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

CASE NO. 24854

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex D. Barker
A-1	Application & Proposed Notice
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Summary of Communications
Exhibit B	Self-Affirmed Statement of Jonathan Truong
B-1	Resume of Jonathan Truong
B-2	Location Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross Section
B-5	Gross Isopach Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter
C-2	Notice Letter Chart
C-3	Copy of Certified Mail Receipt and Return
C-4	Affidavit of Publication for September 19, 2024

Page 2 of 34 ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case: 24854 **APPLICANT'S RESPONSE** Hearing Date: October 10, 2024 **Applicant** BTA Oil Producers, LLC Designated Operator & OGRID (affiliation if applicable) BTA Oil Producers, LLC (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 Manila Formation/Pool Formation Name(s) or Vertical Extent: Pennsylvanian Shale Oil Primary Product (Oil or Gas): Pooling this vertical extent: Pennsylvanian Shale Pool Name and Pool Code: Upper Penn Pool (Code 98333) Well Location Setback Rules: Statewide **Spacing Unit** Type (Horizontal/Vertical) Horizontal Size (Acres) 320 acres **Building Blocks:** quarter-quarter Orientation: North to South Description: TRS/County W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico. Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is Yes. approval of non-standard unit requested in this application? Other Situations Depth Severance: Y/N. If yes, description No. Proximity Tracts: If yes, description No. Proximity Defining Well: if yes, description N/A Applicant's Ownership in Each Tract Exhibit A-3 Well(s) Name & API (if assigned), surface and bottom hole location, Add wells as needed footages, completion target, orientation, completion status (standard or non-standard) Well #1 Manila 8408 19-30-31 State Com 4H (API # pending) SHL: 2,540' FSL & 1,360' FEL (Unit J), Section 19, T17S-R36E BHL: 2,590' FNL & 1,650' FEL (Unit G), Section 31, T17S-R36E Completion Target: Pennsylvanian Shale (Approx. TVD: 11,700') Horizontal Well First and Last Take Points Fxhibit A-2 Completion Target (Formation, TVD and MD) Exhibit A-4 **AFE Capex and Operating Costs** Drilling Supervision/Month \$ \$8,000 Production Supervision/Month \$ \$800

Exhibit A

Justification for Supervision Costs

Re Guesies diby (NGD: 10/7/2024 3:33:12 PM	200% Page 3 of
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	N/A
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:	10/7/2024

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

CASE NO. 24854

SELF-AFFIRMED STATEMENT OF REX D. BARKER

- 1. I am a landman with BTA Oil Producers, LLC ("BTA"). I am over 18 years of age, 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 interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the Manila 8408 19-30-31 State Com #4H well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 31.
 - 6. The Well will be completed in the Upper Penn Pool (98333).
 - 7. The completed interval of the Well will be orthodox.

BTA Oil Producers, LLC Case No. 24854 Exhibit A

- 8. **Exhibit A-2** contains the C-102 for the Well.
- 9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interest BTA seeks to pool highlighted in yellow. BTA only seeks to pool one party and that party is locatable.
- 10. BTA has conducted a diligent search of all county public records, including phone directories and computer databases, and also used the Accurint subscription service, to locate interest owners.
- 11. **Exhibit A-4** contains a sample well proposal letter and an AFE sent to the working interest owners in the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 12. In my opinion, BTA made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as shown by the chronology of contacts provided in **Exhibit A-5**.
- 13. BTA requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.
- 14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 15. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 16. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury

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

Rex D. Barker

Date

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

CASE NO. 24854

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) ("BTA" or "Applicant") applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). In support of this application, BTA states the following.

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Manila 8408 19-30-31 State Com 4H** well ("Well"), to be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 31.
 - 3. The completed interval of the Well will be orthodox.
- 4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

BTA Oil Producers, LLC Case No. 24854 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas

underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant

should be designated as operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an

Examiner of the Oil Conservation Division on October 10, 2024, and, after notice and hearing as

required by law, the Division enter an order:

A. Pooling all uncommitted interests in the Unit;

В. Approving the Well in the Unit;

C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;

D. Authorizing Applicant to recover its costs of drilling, equipping and completing the

Well;

E. Approving the actual operating charges and costs of supervision while drilling and

after completion, together with a provision adjusting the rates pursuant to the

COPAS accounting procedures; and

F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and

completing the Well against any working interest owner who does not voluntarily

participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com Counsel for BTA Oil Producers, LLC Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Manila 8408** 19-30-31 State Com #4H well ("Well"), which will be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 31. The completed intervals of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 8 miles south of Lovington, New Mexico.

