

ABOVE THIS LINE FOR DMSION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

- CTB 790
- BTA Oil Producers, LLC
260 297

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2016 MAY 24 P 3: 59

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or
- [F] Waivers are Attached

Well

- Sten Asten 18 Fej
Com # 44
30-025-42025

- Sten Asten 18 Fej
Com # 34
30-025-42917

POW

- Bell Lake
Bore Springs, north
5150

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jordan L. Kessler
Print or Type Name

Jordan L. Kessler
Signature

Attorney
Title

5/24/16
Date

jlkessler@hollandhart.com
e-mail Address



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

May 24, 2016

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OOD
2016 MAY 24 P 3:59

Re: Application of BTA Oil Producers LLC for administrative approval to surface commingle production (lease commingle) from the Bell Lake; Bone Spring North Pool (5150) from wells located in the E/2 E/2 and the W/2 E/2 of Section 18, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

BTA Oil Producers, LLC (OGRID 260297) seeks approval to surface commingle (lease commingle) production from the Bell Lake; Bone Spring North Pool (5150) *from existing and future wells and leases* drilled in the following areas of common ownership in Section 18, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico:

(a): The communitized area comprised of the E/2 E/2 of Section 18 (NMLC 0065194 and fee acreage). The Starcaster 18 Federal No. 4H (30-025-42025) is located on said lease and is producing from the Bell Lake; Bone Spring North Pool (5150).¹

(b): The communitized area comprised of the W/2 E/2 of Section 18 (NMLC 0065194 and fee acreage). The Starcaster 18 Federal No. 3H (30-025-42917) is located on said lease and is producing from the Bell Lake; Bone Spring North Pool (5150).²

Under NMAC 19.15.12.7, leases are contiguous geographical areas of identical ownership overlying a pool or portion of a pool for surface commingling purposes. Pursuant to NMAC 19.15.12.10.C, BTA seeks authority to surface commingle oil and gas production *from existing and future wells* in these separate areas of common ownership at the Starcaster Tank Battery located in the NE/4 NE/4 (Unit A) of Section 18. Prior to commingling, oil and gas

¹ On April 25, 2016, the Division approved the change of operator for both the Starcaster 18 Federal No. 4H (30-025-42025) and the Starcaster 18 Federal No. 3H (30-025-42917) from Endurance Resources, LLC. to BTA Oil Producers, LLC. A copy of the sundry is attached to this application as Exhibit 3.

production from each of these spacing units will be separately metered using a Flow meter for gas and a Turbine meter for oil at this facility.

Exhibit 1 is a land plat identifying the subject area, the existing wells and leases, and the common surface facility to be located in the NE/4 NE/4 (Unit A) of Section 18.

Exhibit 2 contains the Form C-102s for each of the existing wells in the subject spacing units.

Exhibit 3 contains a sundry form approving the change of operator for the Starcaster 18 Federal No. 4H (30-025-42917) and the Starcaster 18 Federal No. 3H (30-025-42917) from Endurance Resources LLC to BTA Oil Producers, LLC.

Exhibit 4 is a completed Application for Surface Commingling (Diverse Ownership) Form C-107-B with attachments.

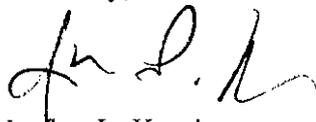
Exhibit 5 is a plat of the proposed common facility area.

Exhibit 6 is a diagram of the surface facilities.

Exhibit 7 is a spreadsheet of the interests owners affected by this request for approval to surface commingle. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 days from the date the division receives BTA's application. Since federal lands are involved, pursuant to NMAC 19.15.12.10(C)(4)(h), Endurance is also seeking authority for surface commingling from BLM. The BLM has been provided a courtesy copy of this application and all exhibits.

Your attention to this matter is appreciated.

