

BTA OIL PRODUCERS, LLC

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

104 S. PECOS MIDLAND, TEXAS 79701-5099 432-682-3753 FAX 432-683-0314 **GULF COAST DISTRICT**

TOTAL PLAZA 1201 LOUISIANA STREET, STE. 570 HOUSTON, TEXAS77002 713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO80202
303-534-4404 FAX 303-534-4661

September 19, 2022

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

In re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Village Venture 22115 CTB located in the SW/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico, and to add additional wells.

To: ALL AFFECTED PARTIES

Ladies and Gentleman:

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 or concerns for BTA, please call or write me at 432-682-3753 or shajar@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

Sammy Hajar

Regulatory Analyst

BTA Oil Producers, LLC

<u>shajar@btaoil.com</u>
O: 432-682-3753



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HOUSTON, TEXAS77002
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September 19, 2022

In re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (lease commingle) oil and gas production at the Village Venture 22115 CTB located in the SW/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico, and to add additional wells.

To: Adrienne Sandoval, Director, Oil Conservation Division, New Mexico Department of Energy Minerals and natural Resources

Dear Ms. Sandoval:

BTA Oil Producers, LLC (OGRID No. 260297), pursuant to 19.15.12.10 NMAC, seeks administrative approval to surface commingle (Lease Commingle diversely owned oil and gas production at the **Village Venture 22115 CTB** in all existing and future infill wells drilled in the following spacing units:

- (a) The 240-acre spacing unit comprised of the E/2 NW/4 of Section 19 and the E/2 W/2 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Bluebell 22115 19-18 State Com #1H** (API #30-025-50165);
- (b) The 223.81-acre spacing unit comprised of Lots 1 and 2 of Section 19 and Lots 1, 2, 3 and 4 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Bluebell 22115 19-18 State Com #2H** (API #30-025-50166);
- (c) The 240-acre spacing unit comprised of the E/2 NE/4 of Section 19 and the E/2 E/2 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Big Piney 22115 19-18 State Com #1H** (API# 30-025-50549);
- (d) The 240-acre spacing unit comprised of the W/2 NE/4 of Section 19 and the W/2 E/2 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico in the WC-025 G-09 S173615C; Upper Penn; (98333). The spacing unit is currently dedicated to the following horizontal well: the **Big Piney 22115 19-18 State Com #2H** (API# 30-025-50550);
- (e) Pursuant to 19.15.12.10.C(4)(g), future WC-025 G-09 S173615C; Upper Penn; (98333) spacing units within Lots 1 and 2, E/2 NW/4 and NE/4 of Section 19 and Lots 1, 2, 3 and 4, E/2 W/2 and E/2 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico, connected to the Village Venture 22115 CTB with notice provided only to the owners of

interests to be added.

Released to Imaging: 3/19/2023 8:49:10 AM

Oil and gas production from these spacing units will be commingled and sold at the *Village Venture* 22115 CTB located in the SW/4 of Section 19. Each well will have its own test separator and production will be separately metered with a Coriolis flow meter for oil and orifice meter for gas manufactured to AGA specifications.

Attached is a completed Application for Surface Commingling (Diverse Ownership) Form C-107B that includes a statement from Sammy Hajar, Regulatory Analyst with BTA Oil Producers, LLC, identifying the facilities and the measurement devices to be utilized, a detailed schematic of

the surface facilities, and C-102s for each of the wells currently permitted or drilled within the existing spacing units.

Ownership is diverse between the above-described spacing units, and we have accordingly attached a list of the interest owners (including any owners of royalty or overriding royalty interests) affected by this application, an example of the letters sent by certified mail advising the interest owners that any objections must be filed in writing with the Division within 20 days from the date the Division receives this application, and proof of mailing.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or shajar@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

Sammy Hajar

Regulatory Analyst

BTA Oil Producers, LLC

shajar@btaoil.com O: 432-682-3753



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ROCKY MOUNTAIN DISTRICT600 17TH STREET, STE, 2230 SOUTH
DENVER, COLORADO80202
303-534-4404 FAX 303-534-4661

September 19, 2022

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

In re: Re: Application of BTA Oil Producers, LLC for administrative approval to surface commingle (pool lease commingle) oil and gas production from the spacing units comprised of Lots 1, 2, E/2 NW/4 and the NE/4 of Section 19 and Lots 1, 2, 3, 4, E/2 W/2 and the E/2 of Section 18, Township 17 South, Range 36 East, Lea County, New Mexico (the "Lands")"

