

BTA OIL PRODUCERS, LLC

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

104 SOUTH PECOS STREET MIDLAND, TEXAS 79701-5021 432-682-3753 ASHLEY BEAL LAFEVERS
ALEX BEAL
HILL DAVENPORT
TREY FUQUA
ADAMS DAVENPORT
MICHAEL BEAL

July 9, 2025

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

RE: Application for Surface Commingling

To Whom This May Concern,

BTA Oil Producers, LLC, OGRID No. 260297, pursuant to 19.15.12.10 NMAC, is requesting administrative approval to surface commingle (pool and lease commingle) production from two wells and all future wells located at the **Kilo CTB** insofar as all existing and future wells drilled in the following spacing units:

(a) The 640-acre spacing unit comprised of the SE/4 and NE/4 of sections 26 & 23, T-20S-R35E in Lea County, New Mexico – currently dedicated to the **Bobtail 8605 26-23**State Com #1H (API:30-025-54478) and the **Bobtail 8605 26-23 State Com #2H**(API:30-025-54491).

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. Each well on the Lands will have its own test separator with a coriolis flow meter (*Endress Hauser Corolis*) for oil and orifice meter (*ABB Total Flow*) 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. Information detailing each well is attached.

Please find enclosed:

Cover Letter
Application Checklist
Form C-107B
Commingle Summary Page
Exhibit A: Process Flow Diagram
CTB Layout Diagram
Form C-102 for each well
State Land Office Application
Communitization Agreement
Copy of letter sent certified to all involved parties
List of all involved parties.
Affidavit of Publication

Received by OCD: 7/9/2025 1:01:17 PM
The proposed commingling of production will not result in any reduction in the value of the hydrocarbons produced. All volumes will be properly measured, allocated and reported in accordance with applicable regulations to ensure accurate valuation and revenue distribution.

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

Respectfully,

Michelle Sena

Michelle Sena **Production Analyst** BTA Oil Producers, LLC msena@btaoil.com O: 432-682-3753

25.050/52	1 25 45 45	17/05	Langua	
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologia	O OIL CONSERVA cal & Engineering ancis Drive, Santa	TION DIVISION Bureau –	OF NEW AGES
THIS (CHECKLIST IS MANDATORY FOR AL	ATIVE APPLICATION L ADMINISTRATIVE APPLICATION QUIRE PROCESSING AT THE E	IONS FOR EXCEPTIONS TO DIVIS	ON RULES AND
				mber:
Pool:			Pool Code	e:
SUBMIT ACCUR	ATE AND COMPLETE INF	ORMATION REQUIR		/PE OF APPLICATION
A. Location	CATION: Check those to a Spacing Unit - Simulton SL SSP(PR			
[] Com [[] Injec	ne only for [I] or [II] mingling – Storage – M] DHC CTB PI ction – Disposal – Pressu] WFX PMX S\	_C □PC □OI re Increase – Enha	nced Oil Recovery	
A. Offset B. Royal C. Applic D. Notific E. Notific F. Surfac G. For all	A REQUIRED TO: Check operators or lease hold ty, overriding royalty overtion requires published ation and/or concurred to the above, proof of the above, proof of the required	ders wners, revenue owi ed notice ent approval by SLC ent approval by BLN) //	FOR OCD ONLY Notice Complete Application Content Complete and/or,
administrative understand th	N: I hereby certify that the approval is accurate and action will be taken action to the Div	and complete to th ken on this applica	e best of my knowled	lge. I also
Ne	ote: Statement must be comple	ted by an individual with ı	nanagerial and/or supervisor	y capacity.
			Date	9/2025
Print or Type Name				
Miche	lle Sena		Phone Number	
Signature			e-mail Address	

Santa Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116

Online Phone Directory Visit:

https://www.emnrd.nm.gov/ocd/contact-us/

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP) OPERATOR NAME: BTA OIL PRODUCERS, LLC 104 S PECOS, MIDLAND, TX 79701 **OPERATOR ADDRESS:** APPLICATION TYPE: Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled) LEASE TYPE: Fee 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 (SLO has been notified) (A) POOL COMMINGLING Please attach sheets with the following information Calculated Gravities / Gravities / BTU of Calculated Value of (1) Pool Names and Codes Non-Commingled BTU of Commingled Commingled Volumes Production Production Production (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. (5) Will commingling decrease the value of production? Yes \Quad No If "yes", describe why commingling should be approved (B) LEASE COMMINGLING Please attach sheets with the following information (1) Pool Name and Code. (2) Is all production from same source of supply?

☐ Yes ☐ No (3) Has 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 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? \(\superscript{Yes}\) \(\superscript{No}\) (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. (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. Lease Names, Lease and Well Numbers, and API Numbers. I hereby certify that the information above is true and complete to the best of my knowledge and belief. Michelle Sena SIGNATURE: TITLE: Production Analyst DATE: 07/09/2025 TYPE OR PRINT NAME: Michelle Sena TELEPHONE NO.: 432-978-3586 msena@btaoil.com E-MAIL ADDRESS:

APPLICATION FOR POOL LEASE COMMINGLING/CTB/ON LEASE MEASUREMENT AND SALES

Commingling procedure for Bobtail 8605 26 23 State Com #001H & 002H leases at the Kilo CTB

BTA Oil Producers, LLC is requesting approval for surface lease commingling for current and future production from 2 wells located on state leases below at the Kilo CTB in Sec. 26,T-20S-R35E, Lea, County, New Mexico.