Sincerely,



Jordan L. Kessler

ATTORNEY FOR BTA OIL PRODUCERS, LLC

cc: Bureau of Land Management-Carlsbad
620 E. Green Street
Carlsbad, New Mexico 88220



T23S/R34E

12

7

8

Starcaster 18 Federal Com #3H

Starcaster 18 Federal Com #4H

Facility

Fee

13

18

17

NMLC
0065194

24

19

20

EXHIBIT

tabbles

1

BTA Oil Producers, LLC

Lea County, New Mexico



Leasehold

Dipkai
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 749-6161 Fax: (505) 749-0730
Dipkai
311 S. First St., Artesia, NM 88210
Phone: (505) 749-1283 Fax: (505) 749-4720
Dipkai
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 734-6173 Fax: (505) 534-6170
Dipkai
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 736-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-42917		Pool Code 5150	Pool Name BELL LAKE; BONE SPRING NORTH
Property Code 313567	Property Name STARCASTER 18 FEDERAL		Well Number 3H
GRID No. 270329	Operator Name ENDURANCE RESOURCES, LLC		Elevation 3489.7

Surface Location

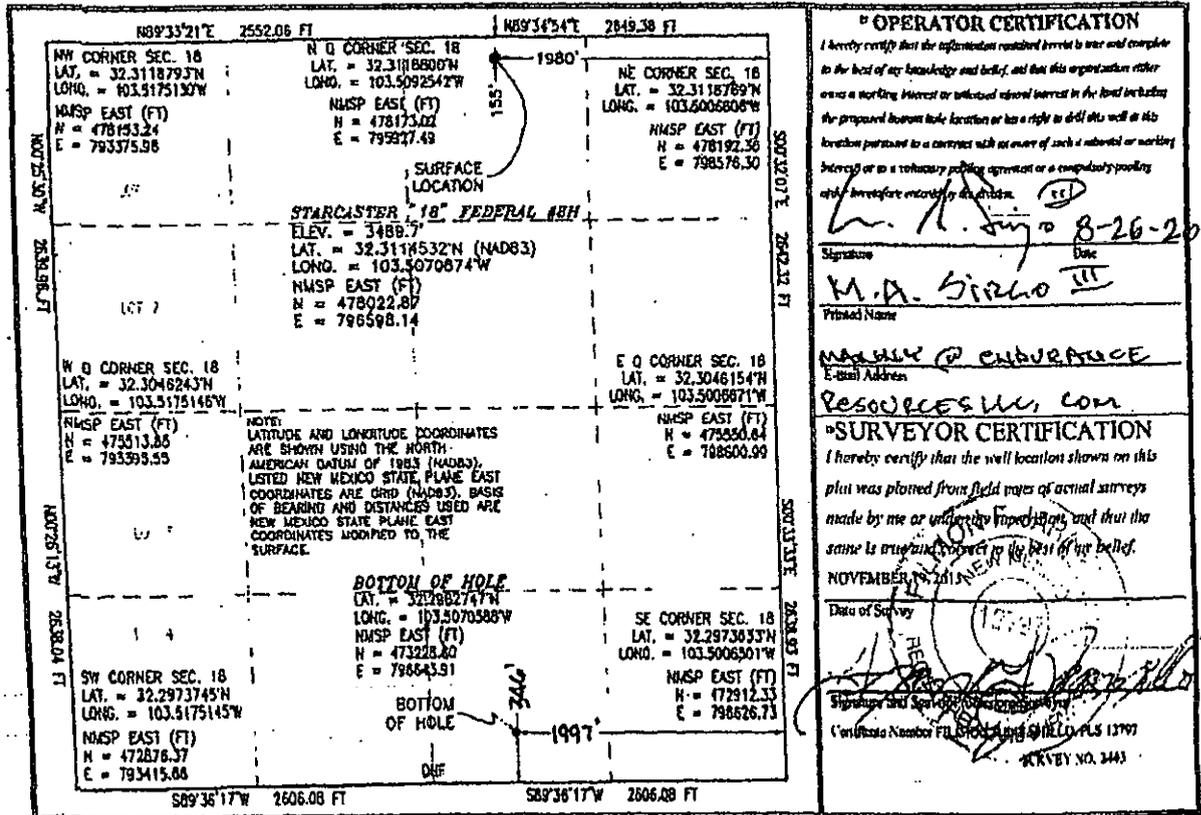
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	23 S	34 E		155	NORTH	1980	EAST	LEA

