

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

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

CASE NO. 23273

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex Barker
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Project Location Map
B-2	Subsea Structure Map
B-3	Stratigraphic Cross-Section
B-4	Gross Isopach Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-3	Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23273	APPLICANT'S RESPONSE
Date	January 19, 2023
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 260297
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Altamont
Formation/Pool	
Formation Name(s) or Vertical Extent:	Pennsylvanian Shale Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Pennsylvanian Shale Formation
Pool Name and Pool Code:	Upper Penn Pool (Code 98333)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	224.59-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	Lots 3 and 4 (W/2 SW/4 equivalent) of irregular Section 19 and Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Section 30, Township 17 South, Range 36 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Altamont 7903 19-30 State Com 2H (API # ---) SHL: 2322' FNL & 1475' FWL (Unit F), Section 19, T17S, R36E BHL: 50' FSL & 660' FWL (Lot 4), Section 30, T17S, R36E Completion Target: Pennsylvanian Shale Formation (Approx. 11,618' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	

<i>Received by OCD: 1/16/2023 9:27:52 AM</i> Drilling Supervision/Monthly	\$8,000.00	<i>Page 3 of 32</i>
Production Supervision/Monthly	\$800.00	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4, \$8000/\$800	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-2	

<i>Received by OCD: 1/16/2023 9:27:52 AM</i> Cross Section (Including Landing Zone)	Exhibit B-3	<i>Page 4 of 32</i>
Gross Isopach Map	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Dana S. Hardy	
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:	1/13/2023	

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

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

CASE NO. 23273

**SELF-AFFIRMED STATEMENT
OF REX D. BARKER**

1. I am a landman at BTA Oil Producers, LLC (“BTA”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

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

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. BTA seeks an order pooling all uncommitted mineral interests in the Pennsylvanian Shale Formation underlying a 224.59-acre, more or less, standard horizontal spacing unit comprised of Lots 3 and 4 (W/2 SW/4 equivalent) of irregular Section 19 and Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Section 30, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Altamont 7903 19-30 State Com 2H** well (“Well”), which will be completed in the Upper Penn Pool (Code 98333). The Well will be

**BTA Oil Producers, LLC
Case No. 23273
Exhibit A**

horizontally drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 19 to a bottom hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30.

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests BTA seeks to pool highlighted in yellow. All of the parties are locatable.

9. BTA has conducted a diligent search of all county public records including phone directories and computer databases.

10. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, BTA made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

12. BTA requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

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

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.



Rex D. Barker

1-10-2023
Date

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

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

CASE NO. 23273

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, BTA Oil Producers, LLC (OGRID No. 260297) (“BTA” or “Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 224.59-acre, more or less, standard horizontal spacing unit comprised of Lots 3 and 4 (W/2 SW/4 equivalent) of irregular Section 19 and Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Section 30, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”). In support of this application, BTA states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Altamont 7903 19-30 State Com 2H** well (“Well”), to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 19 to a bottom hole location in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**BTA Oil Producers, LLC
Case No. 23273
Exhibit A-1**

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
ypena@hinklelawfirm.com
Counsel for BTA Oil Producers, LLC

Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 224.59-acre, more or less, standard horizontal spacing unit comprised of Lots 3 and 4 (W/2 SW/4 equivalent) of irregular Section 19 and Lots 1, 2, 3 and 4 (W/2 W/2 equivalent) of irregular Section 30, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the **Altamont 7903 19-30 State Com 2H** well ("Well"), to be drilled from a surface hole location in the SE/4 NW/4 (Unit F) of Section 19 to a bottom hole location in Lot 4 (SE/4 SE/4 equivalent) of Section 30. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 9 miles south of Lovington, New Mexico.

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	² Pool Code 98333	³ Pool Name Upper Penn Pool
⁴ Property Code	⁵ Property Name ALTAMONT 7903 19_30 STATE COM	⁶ Well Number 2H
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁹ Elevation 3893'

¹⁰ Surface Location

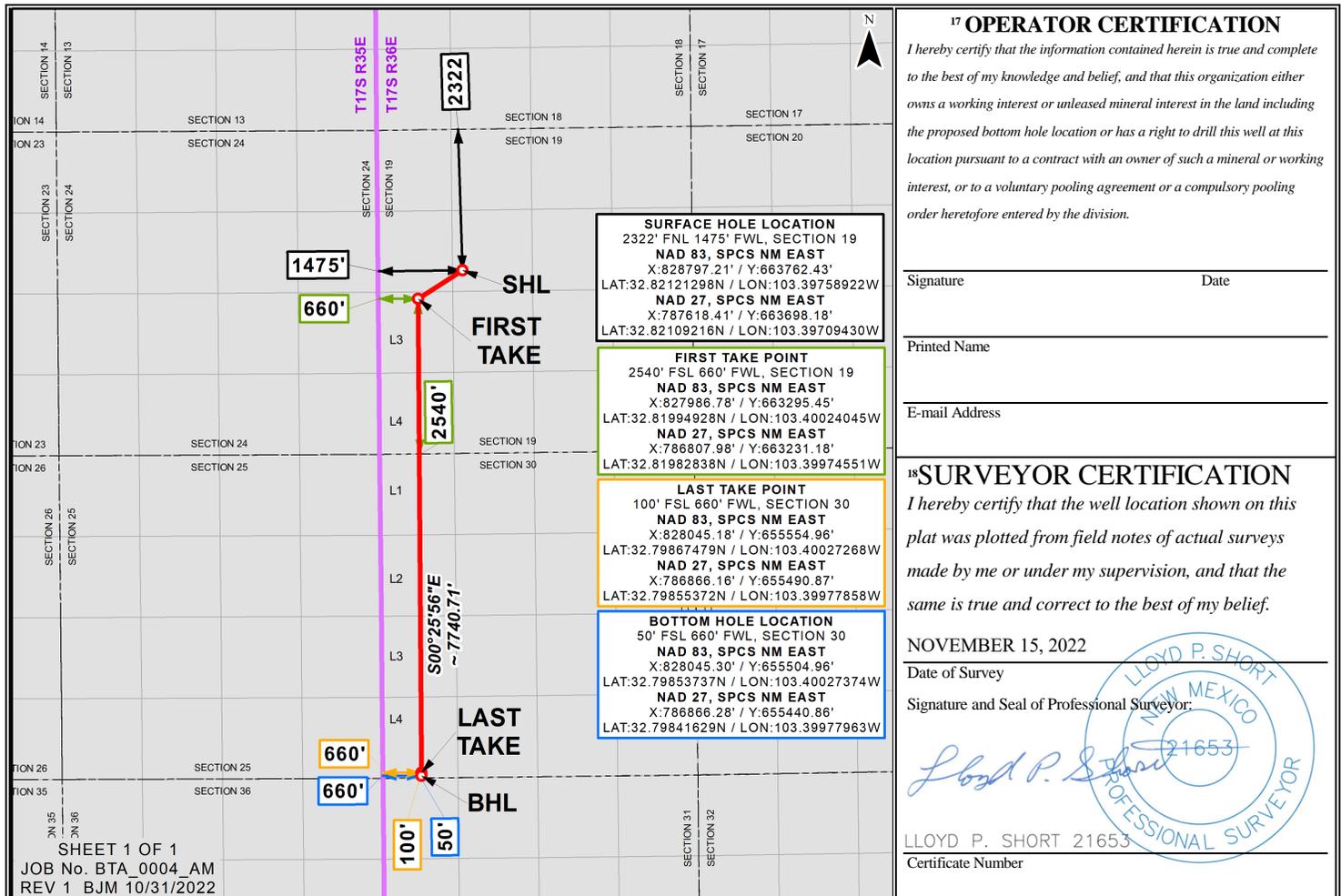
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	17S	36E		2322	NORTH	1475	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 4	30	17S	36E		50	SOUTH	660	WEST	LEA