To Whom This May Concern,

BTA Oil Producers, LLC, OGRID No. 260297, requests to commingle current oil and gas production from two (2) distinct wells located on the Lands and future production from the Lands as described herein. The wells will be metered through individual liquid coriolis flow meters for oil and orifice meters for gas. The gas commingling will occur after individual measurement at each well. Gas exiting each well test flows into one gathering line, as depicted on **Exhibit A**, the gas gathering line. Each well on the Lands will have its own test separator with a coriolis flow meter for oil and orifice meter for gas manufactured and assembled in accordance with the American Gas Association (AGA) specifications. All primary and secondary Electronic Flow Measurement (EFM) equipment is tested and calibrated by a reputable third-party measurement company in accordance with industry specifications.

Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each individual well and is calibrated periodically by a third-party measurement company for accuracy. After the oil is individually metered by coriolis flow meters at each well it can be comingled into a heater treater then into the stock tanks or, each well can be isolated into its own individual tank for testing purposes. The gas is measured on a volume and MMBTU basis by an orifice meter on each individual well and supporting EFM equipment in accordance with API Chapter 21.1. The gas is then sent into a gathering line where it is commingled with each of the other well's metered gas. The gathering line is then metered by another orifice meter at the tank battery check meter to show the total volume of gas leaving the tank battery. The tank battery meter

is tested and calibrated in accordance with industry specifications and volume and energy and determined on an hourly, daily and monthly basis. Once the gas exits the final tank battery sales check it travels directly into a third-party sales connect meter. The third-party gas gatherer has its own meter that measures the gas for custody transfer and that meter is also calibrated periodically to ensure measurement accuracy.

In conclusion, all the oil and gas produced on the Lands is and will be metered separately at each wellhead and allocated using accurate measurement equipment according to API specifications.

If you have any questions or concerns for BTA, please call or write me at 432-682-3753 or shajar@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Sammy Hajar.

Respectfully,

Sammy Hajar

Regulatory Analyst

BTA Oil Producers, LLC

<u>shajar@btaoil.com</u>
O: 432-682-3753

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE;	APP NO:	
		ABOVE THIS TABLE FOR OCD	DIVISION USE ONLY	
	- Geolog	CO OIL CONSERV gical & Engineerin Francis Drive, San	'ATION DIVISION g Bureau –	· (2)
	ADMINIS'	TRATIVE APPLICAT	ION CHECKLIST	
THIS CI	ECKLIST IS MANDATORY FOR	ALL ADMINISTRATIVE APPLIC REQUIRE PROCESSING AT TH	ATIONS FOR EXCEPTIONS	to division rules and a fe
pplicant: BTA Oil P	roducers, LLC		OGR	RID Number: 260297
ell Name: BLUEBEL	L 22115 19-18 STATE COM #IH & #	2H & BIG PINEY 22115 19-18 ST	ATE COM #IH & #2H	30-025-50165, 30-025-50166, 30-025-50549, & 30-025-505
ool: WC-025 G-09 S173	615C ; UPPER PENN		Pool	Code: 98333
SUBMIT ACCURA	TE AND COMPLETE II	NFORMATION REQUINDICATED BEL		THE TYPE OF APPLICATION
	CATION: Check those - Spacing Unit – Sime SL NSP	ultaneous Dedi <u>ca</u> tio	on]\$D
[] Comr 	e only for [1] or [11] ningling – Storage – DHC ©CTB ion – Disposal – Pres WFX PMX	Measurement PLC □PC □0 sure Increase – Enh		ery FOR OCD ONLY
A. Offset of B. Royalty C. Applic D. Notificate. Notificate. Surface. G. For all	REQUIRED TO: Checoperators or lease how perators or lease how perators or lease how perator are publis ation and/or concuration and/or concurs of the above, proof ice required	olders owners, revenue ov hed notice rrent approval by S rrent approval by B	wners LO LM	Notice Complete Application Content Complete
administrative understand the	: I hereby certify that approval is accurate at no action will be t e submitted to the D	e and complete to aken on this applic	the best of my kn	application for lowledge. I also quired information and
No	e: Statement must be comp	oleted by an individual wit	h managerial and/or su	pervisory capacity.
Sammy Hajar			9/19/2022 Date	
Print or Type Name			432-682-3753	
2 7	/ -		Phone Numbe	er
anature 4	you		SHAJAR@BTAG e-mail Address	

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St Francis Dr, Santa Fe, NM 87505

District IV

State of New Mexico Energy. Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

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.