WELL NAME	LOCATION	API#	POOL#	OIL	GAS	WATER
				BBL/D	MCF/D	BBL/D
BOBTAIL	300' FSL &	30-025-	[24270]			
8605 26 23	740' FEL,	54478	FEATHERSTONE;	~ ±800	~ ±2000	~ ±1200
STATE COM	SEC 26		BONE SPRING,			
#001H	T20S-R35E		EAST			
BOBTAIL	300' FSL &	30-025-	[24250]			
8605 26 23	710' FEL,	54491	FEATHERSTONE;	~ ±800	~ ±2000	~ ±1200
STATE COM	SEC 26		BONE SPRING			
#002H	T20S-R35E					

Future Additions:

Pursuant to Statewide Rule 19.15.12.10 C(4)(g), BTA Oil Producers respectfully requests the option to include additional leases or pools within the defined parameters set forth in the Order for future additions.

Oil, Gas and Water Metering:

The production for the 2 wells will come to its own separator. From the separator, production will be as follows:

The wells will be metered through individual liquid coriolis flow meters (*Endress Hauser Corolis*) for oil and orifice meters (*ABB Total Flow*) 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.

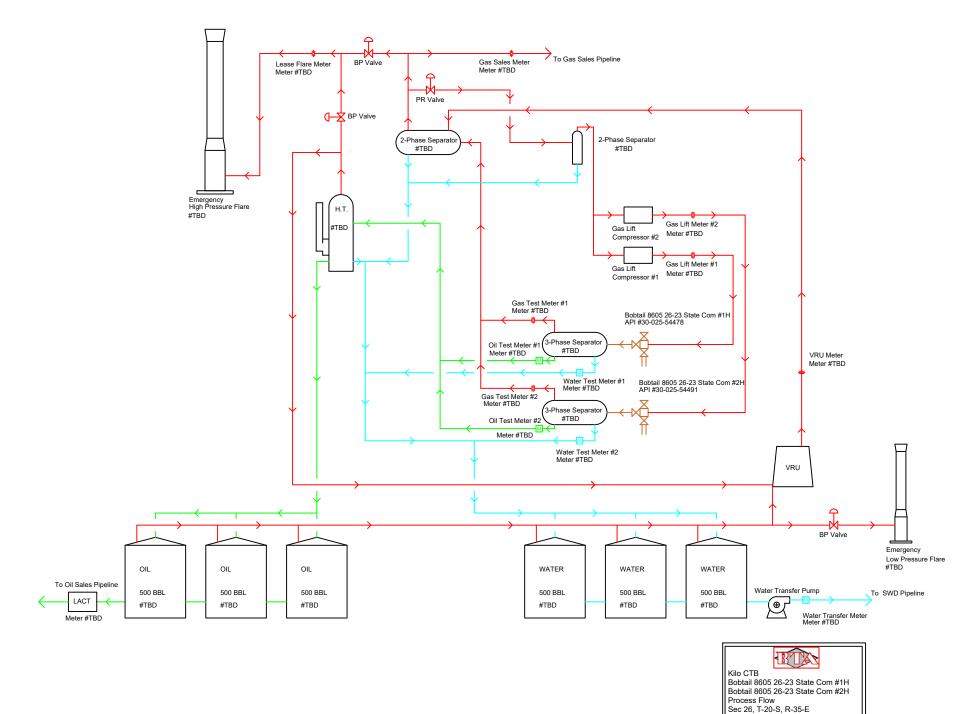
Gas samples are obtained at the time of the meter testing and calibration and the composition and heating value are determined by a laboratory in accordance with the American Petroleum Institute (API) specifications to ensure accurate volume and energy (MMBTU) determinations.

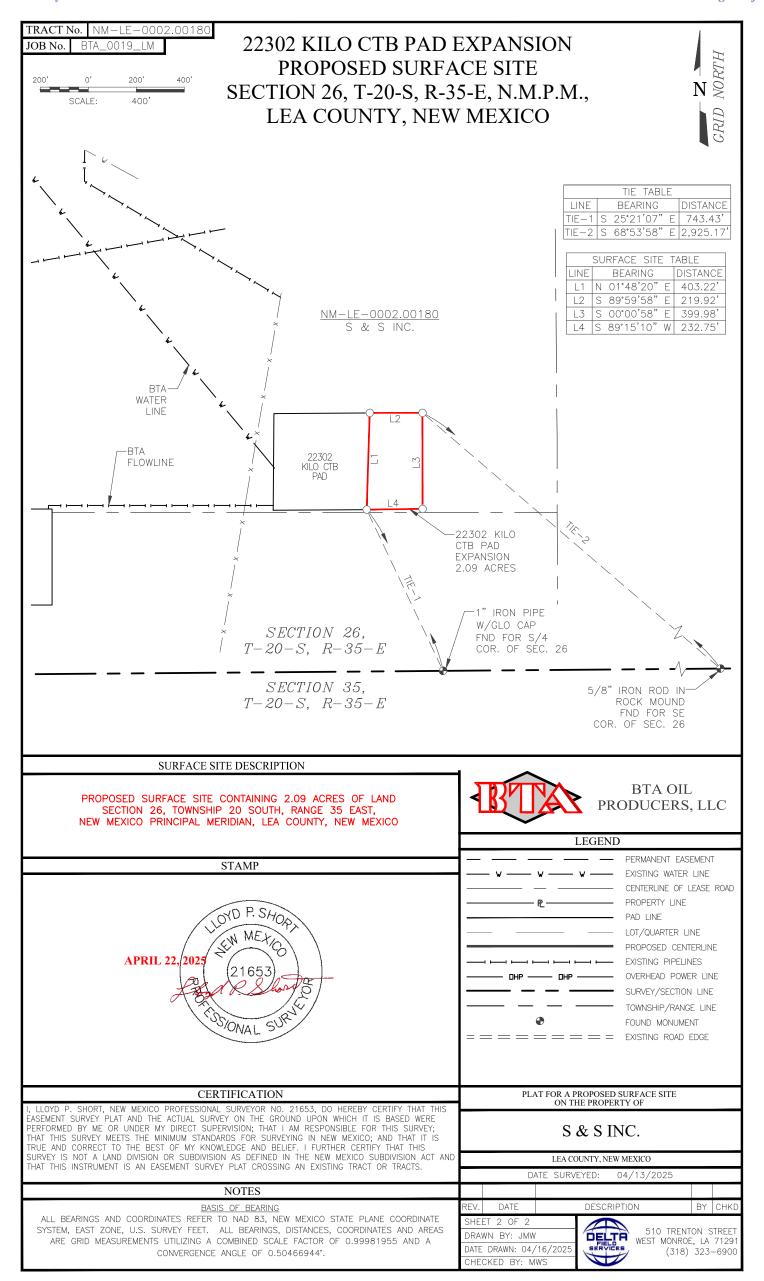
The flow stream from each wellhead is demonstrated in the Process Flow Diagram (PFD) attached as **Exhibit A** hereto. The PFD shows that the water, oil and gas leave the wellbore and flow into a wellhead test separator which separates each stream. The oil is measured via the coriolis flow meter on each 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.