¹² Dedicated Acres 224.59	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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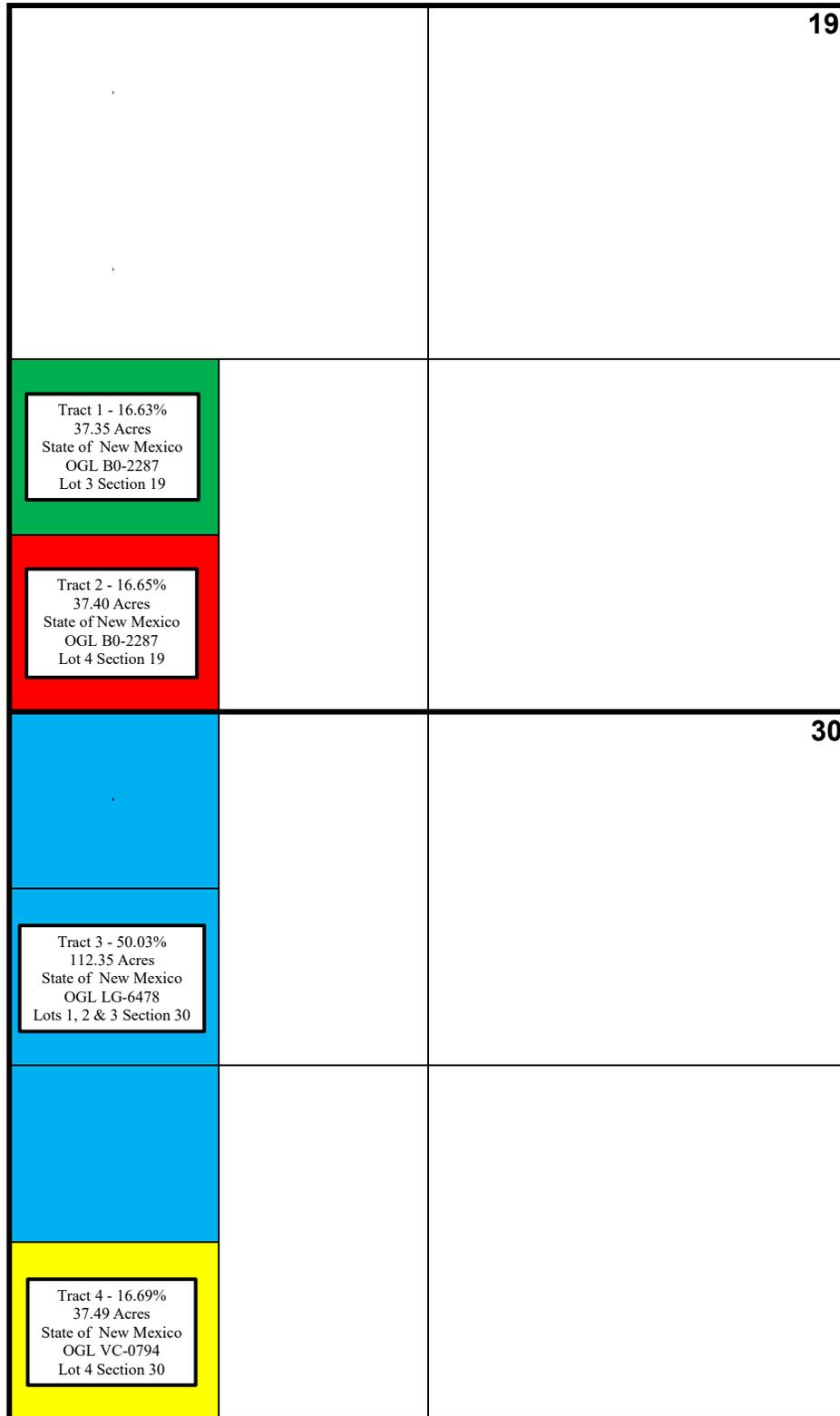
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981955 Convergence Angle: 0°30'16.810000"

BTA Oil Producers, LLC
Case No. 23273
Exhibit A-2

224.59 Acre Spacing Unit for the Altamont 7903 19-30 State Com #2H Well
Covering Lots 3 and 4 of Section 19 and Lots 1, 2, 3 and 4 of Section 30,
T-17-S, R-36-E, N.M.P.M., Lea County, New Mexico



BTA Oil Producers, LLC
Case No. 23273
Exhibit A-3

Altamont 7903 19-30 State Com #2H Unit Recapitulation

Tract 1	Leasehold Owner	WI	37.35 Acres
State of New Mexico OGL B0-2287 Lot 3 Section 19, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	37.3500
Tract 2	Leasehold Owner	WI	37.40 Acres
State of New Mexico OGL B0-2287 Lot 4 Section 19, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC Maverick Permian, LLC	6.2500% 93.7500%	2.3375 35.0625
Tract 3	Leasehold Owner	WI	112.35 Acres
State of New Mexico OGL LG-6478 Lots 1, 2 & 3 Section 30, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	112.3500
Tract 4	Leasehold Owner	WI	37.49 Acres
State of New Mexico OGL VC-0794 Lot 4 Section 30, T17S, R36E, Lea County, New Mexico	Levi Sap Nei Thang, LLC	100.0000%	37.4900
Recapitulation	Leasehold Owner	WI	224.59 Acres
Altamont 7903 19-30 State Com #2H	BTA Oil Producers, LLC Maverick Permian, LLC Levi Sap Nei Thang, LLC	67.6956% 15.6118% 16.6926%	152.0375 35.0625 37.4900
Total		100.0000%	224.5900

37.49000000



CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.
ASHLEY BEAL LAFEVERS
ALEX BEAL

BTA OIL PRODUCERS, LLC
104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

GULF COAST DISTRICT
TOTAL PLAZA
1201 LOUISIANA STREET, STE. 3375
HOUSTON, TEXAS 77002
713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT
600 17TH STREET, STE. 2230 SOUTH
DENVER, COLORADO 80202
303-534-4404 FAX 303-534-4661