Received by OCD: 10/7/2024 3:33:12 PM

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 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

Page 11 of 34 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

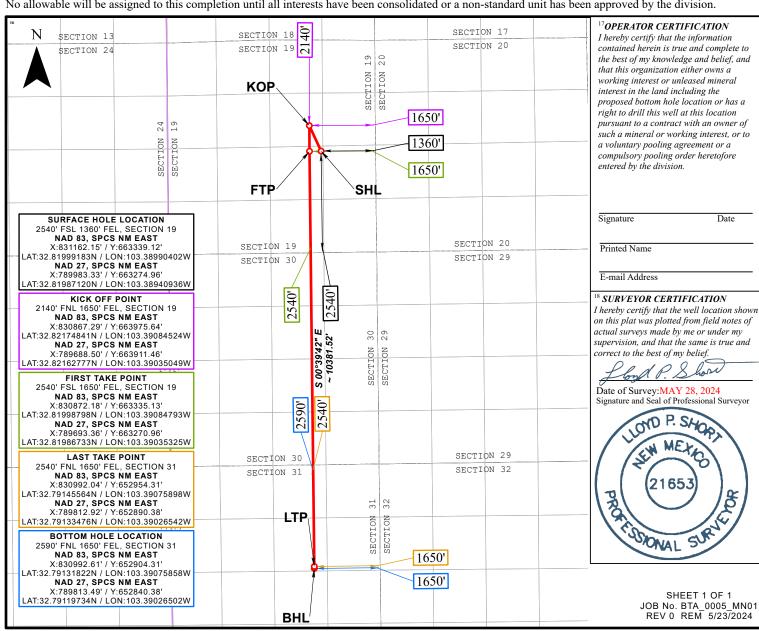
■ AMENDED REPORT

BTA Oil Producers, LLC Case No. 24854 Exhibit A-2

WELL LOCATION AND ACREAGE DEDICATION PLAT

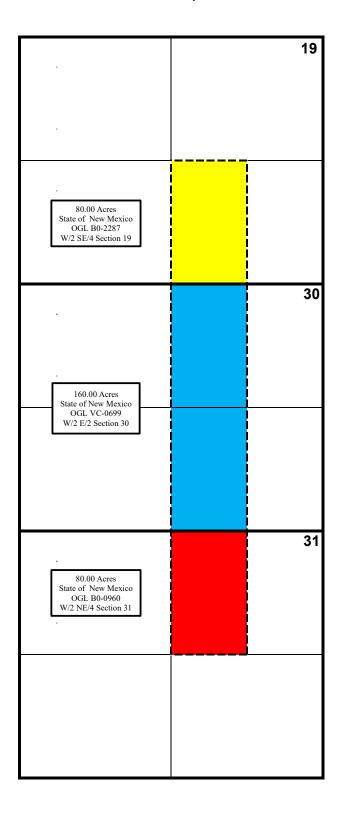
A	r i Number			98333		Ţ	UPPER PENN	POOL	
⁴ Property Coo	le		MANILA 8408 19-30-31 STATE COM					⁶ Well Number 4H	
⁷ OGRID No. 26029			BTA OIL PRODUCERS, LLC 3881'						
¹⁰ Surface Location									
UL or lot no. J	Section 19	Township 17S	Range 36E	Lot Idn	Feet from the 2540	North/South line SOUTH	Feet from the 1360	EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. G	Section 31	Township 17S	Range 36E	Lot Idn	Feet from the 2590	North/South line NORTH	Feet from the 1650	East/West line EAST	LEA
12 Dedicated Acres	¹³ J	oint or Infill	14 Cons	olidation Code	15 Order No.				

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



BTA Oil Producers, LLC

320.00 acre spacing unit for the Manila 8408 19-30-31 State Com #4H Well, API #30-025-53171, covering the W/2 SE/4 of Section 19, W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, T17S, R36E, Lea County, New Mexico.