	ATION FOR SURFACE		(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	BTA OIL PRODUCERS, LLC				
OPERATOR ADDRESS:	104 S Pecos Midland, TX 7970)1			
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease	Commingling Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:					
Is this an Amendment to exist	sting Order? Yes No If anagement (BLM) and State Land	"Yes", please include of office (SLO) been no	the appropriate C	of the proposed comm	ingling
Yes No	inagement (DBM) and State Ban				
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
		4			
		_			
	at top allowables? Yes No	1			
	en notified by certified mail of the pr	roposed comminging?	☐Yes ☐No.		
(4) Measurement type: M	Metering ☐ Other (Specify) se the value of production? ☐ Yes	□No If "ves", descr	ibe why commingl	ing should be approved	
(5) Will commissing accrea	to alle value of productions	 ,,,,,,,,	, ,		
			16		
		ASE COMMINGLING ts with the following in			
(1) Pool Name and Code.					
(2) Is all production from san	ne source of supply? Yes It is notified by certified mail of the pro	No	⊠Yes □N	lo	
(3) Has all interest owners bee(4) Measurement type: ☑M	Aetering Other (Specify)	oposed comminging:	⊠ ies ⊟r		
(4) Measurement type.					
	(C) POOL on	d LEASE COMMIN	ICLING		
		ets with the following i			
(1) Complete Sections A and					
	(D) OFF-LEASE S'				
(1) le all mendioritée français		eets with the following	miormation		
(1) Is all production from san(2) Include proof of notice to		INU			
(2) Include proof of notice to	an interest owners,				
	(E) ADDITIONAL INFO	ORMATION (for al	l application t	ypes)	
		ets with the following i			
	acility, including legal location.				
	ries showing all well and facility loca	tions. Include lease numb	ers if Federal or St	tate lands are involved.	
(3) Lease Names, Lease and	Well Numbers, and API Numbers.				
I hereby certify that the informa	ation above is true and complete to the	ne best of my knowledge a	nd belief.		
	-/-			DATE: 9/19.	/2022
SIGNATURE	4 year	FITLE: Regulatory Anal			
TYPE OR PRINT NAME S	amno Hajar		TEL	EPHONE NO.: 432-682	2-3753