October 25, 2022

In re: Well Proposal
Altamont 7903 19-30 State Com #2H
SHL: 2,320' FNL & 1,410' FWL Section 19, T17S, R36E
BHL: 50' FSL & 660' FWL Section 30, T17S, R36E
Lea County, New Mexico

BTA 7903 Abo, Tr. I; 22115 Village, Tr. IV

Levi Sap Nei Thang, LLC
7080 Hollywood Blvd, Suite 1100
Los Angeles, CA 90028

Attn: Ms. Levi Sap Nei Thang

Dear Levi Sap Nei Thang:

BTA Oil Producers, LLC ("BTA"), as Operator, proposes to drill the Altamont 7903 19-30 State Com #2H Well (the "Well"), a horizontal, communitized, Pennsylvanian Shale Well with a TVD of 11,618' and a MD of 19,068.' The Well will be drilled as a one and one-half mile horizontal well at the above captioned location (the "Operation"). The Cumulative Well Costs of the Operation are estimated to be \$11,124,382.00 as detailed in our enclosed Authority for Expenditure ("AFE").

BTA proposes drilling the Well under the terms of a new 2015 AAPL JOA which is included for your review and approval. The JOA has these general provisions:

- 100% - 100% / 300% / 300% non-consent penalty;
- \$8,000.00 / \$800.00 drilling and producing rates;
- Contract Area of 240 acres, being Lots 3 and 4 of Section 19 and Lots 1, 2, 3 and 4 of Section 30, T17S, R36E, limited to the Pennsylvanian Shale formation; and
- BTA Oil Producers, LLC named as Operator.

BTA Oil Producers, LLC
Case No. 23273
Exhibit A-4

If you do not wish to participate in the proposed wells, BTA would like to acquire your interest within the spacing unit(s) under a term assignment. The assignment will contain these general provisions:

- Three Year Primary Term;
- \$1,500/net acre, delivering an effective 75% net revenue interest to BTA;
- ORRI reserved to assignor, equal to the positive difference between 25% and existing burdens.

Find enclosed two (2) copies of our AFE for the drilling of the Altamont 7903 19-30 State Com #2H Well. If you elect to participate in the drilling of the Well, please so indicate by returning a signed copy of this letter along with a signed copy of the AFE to this office using the enclosed envelope. Please note the Well is a horizontal well and there will not be a casing point election.

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

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

Sincerely,



Rex D. Barker

Landman

rbarker@btaoil.com

_____ Elect to Participate in the Altamont 7903 19-30 State Com #2H Well
(Send well information requirements to BTA)

_____ Elect to not to participate in the Altamont 7903 19-30 State Com #2H Well

Levi Sap Nei Thang, LLC

By: _____

Title: _____

Date: _____

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

Well Name: Altamont 7903 19-37 State Com #02H (PSLM)
 Location: SHL: 2320 FML & 1410 FWL Sec 19, 17S, 36E
 FTP: 2540 FSL & 660 FWL Sec 19, 17S, 36E
 LTP: 100 FSL & 660 FWL Sec 30, 17S, 36E
 BHL: 50 FSL & 56C FWL, Sec 30, 17S, 36E, Lea County, NM