BTA Oil Producers, LLC Case No. 24854 Exhibit A-3

Manila 8408 19-30-31 State Com #4H Unit Recapitulation API #30-025-53171

Tract 1	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL B0-2287 W/2 SE/4 Section 19, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC Maverick Permian, LLC	50.0000% 50.0000%	40.0000 40.0000
Tract 2	Leasehold Owner	WI	160.00 Acres
State of New Mexico OGL VC-0699 W/2 E/2 Section 30, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	160.0000
Tract 3	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL B0-0960 W/2 NE/4 Section 31, T17S, R36E, Lea County, New Mexico	Maverick Permian, LLC	100.0000%	80.0000
Recapitulation	Leasehold Owner	WI	320.00 Acres
Manila 8408 19-30-31 State Com #4H	BTA Oil Producers, LLC Maverick Permian, LLC	62.5000% 37.5000%	200.0000 120.0000
Total		100.0000%	320.0000

Released to Imaging: 10/9/2024 9:13:58 AM

^{*}Party to be pooled is highlighted in yellow.

BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET CARLTON BEAL, JR. MIDLAND, TEXAS 79701-5021 BARRY BEAL 432-682-3753 SPENCER BEAL BARRY BEAL, JR.

ASHLEY BEAL LAFEVERS ALEX BEAL HILL DAVENPORT TREY FUQUA ADAMS DAVENPORT MICHAEL BEAL

Received by OCD: 10/7/2024 3:33:12 PM

July 1, 2024

Federal Express 7771 5893 0922

Re:

STUART BEAL

ROBERT DAVENPORT, JR.

Manila 8408 19-30-31 State Com Well Proposals

SE/4 Section 19, E/2 Section 30 & NE/4 Section 31, Township 22 South, Range 34 East,

Lea County, New Mexico

BTA 8408 Turner, Tr. VI, VII; 7903 Abo, Tr. II

Maverick Permian, LLC 1111 Bagby Street, Suite 1600 Houston, TX 77002

Attn: Sarah Hack

Dear Sarah:

BTA Oil Producers, LLC ("BTA"), as Operator, proposes to drill the following Manila 8408 19-30-31 State Com Wells (the "Wells"), as two-mile horizontal Pennsylvanian Shale Wells. Pad drilling is scheduled to begin in early November 2024.

BTA proposes drilling the Wells under the terms of our AAPL 610-2015 Operating Agreement, as per that certain Letter Agreement dated November 3, 2022, by and between Maverick Permian, LLC and BTA Oil Producers, LLC.

BTA Oil Producers, LLC Proposed Wells

Manila 8408 19-30-31 State Com #3H

BTA proposes to drill the Pennsylvanian Shale horizontal well in the E/2 SE/4 of Section 19, the E/2 E/2 of Section 30 and the E/2 NE/4 of Section 31, Township 17 South, Range 36 East, N.M.P.M., Lea County New Mexico, having a TVD of 11,700' and a MD of 22,255'. SHL: 2,540' FSL & 1,330' FEL of Section 19. BHL: 2,590' FNL & 350' FEL of Section 31.

BTA's AFE estimates Dry Hole Costs of \$4,850,141.00; Completion Costs of \$5,621,180.00; Facility Costs of \$617,450.00; for a total of \$11,088,771.00.

Manila 8408 19-30-31 State Com #4H

- BTA proposes to drill the Pennsylvanian Shale horizontal well in the W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, N.M.P.M., Lea County New Mexico, having a TVD of 11,700' and a MD of 22,255'. SHL: 2,540' FSL & 1,360' FEL of Section 19. BHL: 2,590' FNL & 1,650' FEL of Section 31.
- BTA's AFE estimates Dry Hole Costs of \$4,850,141.00; Completion Costs of \$5,621,180.00; Facility Costs of \$617,450.00; for a total of \$11,088,771.00.

Enclosed are two (2) AFE's for each 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.

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

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

Rex D. Barker

Landman

rbarker@btaoil.com

Enclosures

·	Elect to participate in the Manila 8408 19-30-31 State Com #3H Well
	(Send well information requirements to BTA)
-	Elect not to participate in the Manila 8408 19-30-31 State Com #3H Well
	Elect to participate in the Manila 8408 19-30-31 State Com #4H Well
	(Send well information requirements to BTA)
	Elect not to participate in the Manila 8408 19-30-31 State Com #4H Well
Maverick Po	ermian, LLC
By:	
Title:	
Date:	



After printing this label:

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additional billing charges, along with the cancellation of your FedEx account number.