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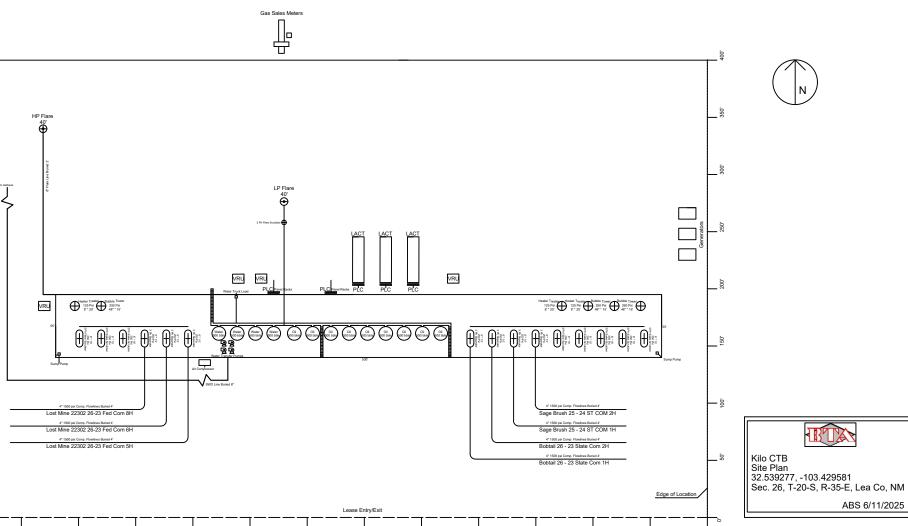
Lea Co, NM

NJS 6/17/2025





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ABS 6/11/2025

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Submit Electronically Via OCD Permitting

State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION

Revised July 9,	2024
PAGE 1 OF 2	

Submittal Type: ☐ Amended Report☐ As Drilled

					WELL LOCATIO	N INFORMATION				
API Nun	nber		Pool Code		Pool Name					
		[24250]		FEATHERSTONE;BONE SPRING						
Property	Code		Property Na	me		ļ		Well Number		
					BOBTAIL 8605 2	6-23 STATE COM		1H		
OGRID	No.		Operator Na	me				Ground Level Elevati	ion	
	26029	7			BTA OIL PRO	DUCERS, LLC		3671	<u>'</u>	
Surface	Owner:	State X	Fee Tri	ibal 🗌	Federal	Mineral Owner: X	State Fee	Tribal Federal		
					Sunface	Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County	
P	26	20S	35E		300' FSL	740' FEL	32.53770362	-103.42179280	LEA	
			l	<u> </u>	Dattam Ha	la I a a sti a s				
UL	Section	Township	Range	Lot	Ft. from N/S	le Location Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County	
В	23	20S	35E		50' FNL	1815' FEL	32.56581666	-103.42525317	LEA	
		200	332		30 11.2	1013 122	32.30301000	103.12323317	LETT	
		I rau sa	****	1	***		***			
Dedicate		Infill or Defini		Defining Well API		Overlapping Spacing Unit (Y/N)		Consolidation Code N/A		
64	40.00	Definii	ng		N		IN/A			
Order N	Numbers:					Well setbacks are under	Common Ownership:	Yes No)	
					Kick Off P	oint (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County	
О	26	20S	35E		50' FSL	1815' FEL	32.53701739	-103.42528168	LEA	
					First Take	Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County	
О	26	20S	35E		100' FSL	1815' FEL	32.53715481	-103.42528152	LEA	
					Last Take l	Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County	
В	23	20S	35E		100' FNL	1815' FEL	32.56567924	-103.42525330	LEA	
Unitized	Area or Area	of Uniform Inter	est		**	. 🗆	Ground Floor I	Elevation		
				Spacing	g Unit Type: X Horizo	ontal Vertical		3671'		

OPERATOR CERTIFICATIONS

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

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Sammy Hajar	2/4/2025				
Signature	Date				
Sammy Hajar					
Printed Name					
SHAJAR@BTAOIL.COM					
Email Address					

SURVEYOR CERTIFICATIONS

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.