Total Depth: ~11,618' TVD
 ~19,068' MD

Formation: Penn Shale
 1.5 mile

Date Prepared: 9/15/2022

Prepared By:		
NE	NE	TW
DRY	CASED HOLE	COMPLETION

CODE	DESCRIPTION	NE DRY	NE CASED HOLE	TW COMPLETION	TOTAL COSTS
INTANGIBLE COSTS					
FORMATION EVALUATION					
2203	Logs	8,000		20,000	28,000
2204	Cores				
2205	DST				
LOCATION & ACCESS					
2211	Survey & Stake	5,000			5,000
2212	Damages	50,000			50,000
2213	Road & Location	85,000		100,000	185,000
2214	Other Location	130,000			130,000
DRILLING RIG					
2223	Mobilization	150,000			150,000
2225	Daywork	660,000	120,000		780,000
2226	Footage				
2227	Turnkey				
DRILLING SUPPLIES					
2232	Bits	75,000			75,000
2233	BHA	45,000		60,000	105,000
2234	Fuel	297,000	54,000		351,000
2236	Other Supplies				
MUD RELATED					
2241	Mud Purchase	135,000	5,000		140,000
2242	Mud Rental				
2244	Fresh Water	55,000	1,000	500,000	556,000
2245	Brine	45,000			45,000
2246	Solids Control (Closed Loop)	33,000	6,000		39,000
2247	Mud Monitor	28,000			28,000
2249	Mud Related Other	8,000			8,000
DRILLING SERVICES					
2252	BOP Related	15,000	4,000		19,000
2253	Casing Related	38,000	95,000		133,000
2254	Welding	8,000	2,000	15,000	25,000
2255	Trucking	22,500	10,000	70,000	102,500
2256	Rental Equipment	82,000	8,000	350,000	440,000
2257	Other Services (Direction/GR Services)	297,000			297,000
CEMENT					
2261	Casing Cementing	115,000	165,000		280,000
2262	Other Cementing			150,000	150,000
CONTRACT SERVICES					
2266	Engineering	8,000			8,000
2267	Geological	22,000			22,000
2268	Roustabout	6,000		80,000	86,000
2269	Wellsite Supervision	81,400	14,800	70,000	166,200
2270	Other Contract Services	25,000			25,000
COMPLETION SERVICES					
2272	Pulling Unit			20,000	20,000
2273	Drilling Rig				
2276	Perforate			272,000	272,000
2277	Stimulation			2,850,000	2,850,000
2278	Other Compl. Services			200,000	200,000
OVERHEAD					
2280	Drilling & Administrative	10,000		10,000	20,000
TOTAL INTANGIBLE COSTS		\$ 2,538,900	\$ 484,800	\$ 4,767,000	\$ 7,790,700
TANGIBLE COSTS					
TUBULARS					
2311	Surface Casing (13 3/8" @ 2125')	200,000			200,000
2312	Intermediate Casing (9 5/8" @ 4,650')	360,000			360,000
2313	Drig Liner & Hanger (7-5/8" 4600' - 11100')	399,000			399,000
2314	Production Casing (5-1/2" x 5" @ TD)		730,000		730,000
2315	Production Liner & Hanger (10,000 - TD)				
2316	Other Tubulars				
WELL EQUIPMENT					
2321	Well Head	25,000	27,000	85,000	137,000
2322	Flowline			100,000	100,000
2325	Tubing			120,000	120,000
2326	Rods				
2327	Pumps				
2328	Pumping Unit				
2329	Subsurface Equipment			35,000	35,000
2331	Other Well Equipment	95,000	25,000	3,000	123,000
LEASE EQUIPMENT					
2361	Tanks			75,000	75,000
2362	Separators			100,000	100,000
2363	Heater Treater			20,000	20,000
2364	Pumps			10,000	10,000
2365	Electrical System			75,000	75,000
2366	Meters			20,000	20,000
2367	Connectors			100,000	100,000
2368	Lact Equipment			-	-
2369	Other Lease Equipment			100,000	100,000
SUBTOTAL - TANGIBLES		1,079,000	782,000	843,000	2,704,000
SYSTEMS					
2353	Gas Line Tangibles				
2353	Gas Line Intangibles				
2381	Compressor				
2382	Gas Plant Tangibles				
2382	Gas Plant Intangibles				
2384	Dehydrator				
SUBTOTAL - SYSTEMS					
TOTAL TANGIBLE COSTS		\$ 1,079,000	\$ 782,000	\$ 843,000	\$ 2,704,000
GENERAL CONTINGENCIES		217,074	76,008	336,600	629,682
TOTALS BY PHASE		\$ 3,834,974	\$ 1,342,808	\$ 5,946,600	\$ 11,124,382
CUMULATIVE WELL COSTS		\$ 3,834,974	\$ 5,177,782	\$ 11,124,382	

Initial Routing Date: 09/16/22

NE RTW BMM, RB BRH, LJJ, RMD, BBJ

Land Approval Block:

APPROVED BY: _____

COMPANY: _____

DATE: _____

CHRONOLOGY OF CONTACT
Altamont 7903 19-30 State Com #2H

- 1/26/2022 Sent Letter to Levi Sap Nei Thang, LLC asking if BTA Oil Producers, LLC could make an offer to purchase State of New Mexico Oil and Gas Lease VC-0794.
- 2/15/2022 Sent Letter to Levi Sap Nei Thang, LLC by Fedex, Tracking #7760 5172 3483, asking if BTA Oil Producers, LLC could make an offer to purchase State of New Mexico Oil and Gas Lease VC-0794.
- 3/17/2022 Sent Letter to Levi Sap Nei Thang, LLC by USPS Certified Mail # 7020 1810 00006354 3970, expressing our interest in purchasing State of New Mexico Oil and Gas Lease VC-0794.
- 4/25/2022 Received email from Levi Sap Nei Thang saying no offer price was included in prior letter.
- 4/26/2022 Sent Letter to Levi Sap Nei Thang, LLC by Fedex, Tracking # 7766 9541 2726, making offer to purchase State of New Mexico Oil and Gas Lease VC-0794 for \$31,866.50 (37.49 acres @ \$850.00/acre). Sent scan of letter by email to Levi Sap Nei Thang.
- 4/28/2022 Received email from Levi Sap Nei Thang saying she had left for a remote area and would have limited access to email and internet until mid-May and cannot respond to our offer on time.