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~11,700' TVD ~22,255' MD

Total Depth:

BTA OIL PRODUCERS, LLC WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Location:

Manila 8408 19-30-31 State Com #04H (PSJG) SHL: 2540 FSL & 1360 FEL Sec 19, 17S, 36E FTP: 2540 FSL & 1650 FEL Sec 19, 17S, 36E LTP: 2540 FNL & 1650 FEL Sec 31, 17S, 36E BHL: 2590 FNL & 1650 FEL, Sec 31, 17S, 36E

Lea County, NM Formation: Penn Shale

Date Prepared: 5/22/2024

	rate i repared. 3222024		Prepared By:		
iv.	T. 1.00 / 2.00 /	Drilling	Completion	NS Facilities	TOTAL COSTS
/ E	TANGIBLE COSTS FURIMATION EVALUATION	a	\$	a	a
3 4	LOGS CORES	8,000	20,000		28,00
5	DST LOCATION & ACCESS				
1	SURVEY & STAKE DAMAGES	5,000 50,000			5,00 50,00
}	ROAD & LOCATION	85,000	30,000	20,000	135,00
ŀ	OTHER LOCATION DRILLING RIG	130,000			130,00
3	MOBILIZATION	150,000			150,00
5	DAYWORK FOOTAGE	854,000			854,00
	TURNKEY DRILLING SUPPLIES				
2	BITS	55,000	05 000		55,00
	BHA FUEL	65,000 227,360	65,000		130,00 227,36
	OTHER SUPPLIES MUD RELATED				
	MUD PURCHASE	115,000			115,00
	MUD RENTAL FRESH WATER	55,000	800,000		855,00
	BRINE SOLIDS CONTROL	35,000 35,420			35,00 35,42
	MUD MONITOR	28,000			28,00
	MUD RELATED OTHER DRILLING SERVICES	55,000			55,00
	BOP RELATED CASING RELATED	15,000 95,000			15,00 95,00
	WELDING	12,000		10,000	22,00
	TRUCKING RENTAL EQUIP.	35,000 75,000	55,000 400,000	15,000 12,500	105,00 487,50
	OTHER SERVICES CEMENT	445,625			445,62
	CASING CEMENTING	135,000			135,00
	OTHER CEMENTING CONTRACT SERVICES	110,000	120,000		230,00
	ENGINEERING	8,000		₽	8,00
	GEOLOGICAL ROUSTABOUT	22,000 6,000		20,000	22,00 26,00
	WELLSITE SUPERVISION OTHER CONTRACT SERV	109,200 25,000	90,000	10,000 15,000	209,20 40,00
	COMPLETION SERVICES	_5,555	00.555	70,000	
	PULLING UNIT DRILLING RIG		20,000		20,00
	PERFORATE STIMULATION		320,000 3,050,000		320,00 3,050,00
	OTHER COMPL, SERV.		120,000		120,00
	OVERHEAD DRLG & ADMIN	10,000			10,00
T	OTAL INTANGIBLE COSTS	\$ 3,055,605	\$ 5,090,000	\$ 102,500	\$ 8,248,10
	ANGIBLE COSTS TUBULARS				
	SURFACE CASING	115,000			115,00
	INTERMEDIATE CSG DRLG LINER & HANGER	230,000 280,000			230,00 280,00
	PRODUCTION CSG	710,000			710,00
	PROD LINER & HNGR OTHER TUBULARS				
	WELL EQUIPMENT WELL HEAD	65,000	85,000		150,00
	FLOWLINE	-21000		160,000	160,00
	TUBING RODS_		90,000		90,00
	PUMPS PUMPING UNIT				
	SUBSURFACE EQUIP	400.000	35,000		35,00
	OTHER WELL EQUIP LEASE EQUIPMENT	120,000	3,000		123,00
	TANKS SEPARATORS			45,000	45,00
	HEATER TREATER			40,000 =	40,00
	PUMPS ELECTRICAL SYSTEM			65,000	65,00
	METERS CONNECTORS			40,000 110,000	40,00 110,00
	LACT EQUIP			8	
	OTHER LEASE EQUIP			60,000	60,00
	SUBTOTAL - TANGIBLES	1,520,000	213,000	480,000	2,213,00
	SYSTEMS				
	GAS LINE TANGIBLES GAS LINE INTANGIBLES				
	COMPRESSOR GAS PLANT TANGIBLES			5 8	
	GAS PLANT INTANGIBLES			ŝ	
	DEHYDRATOR			¥i	
	SUBTOTAL - SYSTEMS	-	-		
T	OTAL TANGIBLE COSTS	4 500 000	242.000	400,000	\$ 0.040.00
10	OTAL TANGIBLE COSTS	1,520,000	213,000	480,000	\$ 2,213,00
	GENERAL CONTINGENCIES	274,536	318,180	34,950	627,66
I	OTALS BY PHASE	\$ 4,850,141	\$ 5,621,180	\$ 617,450	\$ 11,088,77
C	UMULATIVE WELL COSTS	\$ 4,850,141	\$ 10,471,321	\$ 11,088,771	
	itial Routing Date:	\$ _ T,000,141	10,711,021	11,000,111	
N	E RŤW, NS MB, RDB BRH, LJH, RMD, BBJ				
	and Approval Block: PPROVED BY:				
A	OMPANY:				