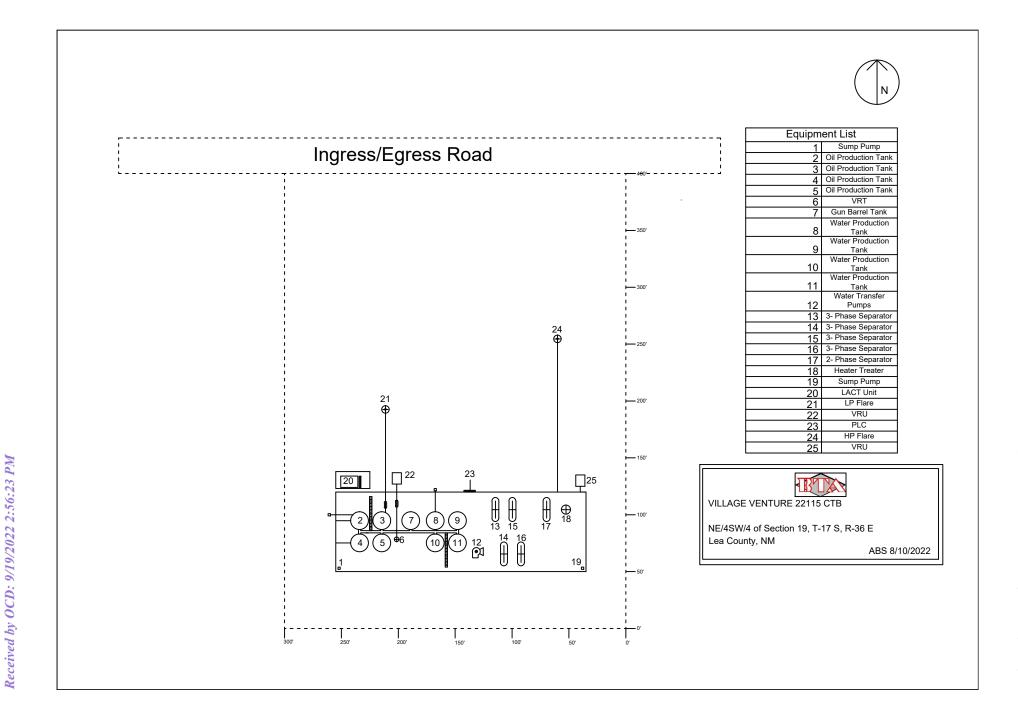
SHAJAR@BTAOIL.COM

E-MAIL ADDRESS:___

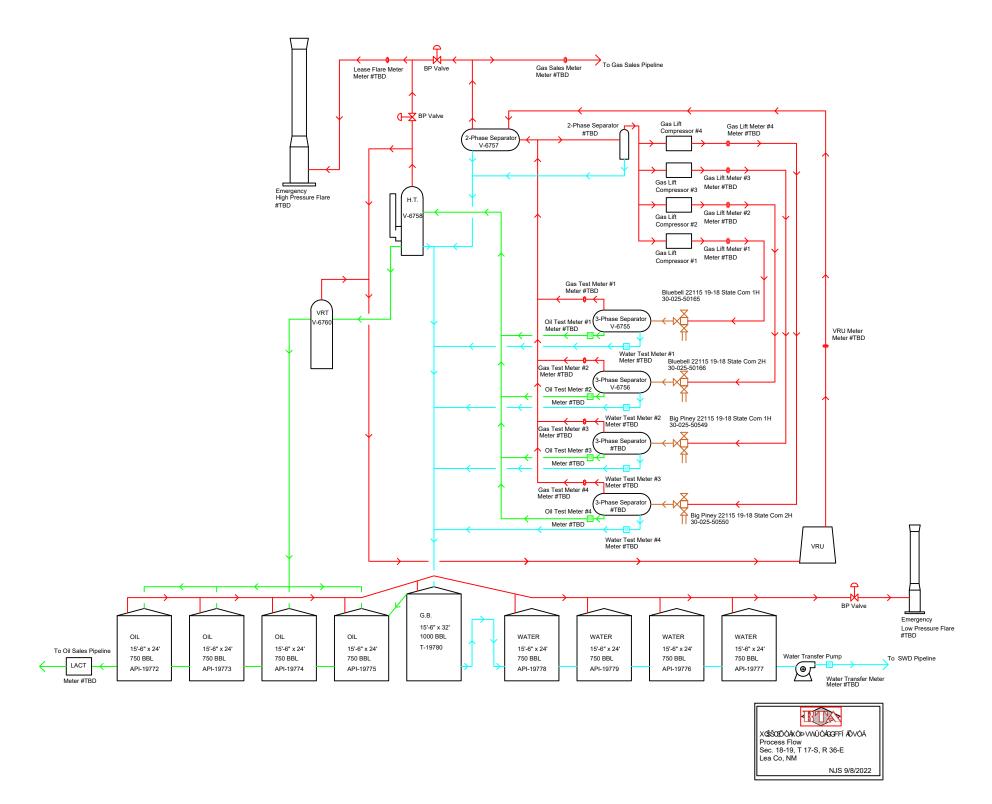
Township 17	South, Range 36	Fast. Lea County	. New Mexico	BTA Bluebell & Big Piney 22115
Bluebell 22115 19-18 State Com #2H	Bluebell 22115 19-18 State Com #1H SECT.	Big Diney 22115 19-18 State County ON 18 36E ON 19 36E	Big Piney 22115 19-18 State Com #1H Mooixad	BTA Bluebell & Big Piney 22115 19-18 State Com Drilling and Spacing Units State of NM OGL VC-0266 State of NM OGL VC-0277 State of NM OGL B0-2287 Bluebell 22115 19-18 State Com #2H Big Piney 22115 19-18 State Com #2H Big Piney 22115 19-18 State Com #1H

APPLICATION FOR ADDITION OF WELLS TO COMMINGLE, STORAGE AND SALES FOR OIL AND GAS PRODUCTION AT VILLAGE VENTURE 22115 CTB