Emailed Levi Sap Nei Thang extending our offer of April 26th to May 31, 2022.
- 6/1/2022 Emailed Levi Sap Nei Thang extending our offer of April 26th to June 10, 2022.
- 6/17/2022 Emailed Levi Sap Nei Thang expressing BTA's interest in purchasing State of New Mexico Oil and Gas Lease VC-0794.
- 10/6/2022 Emailed Levi Sap Nei Thang expressing BTA's interest in purchasing State of New Mexico Oil and Gas Lease VC-0794 and stating that two years of the five year primary term has elapsed. Email contained a copy of the lease agreement and a plat depicting the acreage.
- 10/25/2022 Sent Well Proposal Letter, AFE and proposed Operating Agreement to Levi Sap Nei Thang, LLC for the Altamont 7903 19-30 State Com #2H Well by Fedex, Tracking #7703 0086 4588.
- 12/8/2022 Levi Sap Nei Thang telephoned Rex Barker at BTA Oil Producers, LLC to discuss Altamont 7903 19-30 State Com #2H Well proposal and compulsory pooling.

CHRONOLOGY OF CONTACT
continued

- 12/13/2022 Sent proposed Term Assignment by email to Levi Sap Nei Thang.
Levi Sap Nei Thang emailed Rex Barker at BTA Oil Producers, LLC concerning proposed Term Assignment.
- 12/14/2022 Rex Barker at BTA Oil Producers, LLC emailed Levi Sap Nei Thang concerning proposed Term Assignment.
Levi Sap Nei Thang emailed Rex Barker at BTA Oil Producers, LLC concerning proposed Term Assignment.
- 12/15/2022 Rex Barker at BTA Oil Producers, LLC emailed Levi Sap Nei Thang concerning proposed Term Assignment.
- 12/29/2022 Levi Sap Nei Thang telephoned Rex Barker of BTA Oil Producers, LLC to discuss Term Assignment and offer.
- 1/4/2023 Rex Barker at BTA Oil Producers, LLC emailed Levi Sap Nei Thang concerning proposed Term Assignment.
Levi Sap Nei Thang emailed Rex Barker at BTA Oil Producers, LLC concerning proposed Term Assignment.
- 1/5/2022 Sent overriding royalty calculation and plat to Levi Sap Nei Thang by email.
- 1/9/2023 Levi Sap Nei Thang telephoned Rex Barker of BTA Oil Producers, LLC to discuss Term Assignment and offer.

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

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

CASE NO. 23273

**SELF-AFFIRMED STATEMENT
OF DAVID CHILDERS**

1. I am a geologist at BTA Oil Producers, LLC ("BTA") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the Division and my credentials as an expert in geology were accepted as a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a project location map that shows the location of the proposed **Altamont 7903 19-30 State Com 2H** well.

4. BTA is targeting the Pennsylvanian Shale Formation. **Exhibit B-2** is a subsea structure map that I prepared for this interval with 100-foot contours. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. The structure map shows the Pennsylvanian Shale Formation. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells in this area.

5. **Exhibit B-2** also shows a cross-section line in blue running North to South reflecting three wells penetrating the Pennsylvanian Shale Formation that I used to construct a stratigraphic cross-section from A to A'. These wells contain good logs and I consider them representative of the geology in the subject area.

6. **Exhibit B-3** is a stratigraphic cross-section that I prepared using the logs from the three wells noted on Exhibit B-2. Each well in the cross-section contains the gamma ray in the first track and resistivity in the second track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. **Exhibit B-4** is a Gross Isopach map of the Pennsylvanian Shale Formation interval. The proposed horizontal well spacing unit is highlighted in red and the initial well is depicted with a black dashed line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 325 to 450 ft. The gross isopach map demonstrates that the Pennsylvanian Shale Formation interval is present across the proposed spacing unit. The location of the previous cross-section from A-A' in Exhibit B-3 is also shown as a brown line on this map.

8. In my opinion, a stand-up orientation for the well is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up vs laydown orientation in the area, with stand-up well results being significantly better.