CHRONOLOGY OF CONTACT

Manila 8408 19-30-31 State Com #4H API #30-025-53171

6/25/2024

Rex Barker, Landman at BTA Oil Producers, LLC, emailed Emma Whelton, Landman at Maverick Permian, LLC, to propose the Manila 8408 19-30-31 State Com #3H and 4H Wells. The email noted that the November 3, 2022 Letter Agreement between BTA and Maverick regarding the development of the Pennsylvanian Shale in Lea County, New Mexico, needed amending to include State Lease B0-0960 covering the W/2 NE/4 of Section 31, T17S, R36E.

6/25/2024

Emma Whelton responded, copying Sarah Hack, the Maverick Landman now overseeing this area at Maverick Permian, LLC.

7/1/2024

Rex Barker sent a Well Proposal Letter and AFEs to Sarah Hack for the Manila 8408 19-30-31 State Com #3H and 4H Wells, including a spreadsheet detailing BTA's and Maverick's interests in the wells.

7/9/2024

Rex Barker emailed Sarah Hack for updates on the amendment to their Letter Agreement. Sarah Hack requested a telephone discussion at 3:00 p.m. that day regarding the Manila Wells. Rex Barker spoke with Sarah Hack at 3:00 p.m. to discuss BTA's plans.

7/22/2024

Sarah Hack informed Rex Barker that Maverick would not participate in the Manila Wells but was open to purchase offers for their undeveloped interest or "carried" offers, with a preference for carried deals.

7/29/2024

Rex Barker expressed BTA's interest in negotiating a deal with Maverick, and Sarah Hack looked forward to BTA's response.

8/27/2024

Rex Barker emailed Sarah Hack with a farmout offer, proposing that Maverick retain 10% of their interest, carried through the tanks, while BTA earned 90% of Maverick's interest in the Manila Wells. No response was received.

9/10/2024

Rex Barker sent a proposed Operating Agreement dated September 1, 2024, to Sarah Hack for the Manila Wells, covering the SE/4 of Section 19, E/2 of Section 30, and NE/4 of Section 31, T17S, R36E. He requested Maverick review and return one fully executed original set of signature pages. No response was received.

BTA Oil Producers, LLC Case No. 24854 Exhibit A-5

CHRONOLOGY OF CONTACT (continued)

9/17/2024

Rex Barker followed up with an email to Sarah Hack inquiring about Maverick's decision on the carry offer made on August 27, 2024. No response was received.

9/24/2024

Rex Barker emailed Sarah Hack again regarding the carry offer. No response was received. Rex Barker called Sarah Hack and left a message about BTA's proposals, the operating agreement, and the carry offer. Sarah Hack emailed that Maverick is marketing its assets which has slowed down their review of BTA's offer. Maverick hopes to have more information to BTA in the next few weeks.

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

CASE NO. 24854

SELF-AFFIRMED STATEMENT OF JONATHAN TRUONG

- 1. I am a geologist at BTA Oil Producers, LLC ("BTA"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have a Master's degree in Geology & Geophysics and have worked as a petroleum geologist since 2019. A copy of my resume is attached as **Exhibit B-1**.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-2** is a project location map that shows the location of the proposed **Manila 8408 19-30-31 State Com 4H** well ("Well").
- 4. BTA is targeting the Pennsylvanian Shale Formation. **Exhibit B-3** is a subsea structure map that I prepared for this interval with 100-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. Existing producing wells in the Pennsylvanian Shale Formation interval are represented by solid orange lines. The structure map shows the Pennsylvanian Shale Formation. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.
- 5. **Exhibit B-3** also shows a cross-section line in blue running North to South reflecting three wells penetrating the Pennsylvanian Shale Formation that I used to construct a

BTA Oil Producers, LLC Case No. 24854 Exhibit B stratigraphic cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