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
O	18	23 S	34 E		346	SOUTH	1997	EAST	LEA

Dedicated Acres 160	Joint or Tenor	Consolidation Code	Order No.
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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 contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or 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 a mineral or working interest or as a voluntary pooling agreement or a compulsory pooling order. I declare under penalty of perjury that I am the duly authorized representative of the operator.
Signature: *M.A. Siano III*
Date: 8-26-2011
Printed Name: M.A. Siano III
Address: MARIANA @ ENDURANCE RESOURCES, LLC, COM
SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Date of Survey: NOVEMBER 19, 2011
Signature and Seal: *[Signature]*
Certificate Number: PU 13797 (PLS 13797) SURVEY NO. 3443

EXHIBIT
2

MAR 30 2016

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. STARCASTER 18 FEDERAL 3H & 4H ✓
2. Name of Operator BTA OIL PRODUCERS LLC ✓ Contact: PAM INSKEEP E-Mail: pinskeep@btaoil.com		9. API Well No.
3a. Address 104 S PECOS MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-682-3753 Fx: 432-583-9385	10. Field and Pool, or Exploratory BELL LAKE BONE SPRING N
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 18 T23S R34E ✓		11. County or Parish, and State LEA COUNTY, NM

HOBBS OCD

APR 29 2016

12. CHECK APPROPRIATE BOX(ES) TO INDICATE TYPE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Effective March 1, 2016, BTA Oil Producers LLC took over as operator of the following two wells from Endurance Resources LLC:

Starcaster 18 Federal Com #3H 30-025-42917 NWNE 155 FNL & 1980 FEL ✓
Starcaster 18 Federal Com #4H 30-025-42025 NENE 330 FNL & 660 FEL ✓

BTA Oil Producers LLC, as new operator, assumes all terms, conditions, stipulations, and restrictions concerning operations on this lease or portion thereof.

State Bond Coverage: Statewide

BLM Bond File No NM1195 and NMB00849



See attached COA's

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #336883 verified by the BLM Well Information System
For BTA OIL PRODUCERS LLC, sent to the Hobbs
Committed to AFSS for processing by PRISCILLA PEREZ on 04/21/2016

Name (Printed/Typed) PAM INSKEEP	Title REGULATORY ADMINISTRATOR	APPROVED
Signature (Electronic Submission)	Date 04/19/2016	APR 25 2016
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved By _____	Title _____	BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

MAY 06 2016

Handwritten initials

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BTA Oil Producers LLC
OPERATOR ADDRESS: 104 S. Pecos, Midland, TX 79701
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code: Bell Lake; Bone Spring, North
(2) Is all production from same source of supply? Yes No
(3) Have all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location. See attached
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Fed or State lands are involved. NMLC065194
(3) Lease Names, Lease and Well Numbers, and API Numbers. Starcaster 18 Federal Com No 3H 30-025-42025 CA NMI35800
Starcaster 18 Federal Com No 4H 30-025-42917 CA NMI34517