Pool	API	Well Name	Well Number	OCD Unit Letter	Section	Township	Range	Date Online	Oil (MBOD)	GAS (MCFD)	GRAVITY	BTU/cf
[98333] WC025 G09 S173615C;UPPER PENN	30-025-50165	Bluebell 22115 19-18 State Com	1H	K	19	17S	36E	New Drill	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-50166	Bluebell 22115 19-18 State Com	2H	K	19	17S	36E	New Drill	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-50549	Big Piney 22115 19-18 State Com	1H	J	19	17S	36E	New Drill	900	1100	48	1200
[98333] WC025 G09 S173615C;UPPER PENN	30-025-50550	Big Piney 22115 19-18 State Com	2H	J	19	17S	36E	New Drill	900	1100	48	1200



Received by OCD: 9/19/2022 2:56:23 PM



District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

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

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

■ AMENDED REPORT

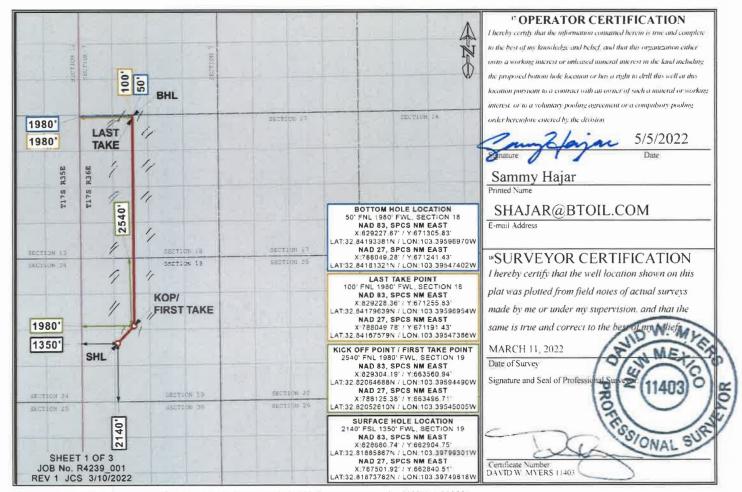
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50165	98333	WC025 G09 S173615C; UPPER PENN				
Property Code 332883		perty Name 5 19-18 STATE COM	⁶ Well Number 1 H			
OGRID No. 260297		rator Name ODUCERS, LLC	⁹ Elevation 3893'			

Surface Location

					Surface I	200411011			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	17S	36E		2140	SOUTH	1350	WEST	LEA
			" Bot	tom Hol	e Location If	Different Fron	n Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	17S	36E		50	NORTH	1980	WEST	LEA
12 Dedicated Acres	s 13 Joint or	r Infill 14 (onsolidation (ode 15 Or	der No.		,	/ ===	
240									

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.



Distances/areas relative to NAD 83 Combined Scale Factor, 0,99981955 Convergence Angle, 00°30'16.80998"

District I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
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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

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

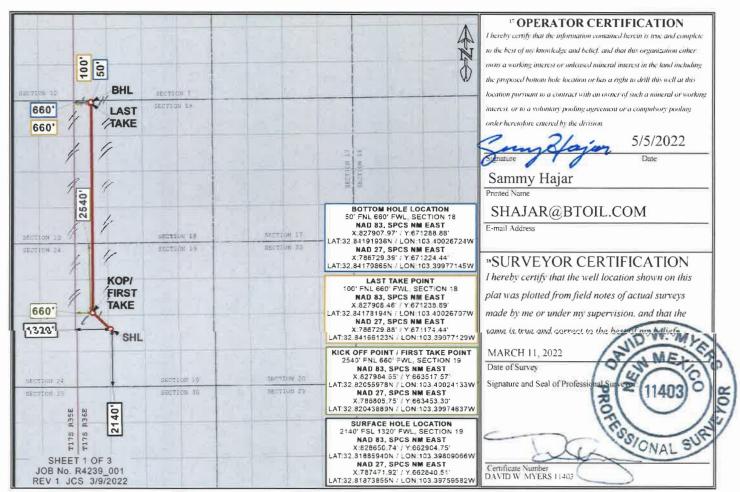
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-50166	98333	WC025 G09 S173615C; UPPER PENN				
¹ Property Code 332883		erty Name 5 19-18 STATE COM	⁶ Well Number 2H			
OGRID No. 260297		ator Name ODUCERS, LLC	⁹ Elevation 3893'			

					Surface I	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	17S	36E		2140	SOUTH	1320	WEST	LEA
			" Во	ttom Hol	e Location If	Different Fron	n Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	18	17S	36E		50	NORTH	660	WEST	LEA
D 12 Dedicated Acres		1	36E	Code 15 Or	50 der No.	NORTH	660	WEST	