- 6. **Exhibit B-4** is a stratigraphic cross-section that I prepared using the logs from the three wells noted on **Exhibits B-3 & B-5**. Each well in the cross-section contains the gamma ray in the first track and resistivity in the second track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.
- 7. **Exhibit B-5** is a gross isopach map of the Pennsylvanian Shale Formation interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. Existing producing wells in the Pennsylvanian Shale Formation are represented by solid orange lines. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is between 325 to 425 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in **Exhibit B-4** is also shown as a blue line on this map.
- 8. In my opinion, a stand-up orientation for the well is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend.
- 9. Based on my geologic study, the Pennsylvanian Shale Formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.
- 10. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

- 11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Jonathan Truong

7/29/24 Date

Jonathan T. Truong

SUMMARY STATEMENT: Multidisciplinary geologist with comprehensive experience across various unconventional plays

EDUCATION:

Master of Science in Geology & Geophysics

August 2018

Louisiana State University, Baton Rouge, Louisiana

GPA: **4.0**

Thesis: Micropaleontological Record of a Preserved, Late Pleistocene Cypress Forest on the n.GOM Inner Shelf

Bachelor of Science in Petroleum Engineering, *Minor in Geology*

Spring 2014

Texas A&M University, College Station, Texas

GPA: **3.3**

EMPLOYMENT:

Geologist

June 2019 – Present

BTA Oil Producers, LLC, Midland, Texas

- Lead diversified geological initiatives spanning the full well life cycle, including prospect evaluation, acquisition, development, recompletion, and P&A operations.
- Proficient in geologic mapping, building cross sections, reservoir characterization, risk analysis, log analysis, multidisciplinary collaboration, and tracking offset operator activity.
- Extensive experience with multiple formations in the Delaware, Midland, Eastern Shelf, and Val Verde Basins.

Petroleum Engineer

August 2018 – May 2019

Intrepid Directional Drilling Specialists, Midland, Texas

- Evaluated drilling data, managed daily operations for over 30 rigs, and tracked drilling assets in the Permian and Anadarko Basins.
- Spearheaded the implementation of a new drilling information database for tracking performance metrics, operational efficiency, financial and logistical data.

Logging Geologist

July 2018 – August 2018

Excellence Logging, Odessa, Texas

• Performed field geology duties, including gas chromatography, lithological analysis, and real-time drilling data monitoring in the Delaware Basin.

Field Engineer I

June 2014 – April 2015

FTS International, Bryan, Texas

- Provided onsite frac engineering for hydraulic fracturing and acidizing treatments in various formations including Eagle Ford, Woodbine, Haynesville, and Oklahoma STACK/SCOOP.
- Consulted on technical issues, troubleshooting, and operational challenges, ensuring compliance with engineering protocols and post-job evaluations.

ACTIVITIES:

Permian Basin Section SEPM, Secretary & Treasurer, 2019-Present West Texas Geologic Society, 2019-Present American Association of Petroleum Geologists, 2015-Present

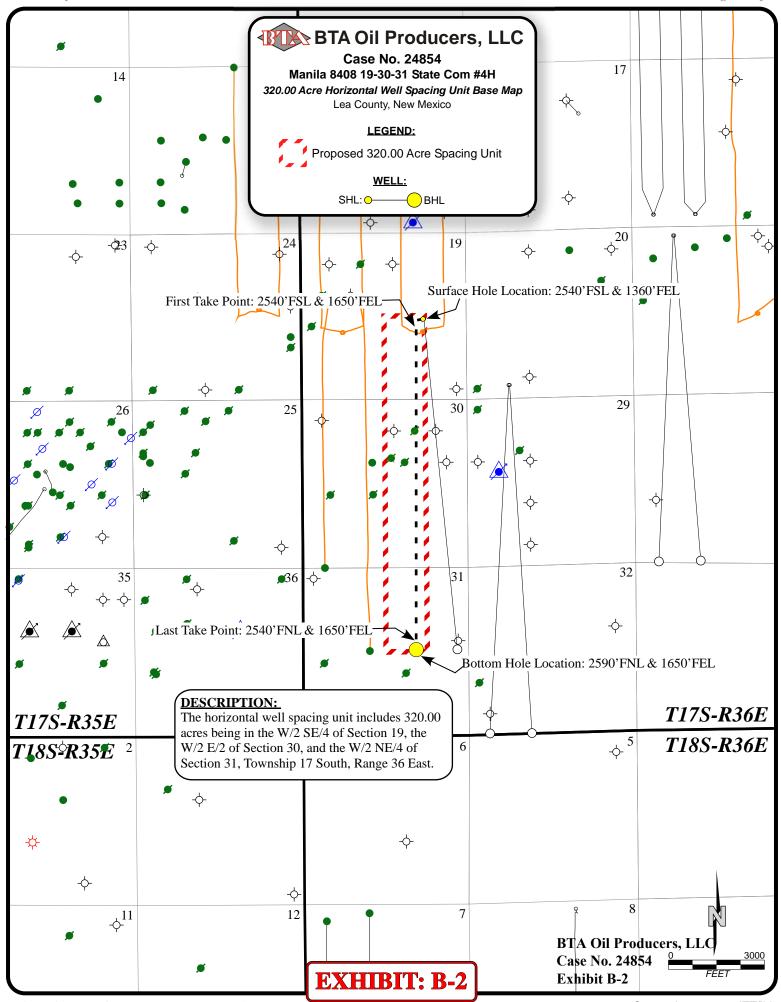
Society of Petroleum Engineers, 2010-Present