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

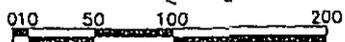
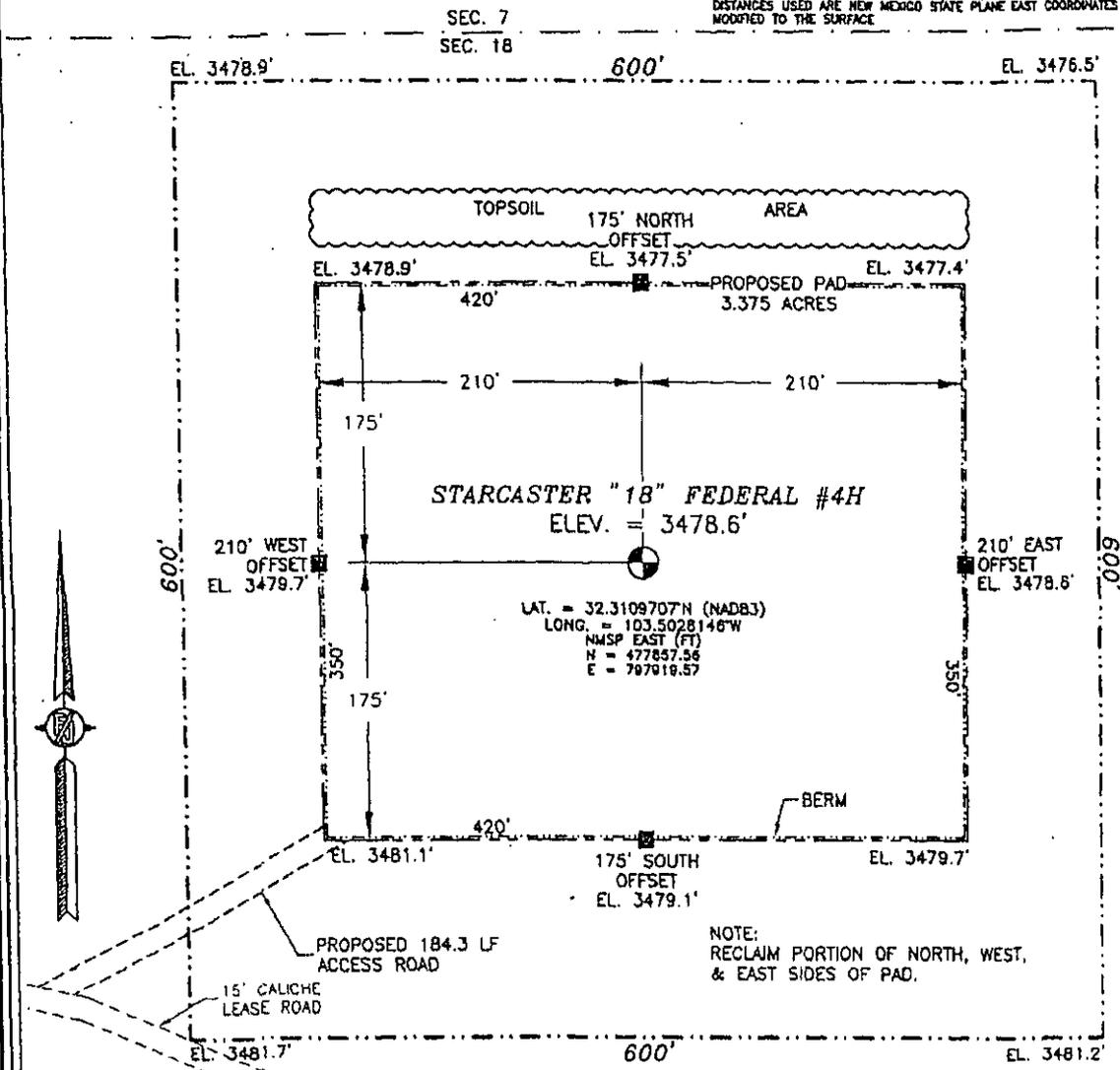
SIGNATURE: Pam Inskip TITLE: Regulatory Administrator DATE: 05/13/2016
TYPE OR PRINT NAME Pam Inskip TELEPHONE NO.: (432) 682-3753
E-MAIL ADDRESS: pinskeep@btaoil.com



SECTION 18, TOWNSHIP 23 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.