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 00°30'16.80998'

District I 1625 N French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax (575) 393-0720 District 11 811 S. First St., Artesia, NM 88210

Phone (575) 748-1283 Fax (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410

Phone (505) 334-6178 Fax (505) 334-6170 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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

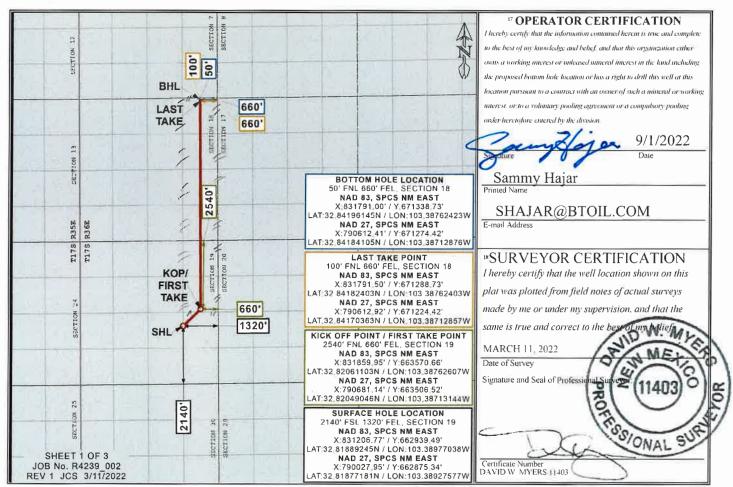
¹ API Number 30-025-50549	² Pool Code	³ Pool Name WC025 G09 S173615		
Property Code 333280	Fropert BIG PINEY 22115 1	•	Well Number	
OGRID No.	8 Operato	r Name	⁹ Elevation	
260297	BTA OIL PROI	DUCERS, LLC	3880'	
	¹⁰ Surface	Location		

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
J	19	17S	36E		2140	SOUTH	1320	EAST	LEA	
			" Do	ttom Hol	a Lagation If	Different From	Cunface	,		

Rottom Hole Location If Different From Surface

			DO	ttom i io	e Bocation II	Different From	Darrace		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	17S	36E		50	NORTH	660	EAST	LEA
12 Dedicated Acres	13 Joint of	r Infill 14 C	Consolidation	Code 15 Or	der No.				
240									

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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 00°30'16_80998"

1625 N French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax (575) 393-0720 District II 811 S First St., Artesia, NM 88210 Phone (575) 748-1283 Fax (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 476-3462

District 1

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

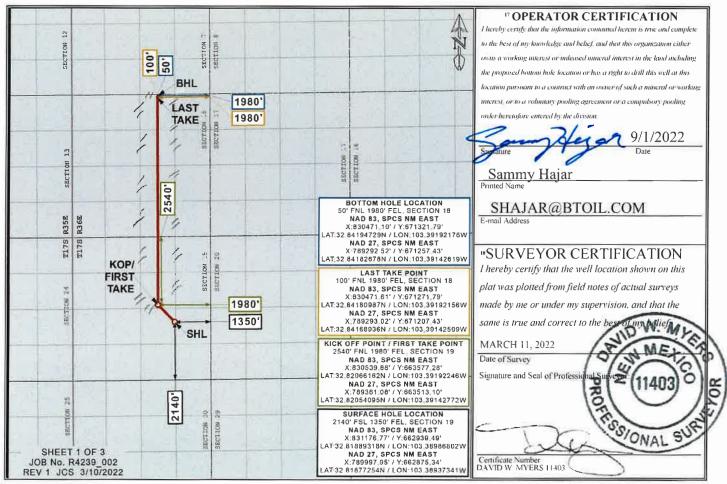
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