Signature and Seal of Professional Surveyor

21653

Certificate Number

Date of Survey

OCTOBER 25, 2024

BHL FNL 50' FEL 1815', SECTION 23 NAD 83, SPCS NM EAST X:821094.10' / Y:570768.15' LAT:32.56581666 / LON:-103.42525317 NAD 27, SPCS NM EAST X:779912.32' / Y:570705.74' LAT:32.56569310 / LON:-103.42476864

LTP

FNL 100' FEL 1815', SECTION 23 NAD 83, SPCS NM EAST X:821094.49' / Y:570718.15' LAT:32.56567924 / LON:-103.42525330 NAD 27, SPCS NM EAST X:779912.71' / Y:570655.74 LAT:32.56555567 / LON:-103.42476878

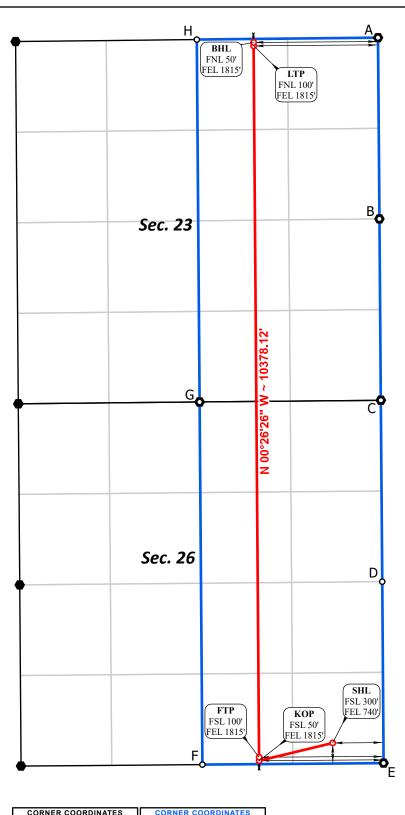
FSL 100' FEL 1815', SECTION 26 NAD 83, SPCS NM EAST X:821174.30' / Y:560340.34' LAT:32.53715481 / LON:-103.42528152 NAD 27, SPCS NM EAST X:779992.16' / Y:560278.18' LAT:32.53703103 / LON:-103.42479830

KOP

FSL 50' FEL 1815', SECTION 26 NAD 83, SPCS NM EAST X:821174.67' / Y:560290.34' LAT:32.53701739 / LON:-103.42528168 NAD 27, SPCS NM EAST X:779992.54' / Y:560228.18' LAT:32.536893<u>60</u> / LON:-103.42479847

SHL

FSL 300' FEL 740', SECTION 26 NAD 83, SPCS NM EAST X:822247.75' / Y:560549.19' LAT:32.53770362 / LON:-103.42179280 NAD 27, SPCS NM EAST X:781065.60' / Y:560487.02' LAT:32.53757984 / LON:-103.42130973



CORNER COORDINATES

Drill Line

CORNER COORDINATES
NAD 83, SPCS NM EAST
A - X: 822998.62' / Y:570837.36'
B - X: 822990.62' / Y:568194.03'
C - X: 822950.15' / Y:565547.99'
D - X: 822997.07' / Y:562901.64'
E - X: 822997.09' / Y:560235.52'
F - X: 820346.65' / Y:560233.52'
G - X: 820306.45' / Y:56522.94'
H - X: 820265.61' / Y:570809.38' CORNER COORDINATES
NAD 27, SPCS NM EAST
X: 781726.80' / Y:570774.96'
X: 781747.15' / Y:568131.70'
X: 781768.14' / Y:565485.72'
X: 781807.80' / Y:560193.14'
X: 779164.54' / Y:560171.36'

-- Dimension Lines

779124.51' / Y:565460.65 779083.85' / Y:570746.96

Federal Leases All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

Project Area

JOB No. BTA 0031 BT REV 0 REM 10/17/2024

Section Corners

O Drill Line Events

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Submit Electronically Via OCD Permitting

State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION

Revised July 9, 2024	1
PAGE 1 OF 2	

Submittal Type:

<u>X</u>	Initial Submittal
	Amended Repor
	As Drilled

					WELL LOCATIO	N INFORMATION			
API Nur	nber		Pool Code			Pool Name			
	[2425		250]	FEATHERSTONE;BONE SPRING					
Property	y Code		Property Na	ime		'		Well Number	
					BOBTAIL 8605 2	6-23 STATE COM		2H	
OGRID	No.		Operator Na	ame				Ground Level Elevati	ion
	26029	7			BTA OIL PRO	DUCERS, LLC		3671	<u>'</u>
Surface	e Owner:	State X	Fee Tr	ibal 🔲	Federal	Mineral Owner: X	State Fee	Tribal Federal	
						Location			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	26	20S	35E		300' FSL	710' FEL	32.53770359	-103.42169546	LEA
		•	•	· ·	Rottom Ho	le Location	-		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	23	20S	35E		50' FNL	495' FEL	32.56582404	-103.42096880	LEA
	•	•	•	•					
Dedicat	ed Acres	Infill or Defin	ing Well	Defining Well API Infill		Overlapping Spacing Unit (Y/N)		Consolidation Code	
6	40.00			Pending: Bobtail 8605 26-23State Com 1H		N		N/A	
Order 1	Numbers:	NSP Pending		20-23Stat	e Com III	Well setbacks are under Common Ownership		o: Yes No	
					Kick Off P	oint (KOP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	26	20S	35E		50' FSL	495' FEL	32.53701627	-103.42099868	LEA
					First Take	Point (FTP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	26	20S	35E		100' FSL	495' FEL	32.53715369	-103.42099851	LEA
					Last Take	Point (LTP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	23	20S	35E		100' FNL	495' FEL	32.56568661	-103.42096893	LEA
Unitized	d Area or Area	of Uniform Inter	est	Ι			Ground Floor I	Elevation	
				Spacin	g Unit Type: X Horize	ontal Vertical		3671'	
		_							

OPERATOR CERTIFICATIONS

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

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Sammy Hajar	2/4/2025				
Signature	Date				
Sammy Hajar					
Printed Name					
SHAJAR@BTAOIL.COM					
Email Address					

SURVEYOR CERTIFICATIONS

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.