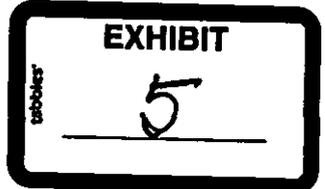
SCALE 1" = 100'
DIRECTIONS TO LOCATION
FROM THE INTERSECTION OF CR 21 (DELAWARE BASIN) AND CR 21-8 (SHELL) GO NORTH ON CR 21 FOR APPROX. 4.0 MILES. GO SOUTHEAST ON CALICHE LEASE ROAD (NORTH OF CATTLE GUARD) FOR APPROX. 0.5 OF A MILE. LOCATION IS APPROX. 440' NORTH.

ENDURANCE RESOURCES, LLC
STARCASTER "18" FEDERAL #4H
LOCATED 330 FT. FROM THE NORTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 18, TOWNSHIP 23 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

NOVEMBER 19, 2013

SURVEY NO. 2444

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO



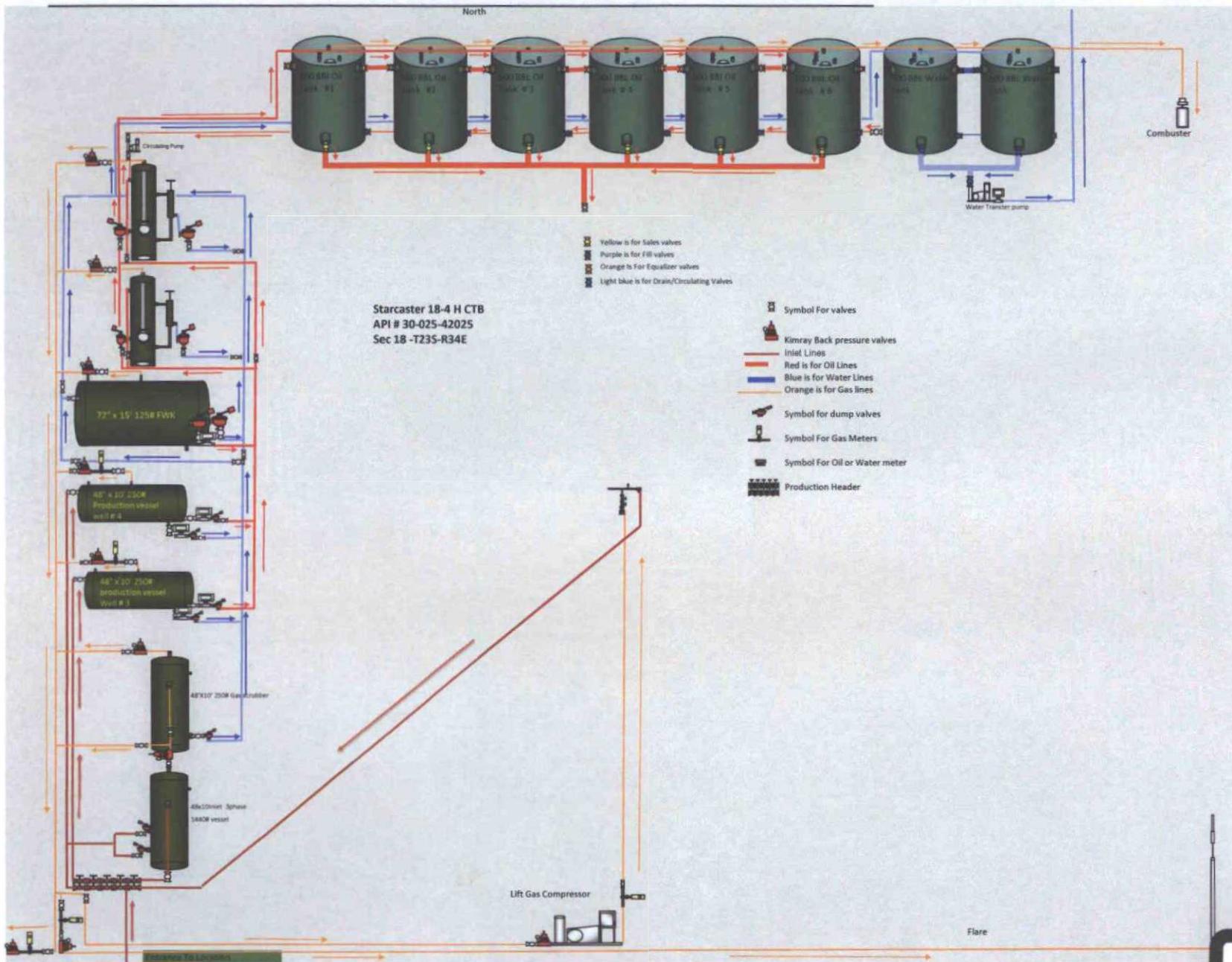
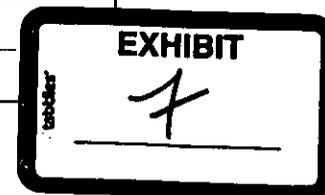


