown.

6. Good cause for an extension exists because BTA's ability to drill the Well has been delayed by limited gas takeaway capacity in the area. It is expected that additional gas takeaway capacity will be operational in the last quarter of 2024.

7. BTA requests that the Division extend the deadline to commence drilling the Well to June 7, 2025.


8. BTA further requests the other provisions of the Order remain in force and effect.

9. BTA is in good standing under the statewide rules and regulations.

10. In my opinion, the granting of BTA's application would best serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. 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

  
Date

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

**APPLICATION OF BTA OIL  
PRODUCERS, LLC TO EXTEND  
TIME TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**Case No. 24526  
Order No. R-22725**

**APPLICATION**

BTA Oil Producers, LLC (“BTA” or “Applicant”) (OGRID No. 260297) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling the well authorized by Order No. R-22725. In support of its application, BTA states the following.

1. The Division issued Order No. R-22725 (“Order”) in Case No. 23482 on June 7, 2023, approving a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico (“Unit”), and designating BTA as operator of the Unit.

2. The Order further pooled all uncommitted interests within the Pennsylvanian Shale formation in the WC025 G09 S173615C; Upper Penn Pool (Code 98333) underlying the Unit and dedicated the Unit to the Capitan 22301 28-33 State Com #10H well (“Well”).

3. The Order requires BTA to commence drilling the Well within one (1) year of the date of the Order unless BTA obtains a time extension from the Division Director for good cause shown.

4. BTA’s ability to drill the Well has been delayed by limited gas takeaway capacity in the area. It is expected that additional gas takeaway capacity will be operational in the last quarter of 2024.

**BTA Oil Producers, LLC  
Case No. 24526  
Exhibit A-1**

5. Good cause exists for the requested extension.

6. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Well to June 7, 2025.

WHEREFORE, BTA requests that this application be set for hearing on June 13, 2024, and after notice and hearing, the Division extend the deadline for BTA to commence drilling the Well until June 7, 2025.

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) 982-8623

[dhardy@hinklelawfirm.com](mailto:dhardy@hinklelawfirm.com)

[jmclean@hinklelawfirm.com](mailto:jmclean@hinklelawfirm.com)

*Counsel for BTA Oil Producers, LLC*

**Application of BTA Oil Producers, LLC to Extend Time to Commence Drilling Operations, Lea County, New Mexico.** BTA Oil Producers, LLC (“BTA” or “Applicant”) requests a one-year extension of time to commence drilling the well authorized by Order No. R-22725 (“Order”). The Order, which was issued on June 7, 2023: pooled all uncommitted interests in the Pennsylvanian Shale Formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico (“Unit”); designated BTA as operator of the Unit; and dedicated the Unit to the Capitan 22301 28-33 State Com #10H well (“Well”). The Order requires BTA to commence drilling the Well within one (1) year of the date of the Order unless BTA obtains a time extension from the Division Director for good cause shown. BTA requests that the Division extend the deadline to commence drilling the Well to June 7, 2025. The Well is located approximately 2 miles south of Lovington, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
BTA OIL PRODUCERS, LLC**

**CASE NO. 23482  
ORDER NO. R-22725**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on May 04, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. BTA Oil Producers, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.

**BTA Oil Producers, LLC  
Case No. 24526  
Exhibit A-2**

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

**ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if Operator fails to comply with Paragraph 20 unless Operator obtains an extension by amending this Order for good cause shown.
22. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
23. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
24. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled

CASE NO. 23482  
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Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

25. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
32. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
33. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
34. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
35. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
36. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**DYLAN M. FUGE**  
**DIRECTOR**  
DMF/hat

**Date:** 6/7/23

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ORDER NO. R-22725

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Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<i>Page 2 of 35</i>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 23482</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>May 4, 2023</b>
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
<b>Formation/Pool</b>	
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
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
<b>Other Situations</b>	
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
<b>Well(s)</b>	
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 28-33 State Com #10H (API # --) SHL: 250' FNL & 1330' FWL (Unit C), Section 28, T16S, R36E BHL: 50' FSL & 1980' FWL (Unit N), Section 33, T16S, R36E Completion Target: Pennsylvanian Shale (Approx. 11,427' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$12,000.00
Production Supervision/Month \$	\$1,200.00
Justification for Supervision Costs	Exhibit A

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Requested Risk Charge	200%	<i>Page 3 of 35</i>
<b>Notice of Hearing</b>		
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	
<b>Ownership Determination</b>		
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	
<b>Joinder</b>		
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	
<b>Geology</b>		
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	
<b>Forms, Figures and Tables</b>		
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>Additional Information</b>		
Special Provisions/Stipulations	N/A	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>		

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Printed Name (Attorney or Party Representative):	Dana S. Hardy	Page 4 of 35
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:		5/2/2023

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**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
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**APPLICATION OF BTA OIL  
PRODUCERS, LLC TO EXTEND  
TIME TO COMMENCE DRILLING  
OPERATIONS, LEA COUNTY, NEW MEXICO.**

**Case No. 24526  
Order No. R-22725**

**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 B-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 B-2**.

3. Exhibit B-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 B-3** as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On June 6, 2024, 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 B-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 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.