Signature and Seal of Professional Surveyor

21653

Certificate Number

Date of Survey

OCTOBER 25, 2024

JOB No. BTA 0031 BT

REV 1 REM 10/22/2024

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99981205 and a Convergence Angle: 0.44922778°

Federal Leases

-- Dimension Lines

Section Corners

O Drill Line Events

Drill Line

All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

NEW MEXICO STATE LAND OFFICE

APPLICATION FOR

COMMINGLING AND OFF-LEASE STORAGE ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant:	OGRID #:
Well Name:	API #: <u>30-025-54478, 30-025-54</u> 491
Pool:	
OPERATOR NAME:	
OPERATOR ADDRESS:	
APPLICATION REQUIREMENTS – SUBMIT: 1. New Mexico Oil Conservation Division application is required by NMOCD 2. Commingling application fee of \$15	sion (NMOCD) application packet (or equivalent information if no),
 lands have been applied for or obtain The information submitted with this ar No loss will accrue to the state of Nev 	necessary for conducting the proposed operation on State Trust
Note: Statement must be completed by	an individual with managerial and/or supervisory capacity.
Print or Type Name	
Michelle Sena	
Signature	Phone Number

Submit application to:

07/08/2025

Date

Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504-1148 Questions?
Contact the Commingling Manager: 505.827.5791

e-mail Address

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

New Mexico State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised August 2024

COMMUNITIZATION AGREEMENT

ONLINE Version
API #: 30-025 _____ 54478

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this <u>lst</u> [day] of May ____ [month], 2025, by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version

State/State

NOW THEREFORE, in consideration of the premises and the mutual advantages to the Parties, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2 c	of Section 26 and E/2		
0f Sect(s): 23	Twp2 <u>0S_</u> Rng:35 <u>F</u> NMPM	Lea	County, NM
pooling and consol production of hydro advisable in order to the said land in acco conservation of the	idation of the aforesaid land ocarbons from the said format properly develop and produce tordance with the well spacing to	into a singlion in and the hydrocarl	Parties that the communitization, le unit for the development and under said land is necessary and bons in the said formation beneath OCD, and in order topromote the from said formation inand under

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacingpurposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

ONLINE version

State/State

- 4. <u>BTA Oil Producers, LLC</u> shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by <u>BTA Oil Producers, LLC</u> If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.
- 5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not bereleased from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.
- This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties.

ONLINE State/State version

- Notwithstanding any other provision herein, if there is a cessation of production of 10. communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement
- 11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.
- 13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.
- 14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

ONLINE version

State/State

- 16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.
- 17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Operator BTA Oil Producers, LLC	_Lessees of Record_	Marathon Oil Permian, LLC
By Robert M. Davenport, Jr.		BTA Oil Producers, LLC
Print name of person Member	:==	Hayes Land & Production Company, LP
Type of authority Electron Llought	; <u> </u>	Bursake, LLC
Signature ARO		

Attach additional page(s) if needed.

ONLINE version

State/State

OPERATOR: BTA Oil Producers, LLC	
BY: Robert M. Davenport, Jr., Member	(Name and Title of Authorized Agent)
gort my dorprop	(Signature of Authorized Agent)
Acknowledgment in an	Individual Capacity
State of) SS) County of)	
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an R	epresentative Capacity
State of Texas) SS) County of Midland)	
This instrument was acknowledged before me on	Date: 2/25/25
By: Robert M. Davenport, Jr., Member Name(s) of Person(s) KRIS RAMOS Notary Public, State of Texas Comm. Expires November 1, 2026 Notary ID 12589744-9	Signature of Notarial Officer
ONLINE State/State	6

BY: Jon-Aaron N. House, Attorney-in-fact	(Name and Title of Authorized Agent)
Ja-LMA	(Signature of Authorized Agent)
Acknowledgment	in an Individual Capacity
State of) SS)	
County of)	
This instrument was acknowledged before m	e on Date
Ву	
Naine(s) ofPersoa(s)	
(Seal)	Signature ot'Notarial Office
	My commission expires:
	My commission expires:
Acknowledgment in	My commission expires: an Representative Capacity
State of TEXAS)	
State of TEXAS) SS)	an Representative Capacity
State of TEXAS) SS) County of MIDLAND)	an Representative Capacity
State of TEXAS) SS) County of MIDLAND) This instrument was acknowledged before me	an Representative Capacity
State of TEXAS) SS) County of MIDLAND) This instrument was acknowledged before me	an Representative Capacity
State of TEXAS) SS) County of MIDLAND) This instrument was acknowledged before me	an Representative Capacity
State of TEXAS) SS) County of MIDLAND) This instrument was acknowledged before me By- Jon-Aaron N. House, Attorney-in-fact Name(s) of Person(s)	an Representative Capacity e on Date: 3/27/2

Lease # and Lessee of Record: _	OG-3826-001;	Marathon Oil Permian LLC	
BY: Brian C. Levea, Vice President		(Name and Title of Authorized Agent)	KR
Burnfff	<u></u>	(Signature of Authorized Agent)	
Acknow	dedgment in an l	ndividual Capacity	
State of SS)			
County of)			
This instrument was acknowledge	d before me on	Date	
By Najnc(s) of Peraon(s)			
rajuc(s) or recass(s)			
(Seal)		Signature of Notarial Officer	
	1	My commission expires:	
Acknowled	dgment in an Rep	presentative Capacity	
State of TEXAS) SS)			
County of MIDLAND)			
Tliis instrument was acknowledge	d before me on	Date: 4-16-25	
By: Brian C. Levea, Vice President		0	
Name(s) of Person(s)		Later Phoneth	
NOTARY PUBLIC STATE OF TEXA MY COMM. EXP. 04/NOTARY ID 130616	ETT C S S/15/28 8802	Signature of Notarial Officer My commission expires: 4-15-2088	
ONLINE verson	State/State	7	