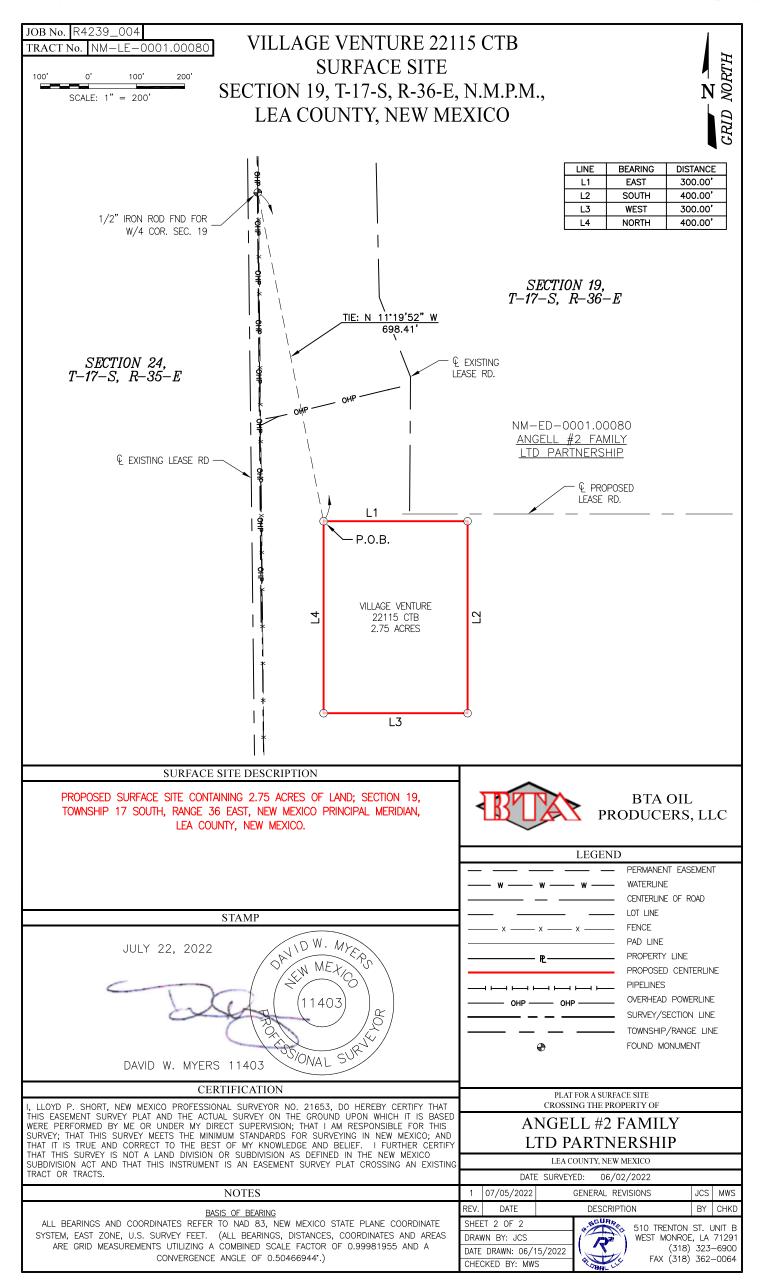
	API Numbe 5-50550			² Pool Code		WC025 G09 S173615C; UPPER PENN				
⁴ Property 33328	333280 BIG PINEY 22115 19-18 STATE COM								⁶ Well Number 2H	
⁷ ogrid 26029									⁹ Elevation 3880'	
					" Surface I	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
J	19	17S	36E		2140	SOUTH	1350	EAST	LEA	
			" Bot	ttom Hole	e Location If	Different Fron	Surface		i.	

UL or lot no. Section Township Lot ldn North/South line East/West line County Rango Feet from the Feet from the В 18 17S 36E 50 NORTH 1980 EAST LEA 12 Dedicated Acres Joint or Infill Consolidation Code 15 Order No. 240

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,



Distances/areas relative to NAD 83 Combined Scale Factor: 0,99981955 Convergence Angle: 00°30'16,80998'



Affected Parties Requiring Notification

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

COG Operating LLC

600 W. Illinois Avenue

Midland, TX 79701

Manzano Energy Partners III, LLC

P. O. Box 1737

Roswell, NM 88202-1737

Allar Development, LLC

P. O. Box 1567

Graham, TX 76450

Regen Royalty Corp.