/s/ Dana S. Hardy  
Dana S. Hardy

June 18, 2024  
Date

**BTA Oil Producers, LLC  
Case No. 24526  
Exhibit B**



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

May 31, 2024

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 24526 – Application of BTA Oil Producers, LLC to Extend Time to Commence Drilling Operations Under Order No. R-22725, 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 **June 27, 2024**, beginning at 8:15 a.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/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/oed/oedpermitting/>) or via e-mail to [oed.hearings@emnrd.nm.gov](mailto:oed.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

**BTA Oil Producers, LLC**  
**Case No. 24526**  
**Exhibit B-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

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**APPLICATION OF BTA OIL  
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**Case No. 24526  
Order No. R-22725**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Broughton Petroleum Inc. Attn: Bill Foran 1125 N Loop W, Suite #1055 Houston, TX 77008	05/31/24	06/10/24
Norman L. Hay, Jr. & Louise Hay, Co-Trustees of the Hay Family Trust dated 06/24/2005 5901 Mount Rockwood Circle Waco, Texas 76710	05/31/24	06/10/24
Slash Exploration Attn: Kevin Klein P.O. Box 1973 Roswell, NM 88202-1973	05/31/24	06/10/24
XTO Holdings, LLC Attn: Daniel Castillo 22777 Springwoods Village Pkwy Houston, TX 77389-1425	05/31/24	06/11/24

**BTA Oil Producers, LLC  
Case No. 24526  
Exhibit B-2**



9589 0710 5270 0415 9517 27

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

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 \$

Sent To

Street and Apt. No., or PO Box No. Broughton Petroleum Inc.  
Attn: Bill Foran  
1125 N Loop W, Suite #1055  
Houston, TX 77008

City, State, ZIP+4® Houston, TX 77008 24526 BTA Capitan 10H Ext.

Postmark Here  
MAY 31 2024  
SANTA, FE, NM 87501

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <input checked="" type="checkbox"/> <i>air</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>6/14/24</u></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><b>RECEIVED</b> JUN 10 2024</p>
<p>1. Article Addressed to:</p> <p>Broughton Petroleum Inc. Attn: <b>Bill</b> Foran 1125 N Loop W, Suite #1055 Houston, TX 77008</p> <p>24526 BTA Capitan 10H Ext.</p>  <p>9590 9402 8561 3186 6059 39</p>	<p>3. Service Type <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Adult Signature <input checked="" type="checkbox"/> Registered Mail™  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery  <input type="checkbox"/> Collect on 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>Hinkle Shanor LLP Santa Fe, NM 87504</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0415 9517 27</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

**BTA Oil Producers, LLC**  
**Case No. 24526**  
**Exhibit B-3**

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)®.

**OFFICIAL USE**

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**  
 \$

Sent To  
 Street and Apt. No., or PO Box No. \_\_\_\_\_  
 City, State, ZIP+4® \_\_\_\_\_

\*Norman L. Hay, Jr. & Louise Hay,  
 Co-Trustees of the Hay Family Trust dated  
 06/24/2005  
 5901 Mount Rockwood Circle  
 Waco, Texas 76710 24526 BTA Capitan 10H Ext.

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



9589 0710 5270 0415 9517 10

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  <input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee  <i>Christi Goldstein</i></p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery      6/6/24</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><b>RECEIVED</b>      JUN 10 2024</p>
<p>1. Article Addressed to:</p> <p>Norman L. Hay, Jr. &amp; Louise Hay,          Co-Trustees of the Hay Family Trust dated          06/24/2005          5901 Mount Rockwood Circle          Waco, Texas 76710          24526 BTA Capitan 10H Ext.</p> <p>9590 9402 8561 3186 6059 46</p>	<p>3. Service Type <i>Hinkle Shanor Ltd</i> <input type="checkbox"/> Priority Mail Express®  <i>Santa Fe NM 87501</i> <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail®  <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>2. Article Number (Transfer from service label)          9589 0710 5270 0415 9517 10</p>	

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)™.