Lease # and Lessee of Record: Fee; BTA Oil P	roducers, LLC
BY: Robert M. Davenport, Jr., Member	(Name and Title of Authorized Agent)
Port Mylongetz	(Signature of Authorized Agent)
Acknowledgment in an	Individual Capacity
State of) SS) County of)	
This instrument was acknowledged before me on	Date
By Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Ro	epresentative Capacity
State of Texas) SS)	
County of Midland)	31-1
This instrument was acknowledged before me on	Date: 2/25/25
By: Robert M. Davenport, Jr., Member	
Name(s) of Person(s) (Seal) KRIS RAMOS Notary Public, State of Texas Comm. Expires November 1, 2026 Notary ID 12589744-9	Signature of Notarial Officer My commission expires: 11- 1- 26
ONLINE State/State version	7

BY: William H. Bernell Mawarer (Name and Title of Authorized Agent) (Signature of Authorized Agent)				
Acknowledgment in an I	ndividual Capacity			
State of) SS) County of)				
This instrument was acknowledged before me on	Date			
Ву				
Name(s) of Person(s)				
(Seal)	Signature of Notarial Officer			
Λ	My commission expires:			
Acknowledgment in an Rep	resentative Capacity			
State of Telas) County of Travis)	1 /			
This instrument was acknowledged before me on By: William Hayes Bennett Name(s) of Person(s)	Date: 3/3/25			
JACQUELYN ANDRADE Notary Public, State of Texas My Comm. Exp. 08-31-2026 ID No. 13394118-1	Signature of Notarial Officer My commission expires: 8 3 0006			
ONLINE State/State	7			

Lease # and Lessee of Record:Fee; Bu	rsake, LLC
	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
Acknowledgmen	t in an Individual Capacity
State of) SS)	
County of)	
This instrument was acknowledged before a	me on Date
Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in State of lexas) County of	n an Representative Capacity
By: Name(s) (pRevingus) Seal (Seal) Seal (S	
ONLINE State version	e/State 7

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated May 1, 2025

by and between BTA Oil Producers, LLC (Operator),

Marathon Oil Permian, LLC, BTA Oil Producers, LLC, Hayes Land & Production, LP, Bursake, LLC (Record Title Holders/Lessees of Record), covering the Subdivisions: E/2 of Sect(s): 26 & 23, Twnshp 20 South, Rnge: 35 East, NMPM Lea County, NM, limited in depth to

the Bone Spring Formation.

OPERATOR of Communitized Area: BTA Oil Producers, LLC

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. I
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: Marathon Oil Permian, LLC
Serial No. of Lease: OG-3825 Date of Lease: May 20, 1958
Description of Lands Committed:
Subdivisions: SE/4
Sect(s): 26 Twnshp: 20 South, Rng: 35 East, NMPM, Lea County, NM,
No. of Acres: <u>160.00</u>
TRACT NO. 2 Lessor: State of New Mexico acting by and through its Commissioner of Public Lands Lessee of Record: Marathon Oil Permian, LLC
Serial No. of Lease: OG-3826 Date of Lease: May 20, 1958
Description of Lands Committed:
Subdivisions: NE/4 Sect(s): 26 Twnshp: 20 South, Rng: 35 East, NMPM, Lea County, NM, No. of Acres: 160.00

ONLINE version August, 2021 State/State

TRA	CT	N	<u>O.</u>	<u>3</u>

Lessor: Multiple (Fee)

Lessee of Record: BTA Oil Producers, LLC, Hayes Land & Production, LP, Bursake, LLC

Serial No. of Lease: NA _____ Date of Lease: Multiple

Description of Lands Committed:

Subdivisions: W/2E/2

Sect(s): 24 Twnshp: 20 South, Rng: 35 East, NMPM, Lea County, NM,

No. of Acres: 160.00

TRACT NO. 4

Lessor: Multiple (Fee)

Lessee of Record: BTA Oil Producers, LLC, Hayes Land & Production, LP, Bursake, LLC

Serial No. of Lease: <u>Multiple</u> Date of Lease: <u>Multiple</u>

Description of Lands Committed:

Subdivisions: E/2E/2

Sect(s): 24 Twnshp: 20 South, Rng: 35 East, NMPM, Lea County, NM,

No. of Acres: <u>160.00</u>

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>160.00</u>	<u>25.000000%</u>
No. 2	160.00	<u>25.000000%</u>
No. 3	<u>160.00</u>	<u>25.000000%</u>
No. 4	160.00	<u>25.000000%</u>
TOTALS	<u>640.00</u>	100.000000%

State/State

ONLINE version August, 2021



BTA OIL PRODUCERS, LLC

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

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

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

July 8, 2025

<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 Kilo CTB located in the E/2 of Section 26, Township 20 South, Range 23 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 msena@btaoil.com. Mail to be directed to BTA Oil Producers, LLC., 104 South Pecos, Midland, Texas 79701 ATTN: Michelle Sena.