P. O. Box 210

Artesia, NM 88211

New Mexico State Land Office

ATTN: Scott Dawson

P.O. Box 1148

Santa Fe, NM 87504

Name	Address	City	State	Zip	Mail Class	Mail Date	Tracking No
Maverick Permian,	1111 Bagby Street, Suite 1600	Houston	TX	77002	Certified W/ Return	9/19/22	7020 1290 0001 5667 9809
LLC					Receipt (Signature)		
COG Operating LLC	600 W. Illinois Avenue	Midland	TX	79701	Certified W/ Return	9/19/22	7020 1290 0001 5667 9793
					Receipt (Signature)		
Manzano Energy	P. O. Box 1737	Roswell	NM	88202-	Certified W/ Return	9/19/22	7020 1290 0001 5667 9786
Partners III, LLC				1737	Receipt (Signature)		
Allar	P. O. Box 1567	Graham	TX	76450	Certified W/ Return	9/19/22	7020 1290 0001 5667 9779
Development, LLC					Receipt (Signature)		
Regen Royalty	P. O. Box 210	Artesia	NM	88211	Certified W/ Return	9/19/22	7020 1290 0001 5667 9762
Corp.					Receipt (Signature)		
New Mexico State	P.O. Box 1148	Santa Fe	NM	87504	Certified W/ Return	9/19/22	7020 1290 0001 5667 9755
Land Office					Receipt (Signature)		

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: <u>Sammy Hajar</u>

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Dawson, Scott;

Lamkin, Baylen L.

Subject: Approved Administrative Order CTB-1074 **Date:** Friday, May 19, 2023 8:40:54 AM

Attachments: CTB1074 Order.pdf

NMOCD has issued Administrative Order CTB-1074 which authorizes BTA Oil Producers, LLC (260297) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-50165	Bluebell 22115 19 18 State Com	E/2 W/2	18-17S-36E	98333
30-025-50105	#1H	E/2 NW/4	19-17S-36E	90333
30-025-50166	Bluebell 22115 19 18 State Com	W/2 W/2	18-17S-36E	98333
30-025-50100	#2H	W/2 NW/4	19-17S-36E	90333
30-025-50549	Big Piney 22115 19 18 State Com	E/2 E/2	18-17S-36E	98333
30-025-50549	#1H	E/2 NE/4	19-17S-36E	90333
30-025-50550	Big Piney 22115 19 18 State Com	W/2 E/2	18-17S-36E	98333
30-025-50550	#2H	W/2 NE/4	19-17S-36E	90333

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY BTA OIL PRODUCERS, LLC

ORDER NO. CTB-1074

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. BTA Oil Producers, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

- 7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

Order No. CTB-1074 Page 1 of 3

- 10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and

Order No. CTB-1074 Page 2 of 3

regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO **OIL CONSERVATION DIVISION**

DIRECTOR

DATE: 5/14/2023

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1074

Operator: BTA Oil Producers, LLC (260297)

Central Tank Battery: Village Venture 22115 Central Tank Battery

Central Tank Battery Location: SW/4 Section 19, Township 17 South, Range 36 East Gas Title Transfer Meter Location: SW/4 Section 19, Township 17 South, Range 36 East

Pools

Pool Name Pool Code WC-025 G-09 S173615C; UPPER PENN 98333

Leases as defined in 19.15.12.7(C) NMAC			
Lease	UL or Q/Q	S-T-R	
CA Denneydvanian NMSLO DLIN 1207022	E/2 W/2	18-17S-36E	
CA Pennsylvanian NMSLO PUN 1397823	E/2 NW/4	19-17S-36E	
CA Pennsylvanian NMSLO PUN 1397834	W/2 W/2	18-17S-36E	
CA Pennsylvanian Nivislo Pun 159/654	W/2 NW/4	19-17S-36E	
CA Democrice NMCI O DIN 1200220	E/2 E/2	18-17S-36E	
CA Pennsylvanian NMSLO PUN 1398220	E/2 NE/4	19-17S-36E	
CA Democrico NMCLO	W/2 E/2	18-17S-36E	
CA Pennsylvanian NMSLO	W/2 NE/4	19-17S-36E	

Wells					
Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-50165	Bluebell 22115 19 18 State Com #1H	E/2 W/2	18-17S-36E	98333	
30-023-30103	Bluebell 22115 19 16 State Colli #1H	E/2 NW/4	19-17S-36E	90333	
30-025-50166	Bluebell 22115 19 18 State Com #2H	W/2 W/2	18-17S-36E	98333	
30-025-50100		W/2 NW/4	19-17S-36E		
30-025-50549	Big Piney 22115 19 18 State Com #1H	E/2 E/2	18-17S-36E	98333	
30-025-50549		E/2 NE/4	19-17S-36E		
20 025 50550	Big Piney 22115 19 18 State Com #2H	W/2 E/2	18-17S-36E	98333	
30-025-50550		W/2 NE/4	19-17S-36E		

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 144628

CONDITIONS

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	144628
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/19/2023