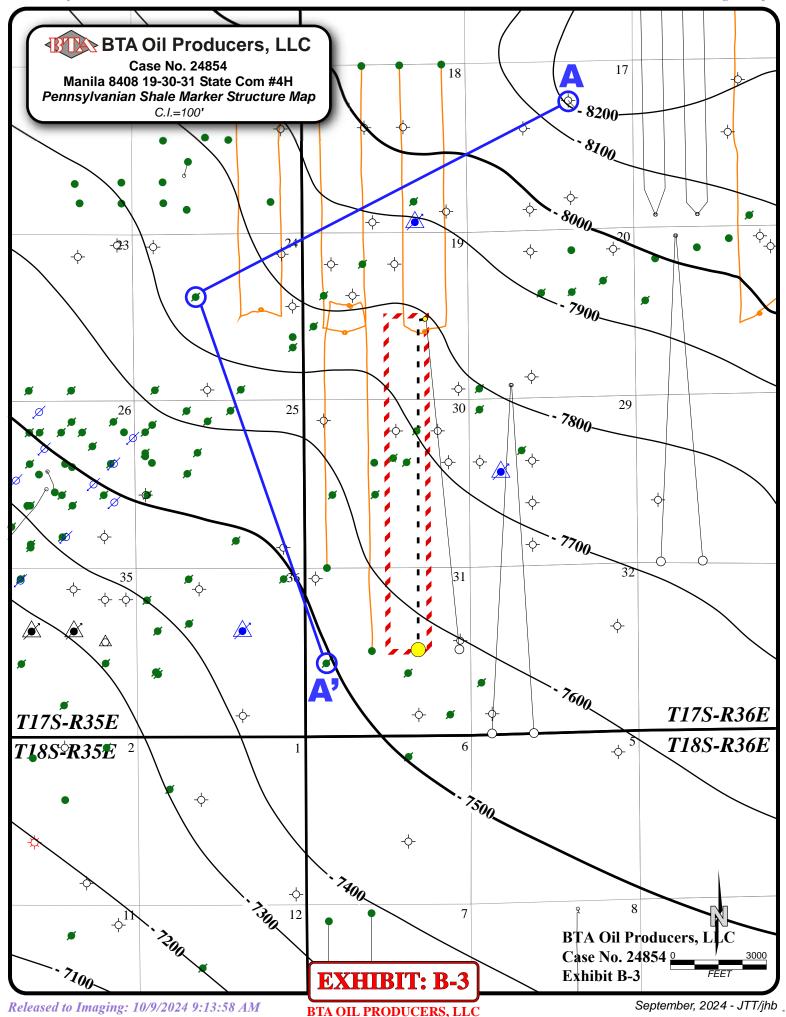
SOFTWARE: Petra, Spotfire, Petrel, Geographix, TechLog, ArcGIS, WellView, SCADA, CMG Reservior Simulation, VBA, SAP, Inventor, MATLAB, CAD, Microsoft Office