Respectfully,

Michelle Sena

Michelle Sena
Production Analyst
BTA Oil Producers, LLC
msena@btaoil.com

O: 432-682-3753

BTA OIL PRODUCERS CERTIFIED MAILING LIST BOBTAIL 8605 26-23 STATE COM #001H & #002H

Name	Address	City	State	Zip Code	Certified Mailing Number:
Claude Forrest Wynn	P. O. Box 6832	Houston	TX	77265	9214 8969 0099 9790 1848 1886 81
Marathon Oil Permian LLC	P.O. Box 732312	Dallas	TX	75373	9214 8969 0099 9790 1848 1886 98
Noell Ross Jackson	PO Box 86	Midland	TX	79702	9214 8969 0099 9790 1848 2005 36
Wing Resources VII LLC	2100 McKinney Ave. Ste 1540	Dallas	TX	75201	9214 8969 0099 9790 1848 1887 11
Sarah B. Schaffer Moss, Individually	3800 Commerce Street, Apartment 204	Dallas	TX	75226-2432	9214 8969 0099 9790 1848 1887 28
Metis Lea, LLC	PO Box 2078	Abilene	TX	79604	9214 8969 0099 9790 1848 2005 43
The State Of New Mexico Commissioner Of Public Lands Oil & Gas Accounting Division	P. O. Box 1148	Santa Fe	NM	87504	9214 8969 0099 9790 1848 1887 42
Permian Resources Operating, LLC	300 N. Marienfeld St., Ste 1000	Midland	TX	79701	9214 8969 0099 9790 1848 1879 59
Colgate Royalties, LP	300 N Marienfeld St., Ste 1000	Midland	TX	79701	9214 8969 0099 9790 1848 2005 50
ASWB Royalty Endowment LLC	8150 N Central Expressway, Suite 1400	Dallas	TX	75206	9214 8969 0099 9790 1848 1887 73
M Jeanne Billeaud	900 S. College, #203	Lafayette	LA	70503	9214 8969 0099 9790 1848 1887 80
Forrest Jacob Wynn	6255 Longmont Dr	Houston	TX	77057-1817	9214 8939 0099 9790 1848 1887 80
Taylor Mays Wynn c/o Lauryn Robinson, Agent	P.O. Box 601659	Dallas	TX	75360	9214 8969 0099 9790 1848 1888 03
William H Bennett	P.O. Box 50530	Austin	TX	78763	9214 8969 0099 9790 1848 1888 10

Ronald J Byers Company LLC	3939 Bee Cave Road, Bldg C- 100	Austin	TX	78746	9214 8969 0099 9790 1848 2006 04
Camellia Land, LLC	PO Box 51510	Midland	TX	79710-1510	9214 8969 0099 9790 1848 1888 34
Soan Holdings, LLC	P.O. Box 50530	Austin	TX	78763	9214 8969 0099 9780 1848 1888 41
Bursake, LLC Andrew B. Burleson, Co-General Partner	PO Box 51407	Midland	TX	79710	9214 8969 0099 9790 1848 2005 81
Hayes Land & Production, LP	P. O. Box 50530	Austin	TX	78763	9214 8969 0099 9790 1848 1888 65
8600 Venture Properties	104 South Pecos	Midland	TX	79701	9214 8969 0099 9790 1848 1888 72
Julie Ellen Barnes c/o Private Wealth Asset Management Attn: Pedie Monta	P.O. Box 85460	Westland	MI	48185	9214 8969 0099 9790 1848 2005 98
Steven Clement Barnes c/o Private Wealth Asset Management Attn: Pedie Monta	P.O. Box 85460	Westland	MI	48185	9214 8969 0099 9790 1848 1888 96
Viola Elaine Barnes c/o Private Wealth Asset Management Attn: Pedie Monta	P.O. Box 85460	Westland	MI	48185	9214 8969 0099 9790 1848 1888 02
Ronald J Byers Company LLC	3939 Bee Cave Road, Bldg C- 100	Austin	TX	78746	9214 8969 0099 9790 1848 2006 04
WRH I, LP	508 W Wall Street, Suite 1220	Midland	TX	79701	9214 8969 0099 9790 1848 1889 26
TTCZ Properties, LLC Private Wealth Asset Management c/o Private Wealth Asset Management Attn: Pedie Monta	P.O. Box 85460	Westland	MI	48185	9214 8969 0099 9480 1848 1889 33
Camellia Land, LLC	Camellia Land, LLC PO Box 51510 Midland TX 7		79710-1510	9214 8969 0099 9790 1848 2006 11	
Larry O. Combs and Joyce E. Combs Joint Living Trust Larry Combs and Joyce Combs, Trustees	P. O. Box 180	Portales	NM	88130	9214 8969 0099 9790 1848 1889 57
Catherine Cooke	134 Wyckham Rise	San Antonio	TX	78209	9214 8969 0099 9790 1848 1889 64