EXHIBIT
6

tabbles

	A	B	C	D	E
1	Name of Interest Owner Affected	Type of Interest	Address for Interest Owner Affected	Location of Property	certified tracking number
2	TriTex Energy A, LP (Endurance)	WI	203 West Wall, Suite 1000, Midland, Texas 79701	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8444
3	Chevron U.S.A. Inc.	WI	1400 Smith Street Houston, Texas 77002 Attn: Jason Levine	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8451
4	Ray & Karen Westall	WI	132447 Lovington Highway, Loco Hills, New Mexico 88255 Attn: Ray Westall	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8468
5	Merchant Livestock Company	RI	129 Pearson Lane, Eunice New Mexico 88231	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8475
6	Pony Oil LLC	RI	4245 N Central Expy, Suite 320 Dallas, Texas 75205	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8482
7	Fleet Dickey Mineral Properties LLC	RI	5050 N 40th St, Suite 280, Phoenix, Arizona 85018	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8499
8	Fleet Family Mineral Properties LLC	RI	P.O. Box 703908 Dallas, Texas 75370	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8505
9	Geodyne Resources Inc.	RI	Two West Second Street Tulsa, OK 74103	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8512
10	Sugarberry Oil and Gas & Katy Pipeline and Production Corp	RI	5950 Cedar Springs Rd Ste 230 Dallas, Texas 75235	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8536
11	WB Osborn Oil and Gas Operations LTD	RI	1250 N.E. Interstate 410 Loop, Suite 600, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 8529
12	Barrett Oklahoma Interests, LTD	RI	1250 N.E. Interstate 410 Loop, Suite 500, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6631
13	Osborn Heirs Company	RI	1250 N.E. Interstate 410 Loop, Suite 1100, San Antonio, Texas 78209	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6624
14	Randall Harris	RI	439 West James Funk Road, Lake Arthur, NM 88253	NE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6617
15					
16	BTA Oil Producers, LLC	WI	104 South Pecos, Midland, Texas 79701 Attn: Willis Price	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6600
17	Chevron U.S.A. Inc.	WI	1400 Smith Street Houston, Texas 77002 Attn: Jason Levine	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6594
18	Bureau of Land Management-Carlsbad	RI	620 E. Green Street, Carlsbad, New Mexico 88220	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6587
19	Katherine Kolliker McIntyre	ORRI	512 Thunder Crest Lane, El Paso, Texas 79912	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6570
20	Wesmax Ltd	ORRI	1821 Westlake Dr 101, Austin, Texas 78747	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6563
21	Helen Elizabeth Bell	ORRI	5529 Fleming Avenue, Oakland, California 94605	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6556
22	Bryan Bell Jr	ORRI	2243 The Cir, Raleigh, NC 27608	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 6549
23	Alfred Blauw	ORRI	1155 Marine ST, Apt 415, Boulder, Colorado 80302	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9540
24	June Blauw	ORRI	464 Weldon Ave, Oakland, CA 94610	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9533
25	Charles Montgomery	ORRI	809 West Alameda St, Roswell, New Mexico 88203	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9526
26	Conoco Phillips Company	ORRI & Record Title Owner	600 North Dairy Ashford-Park 10-5028, Houston, Texas 77079 Attn: Gianni Esparza	SE/4 of Section 18, T23S, R34E, Lea County, New Mexico	7015 1520 0002 0438 9519



HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

May 24, 2016

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of BTA Oil Producers LLC for administrative approval to surface commingle production (lease commingle) from the Bell Lake; Bone Spring North Pool (5150) from wells located in the E/2 E/2 and the W/2 E/2 of Section 18, Township 23 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Kristeen Ramos
Landman
BTA Oil Producers, LLC
(432) 682-3753
KRamos@btaoil.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR BTA OIL PRODUCERS LLC

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☪



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



RECEIVED OCD

2015 MAY 18 P 3:41

IN REPLY REFER TO:

NM134517

3105.2 (P0220)

Reference:

Starcaster 18 Fed Com 4H

May 13, 2015

T. 23 S., R. 34 E.,

E2E2 of sec. 18

Lea County, NM

Endurance Resources LLC

15455 N. Dallas Parkway

Suite 1050

Addison, TX 75001

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134517 involving 80 acres of Federal land in lease NMLC065194, and 80 acres of Fee land in Lea County, New Mexico, which comprise a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2E2 of sec. 18, T. 23 S., R. 34 E., NMPM, and is effective 01/01/2015. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez Petroleum Engineer at (575) 234-2220.

McMillan, Michael, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Wednesday, May 25, 2016 3:18 PM
To: McMillan, Michael, EMNRD
Subject: BTA Starcaster commingle: addt'l information

Hi Mike,

I received your voicemail regarding metering for the Starcaster commingle application. The engineer provided the following description (highlighted below). If this is not detailed enough, please let me know.

Thanks!

Each well be going to its own 3 phase separator with the Oil and Water being metered with a MC III nuflow meter as it dumps to the heater and FWKO. The Gas will be metered with a Total Flow meter and 4" meter tube then go the Targa sales meter.

Jordan Lee Kessler

Associate

Holland & Hart LLP

110 North Guadalupe Suite 1

Santa Fe, NM 87501

Phone (505) 988-4421

Fax (505) 983-6043

E-mail: JLKessler@hollandhart.com



CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message in error; then please delete this e-mail. Thank you.

Starcaster 18 Federal Com Well No. 3H			
Pool	Rpt Date	Oil Prod	Gas Prod
BELL LAKE;BONE SPRING, NORTH	01-Feb-16	28236	59105
BELL LAKE;BONE SPRING, NORTH	01-Mar-16	26782	44121
CUM		55018	103226

Starcaster 18 Federal Com Well No. 4H			
Production	Rpt Date	Oil Prod	Gas Prod
BELL LAKE;BONE SPRING, NORTH	01-Oct-15	3422	10969
BELL LAKE;BONE SPRING, NORTH	01-Nov-15	3003	12343
BELL LAKE;BONE SPRING, NORTH	01-Dec-15	2545	9803
BELL LAKE;BONE SPRING, NORTH	01-Jan-16	2808	9565
BELL LAKE;BONE SPRING, NORTH	01-Feb-16	2037	5845
BELL LAKE;BONE SPRING, NORTH	01-Mar-16	2874	11001
CUM		81202	215243

McMillan, Michael, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Thursday, May 26, 2016 9:37 AM
To: McMillan, Michael, EMNRD
Subject: RE: BTA Starcaster commingle: addt'l information

3H CA # is NM 135800.

Thanks!

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Wednesday, May 25, 2016 3:20 PM
To: Jordan L. Kessler
Subject: RE: BTA Starcaster commingle: addt'l information

Does the 3H have a Com agreement number?

From: Jordan L. Kessler [mailto:JLKessler@hollandhart.com]
Sent: Wednesday, May 25, 2016 3:18 PM
To: McMillan, Michael, EMNRD
Subject: BTA Starcaster commingle: addt'l information

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