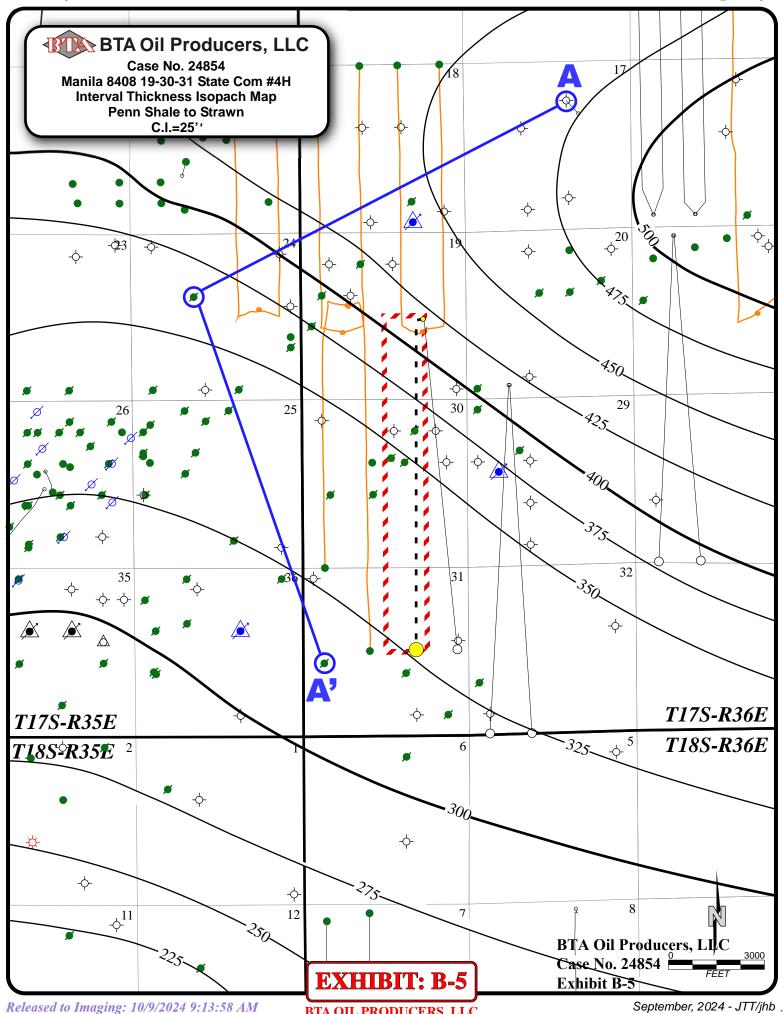
BTA Oil Producers, LLC Case No. 24854

Exhibit B-1

EXHIBIT: B-1
BTA OIL PRODUCERS, LLC







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

CASE NO. 24854

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of BTA Oil Producers, LLC, the Applicant herein.
- 2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.
- 3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.
- 4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
- 5. On September 19, 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 C-4**.
- 6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and 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

September 27, 2024
Date

BTA Oil Producers, LLC Case No. 24854 Exhibit C



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

September 16, 2024

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24854 – Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 10, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and 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. 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://www.apps.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.

If you have any questions about this application, please contact Rex Barker, Landman at BTA Oil Producers, by phone at (432) 682-3753 or via e-mail at bdunn@rbarker@btaoil.com.com if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. HardyBTA Oil Producers, LLCDana S. HardyCase No. 24854

Exhibit C-1

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Maverick Permian, LLC	09/16/2024	09/24/2024
Attn: Sarah Hack	9589071052701152549642	
1111 Bagby Street, Suite 1600		
Houston, TX 77002		

BTA Oil Producers, LLC Case No. 24854 Exhibit C-2



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Maverick Permian LLC Att.: Sarah Hack 1111 Bagby Stree, Suite 1600t Houston, TX 77002	A. Signature X
24854 BTA - Manila 9590 9402 9022 4122 7773 93 2. Article Number (Transfer from service label) 589 0710 5270 1152 5496 42 PS Form 3811, July 2020 PSN 7530-02-000-9053	3. Service Type

BTA Oil Producers, LLC Case No. 24854 Exhibit C-3

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 September 19, 2024 and ending with the issue dated September 19, 2024.

Publisher

Sworn and subscribed to before me this 19th day of September 2024.

Business Manager

My commission expires

January 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

LEGAL

LEGAL NOTICE September 19, 2024

This is to notify all interested parties, including Maverick Permian, LLC, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 24854). The hearing will be conducted on October 10, 2024, in a hybrid fashion, both virtually and inperson at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 SE/4 of Section 19, the W/2 E/2 of Section 30 and the W/2 NE/4 of Section 31, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Manilla 8408 19-30-31 State Com 4H well ("Well"), which will be drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 31, The completed intervals of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 8 miles south of Lovington, New Mexico.

02107475

00294200

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

BTA Oil Producers, LLC Case No. 24854 Exhibit C-4

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

CASE NO. 24854

BTA OIL PRODUCERS, LLC'S NOTICE OF AMENDED EXHIBITS

BTA Oil Producers, LLC is submitting the attached amended exhibit packet in relation to the October 10, 2024 hearing in this matter.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Dylan M. Villescas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvillescas@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC

Released to Imaging: 10/9/2024 9:13:58 AM