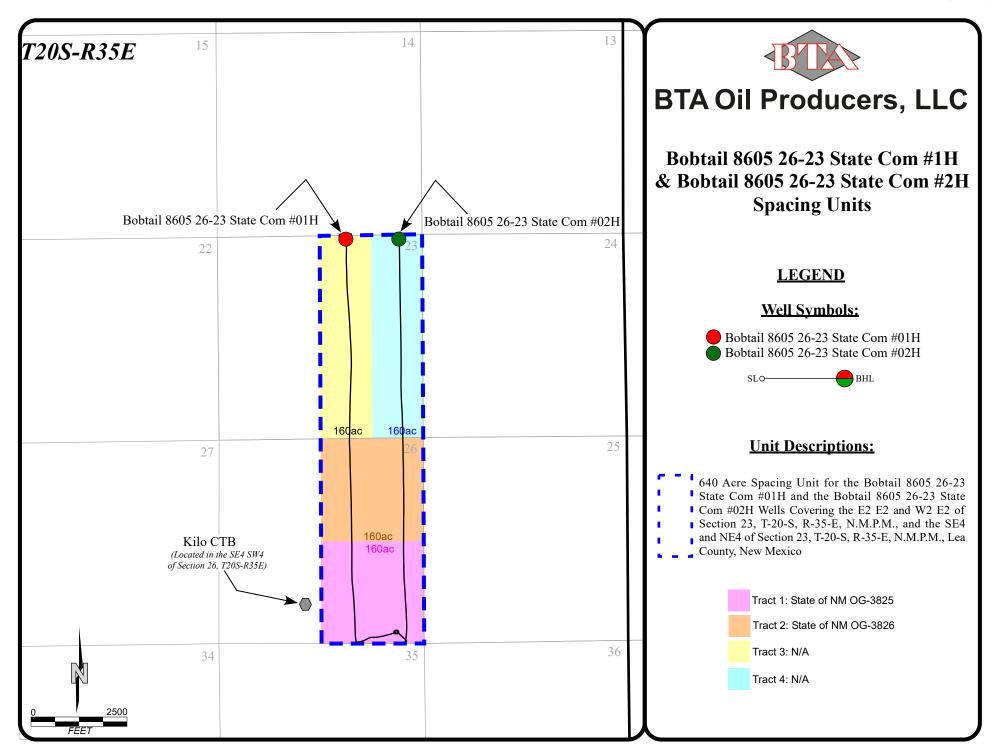
Dinero Operating Company - Ramsland	P.O. Drawer 10505	Midland	NM	79702	9214 8969 0099 9790 1848 2006 28
Jerald Leo Dye Trust UWO Okla B. Dye Western Commerce Bank, Trustee	P. O. Box 1627	Lovington	NM	88260	9214 8969 0099 9790 1848 1889 88
Charline E. Dye	PO Box 65	Cloudcroft	NM	88317	9214 8969 0099 9790 1848 1889 95
Christine Barnes Motycka c/o Private Wealth Asset Management Attn: Pedie Monta	P.O. Box 85460	Westland	MI	48185	9214 8969 0099 9790 1848 2006 35
William Nixon	2202 Camelback Dr.	San Antonio	TX	78209	9214 8969 0099 9790 1848 1890 15
RBP Land Company Trust	P. O. Box 10392	Midland	TX	79702	9214 8969 0099 9790 1848 1890 22
Arthur A. Seeligson III	808 Travis St., Ste 2200	Houston	TX	77002	9214 8969 0099 9790 1848 2006 42
Juliana S Seeligson Life Estate	808 Travis Street, Ste 2200	Houston	TX	77002	9214 8969 0099 9790 1848 1890 46
Soan Holdings, LLC	P.O. Box 50530	Austin	TX	78763	9214 8969 0099 9790 1848 1890 53

LEGAL NOTICE July 8, 2025

Notice of Application for Surface Commingling

BTA Oil Producers, LLC (OGRID No. 260297), located at 104 S. Pecos, Midland TX 79701 seeks administrative approval to surface commingle (pool commingle) diversely owned oil and gas production from the Bobtail 8605 26 23 State Com #001H and Bobtail 8605 26 23 State Com #002H wells at the Kilo CTB located in the SE/4 of Section 26, Township 20 South, Range 35 East, Lea County, New Mexico. The wells and facilities are located in Section 26, Township 20 South, Range 35 East, Lea County, New Mexico. Production is from the FEATHERSTONE; BONE SPRING [24250] and FEATHERSTONE; BONE SPRING, EAST [24270]. Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Michelle Sena at (432) 682-3753 ext. 124.

#00302435



92148969009997901848188742





Latest Update

Your item was picked up at the post office at 7:54 am on July 15, 2025 in SANTA FE, NM 87501.

Get More Out of USPS Tracking:



Delivered

Delivered, Individual Picked Up at Post Office

SANTA FE, NM 87501 July 15, 2025, 7:54 am

See All Tracking History

What Do USPS Tracking Statuses Mean?

Released to Imaging: 8/19/2025 11:33:53 AM

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. PLC-1009

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 as described 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. 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 certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. 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.
- 7. 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 as described in Exhibit A.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("CA Pooled Area"), as described in Exhibit A.

Order No. PLC-1009 Page 1 of 4

CONCLUSIONS OF LAW

- 9. 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.
- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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.
- 15. 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 as described in Exhibit A.

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

2. For each CA Pooled Area described in Exhibit A, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

Order No. PLC-1009 Page 2 of 4

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the CA Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s) if the formation or dedicated lands are modified or if a modification is made that will affect this Order. If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a CA Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the CA Pooled Area until the Proposed Agreement which includes the CA Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the CA Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described 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.
- 4. 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.
- 5. 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.
- 6. 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 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.
- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.

Order No. PLC-1009 Page 3 of 4

- 8. 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.
- 9. 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.
- 10. If a well is not included in Exhibit A but produces from a pool and lease as described 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.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. 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).
- 13. 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

Albert Chang

ALBERT CHANG DIRECTOR DATE: 8/13/2025

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State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-1009

Operator: BTA Oil Producers, LLC (260297)

Central Tank Battery: Kilo CTB

Central Tank Battery Location: UL N, Section 26, Township 20 South, Range 35 East Gas Title Transfer Meter Location: UL N, Section 26, Township 20 South, Range 35 East

Pools

Pool Name	Pool Code
FEATHERSTONE; BONE SPRING	24250
FEATHERSTONE; BONE SPRING, EAST	24270

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring Dual Pool SLO 205269 PUN 1409198	E2	23-20S-35E
CA boile Spring Dual Fool SLO 203209 FON 1409198	E2	26-20S-35E
DDODOSED CA Dono Spring SLO	E2	23-20S-35E
PROPOSED CA Bone Spring SLO	E2	26-20S-35E

Wells

	Well API	Well Name	UL or Q/Q	S-T-R	Pool
	30-025-54478	BOBTAIL 8605 26 23 STATE COM	E2	26-20S-35E	24250
	30-025-54476	# 001H	E2	23-20S-35E	24270
30	30-025-54491	BOBTAIL 8605 26 23 STATE COM	E2	26-20S-35E	24250
	30-025-54491	# 002 H	E2	23-20S-35E	24270

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 483198

CONDITIONS

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	483198
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By		Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	8/19/2025