OFFICIAL USE

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  
\$

Sent To  
Street and Apt. No., or PO Box No.  
City, State, ZIP+4®

Slash Exploration  
Attn: Kevin Klein  
P.O. Box 1973  
Roswell, NM 88202-1973  
24526 BTA Capitan 10H Ext.

Postmark Here  
**MAY 31 2024**

USPS

SANTA FE, NM 87501

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

9589 0710 5270 0415 9517 03

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul> <p>1. Article Addressed to:</p> <p style="margin-left: 20px;">Slash Exploration Attn: Kevin Klein P.O. Box 1973 Roswell, NM 88202-1973</p> <p style="text-align: right; font-size: 0.8em;">24526 BTA Capitan 10H Ext.</p> <div style="text-align: center;">             9590 9402 8561 3186 6059 53         </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">9589 0710 5270 0415 9517 03</p>	<p>A. Signature <b>X</b> <i>Kevin Klein</i> <span style="float: right;"><input type="checkbox"/> Agent <input type="checkbox"/> Addressee</span></p> <p>B. Received by (Printed Name) <span style="float: right;">C. Date of Delivery</span> <i>Kevin Klein</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below.</p> <div style="text-align: center; margin-top: 10px;">  </div> <p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery		<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Registered Mail™																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Collect on Delivery																	
<input type="checkbox"/> Collect on Delivery Restricted Delivery																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

9589 0710 5270 0415 9518 02

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

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To XTO Holdings, LLC  
 Attn: Daniel Castillo  
 22777 Springwoods Village Pkwy  
 Houston, TX 77389-1425  
 24526 BTA Capitan 10H Ext.

Street and Apt. No., or PO Box No. \_\_\_\_\_

City, State, ZIP+4® \_\_\_\_\_

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



**SENDER: COMPLETE THIS SECTION**

- 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.

1. Article Addressed to:

XTO Holdings, LLC  
 Attn: Daniel Castillo  
 22777 Springwoods Village Pkwy  
 Houston, TX 77389-1425



2. Article Number (Transfer from service label)  
 9589 0710 5270 0415 9518 02

PS Form 3811, July 2020 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  Agent  Addressee  
 X *W. Holland*

B. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery \_\_\_\_\_

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

**RECEIVED**  
 JUN 11 2024

3. Service Type

Adult Signature  Priority Mail Express®

Adult Signature Restricted Delivery  Registered Mail™

Certified Mail®  Registered Mail Restricted Delivery

Certified Mail Restricted Delivery  Signature Confirmation™

Collect on Delivery  Signature Confirmation Restricted Delivery

Collect on Delivery Restricted Delivery  Insured Mail

Insured Mail Restricted Delivery (over \$500)

Hinkle Shanon LLC  
 Santa Fe NM 87501

Domestic Return Receipt

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

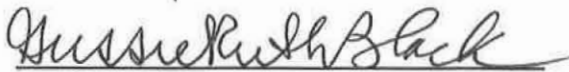
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
June 06, 2024  
and ending with the issue dated  
June 06, 2024.



Publisher

Sworn and subscribed to before me this  
6th day of June 2024.



Business Manager

My commission expires

January 29, 2027  
STATE OF NEW MEXICO  
(Seal) NOTARY PUBLIC  
GUSSIE RUTH BLACK  
COMMISSION # 1087526  
COMMISSION EXPIRES 01/29/2027

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 publication has been made.

**LEGAL NOTICE**  
June 6, 2024

This is to notify all interested parties, including Broughton Petroleum Inc; Hay Family Trust dated 06/24/2005, Norman L. Hay, Jr. & Louise Hay, Co-Trustees; Slash Exploration; XTO Holdings LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted BTA Oil Producers, LLC (Case No. 24526). The hearing will be conducted on June 27, 2024, 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/>. BTA Oil Producers, LLC ("BTA") requests a one-year extension of time to commence drilling the well authorized by Order No. R-22725 ("Order"). The Order, which was issued on June 7, 2023: pooled all uncommitted interests in the Pennsylvanian Shale Formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 28 and the E/2 W/2 of Section 33, Township 16 South, Range 36 East, Lea County, New Mexico ("Unit"); designated BTA as operator of the Unit; and dedicated the Unit to the **Capitan 22301 28-33 State Com #10H** well ("Well"). The Order requires BTA to commence drilling the Well within one (1) year of the date of the Order unless BTA obtains a time extension from the Division Director for good cause shown. BTA requests that the Division extend the deadline to commence drilling the Well to June 7, 2025. The Well is located approximately 2 miles south of Lovington, New Mexico.  
#00291032

02107475

00291032

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

**BTA Oil Producers, LLC**  
**Case No. 24526**  
**Exhibit B-4**