9. Based on my geologic study, the Pennsylvanian Shale Formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.

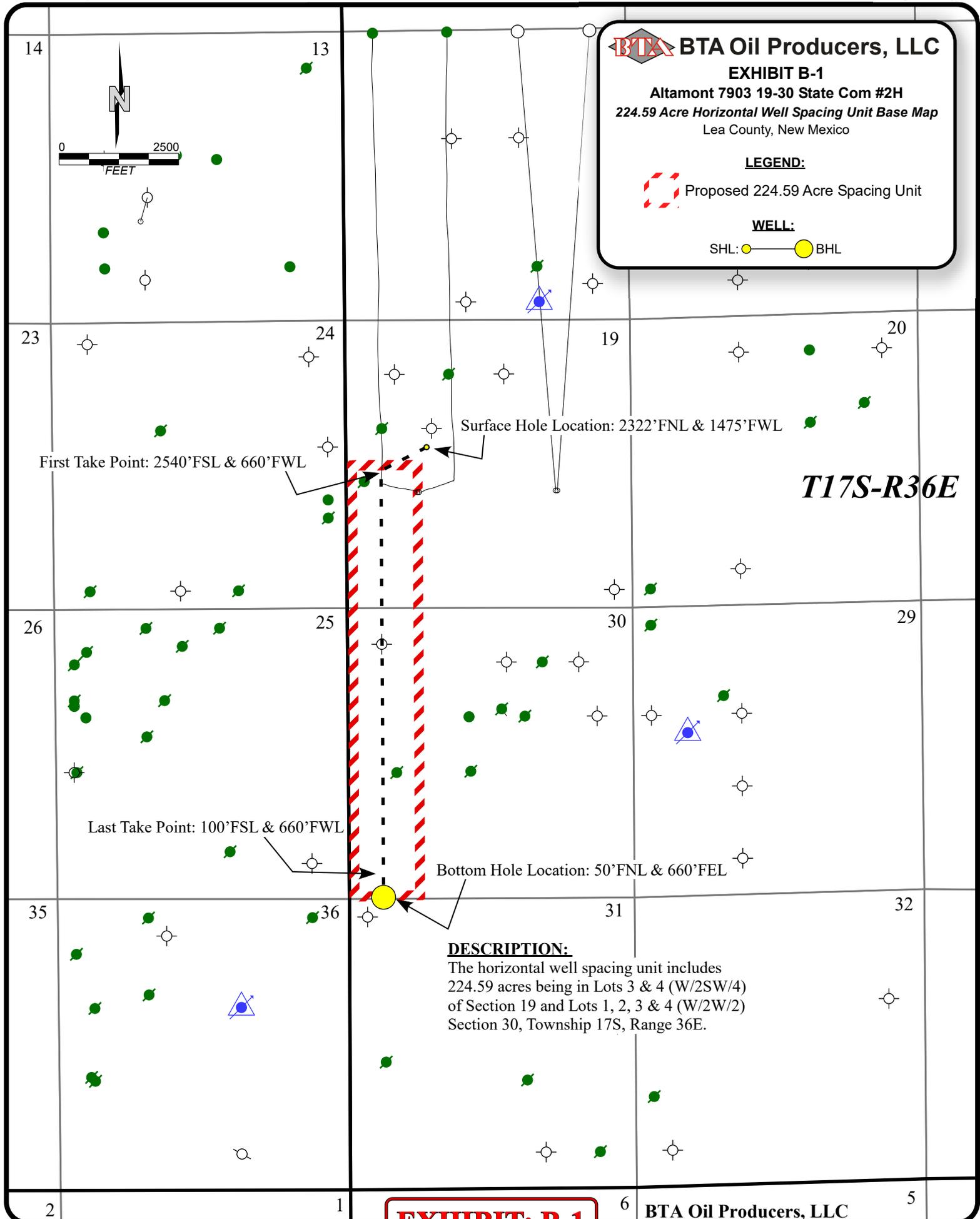
10. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

David Childers
David Childers

January 11, 2023
Date



BTA BTA Oil Producers, LLC
EXHIBIT B-1
 Altamont 7903 19-30 State Com #2H
 224.59 Acre Horizontal Well Spacing Unit Base Map
 Lea County, New Mexico

LEGEND:

Proposed 224.59 Acre Spacing Unit

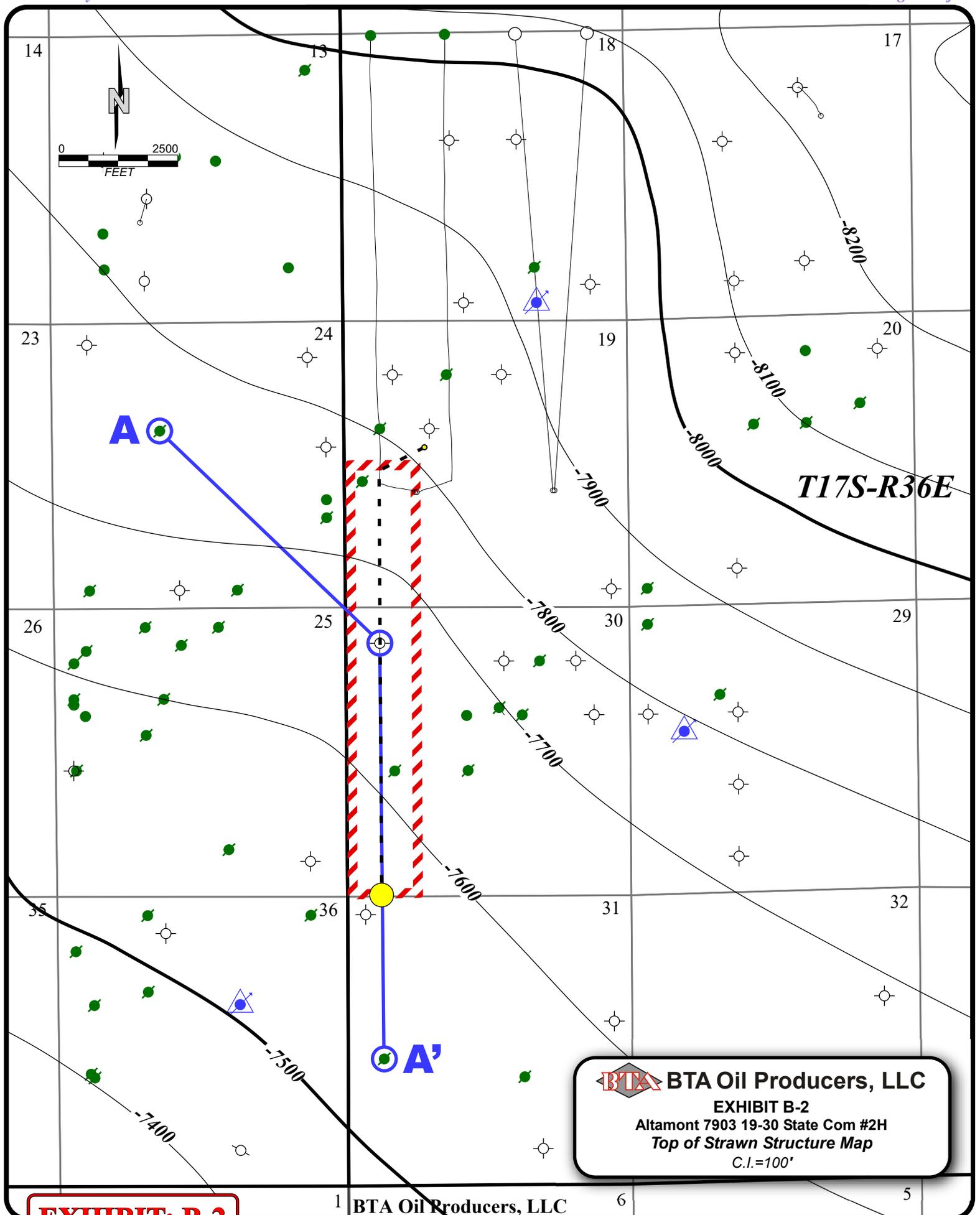
WELL:
 SHL: BHL:

T17S-R36E

DESCRIPTION:
 The horizontal well spacing unit includes 224.59 acres being in Lots 3 & 4 (W/2SW/4) of Section 19 and Lots 1, 2, 3 & 4 (W/2W/2) Section 30, Township 17S, Range 36E.

EXHIBIT: B-1
 BTA OIL PRODUCERS, LLC

6 BTA Oil Producers, LLC 5
 Case No. 23273 January, 2023 - DWC/jhb
 Exhibit B-1



BTA BTA Oil Producers, LLC
 EXHIBIT B-2
 Altamont 7903 19-30 State Com #2H
 Top of Strawn Structure Map
 C.I.=100'

EXHIBIT: B-2

BTA Oil Producers, LLC

Case No. 23273

Exhibit B-2

January, 2023 - DWC/jhb

BTA Oil Producers, LLC

EXHIBIT B-3 Stratigraphic Cross Section



Read & Stevens Inc.
Meredith State #1
Sec.24, T17S-R35E
1980'FNL & 1980'FWL

Elk Oil Co.
Standard State #1
Sec.30, T17S-R36E
660'FNL & 625'FWL

Mack Energy Corp.
State IV #1
Sec.31, T17S-R36E
2310'FSL & 660'FWL

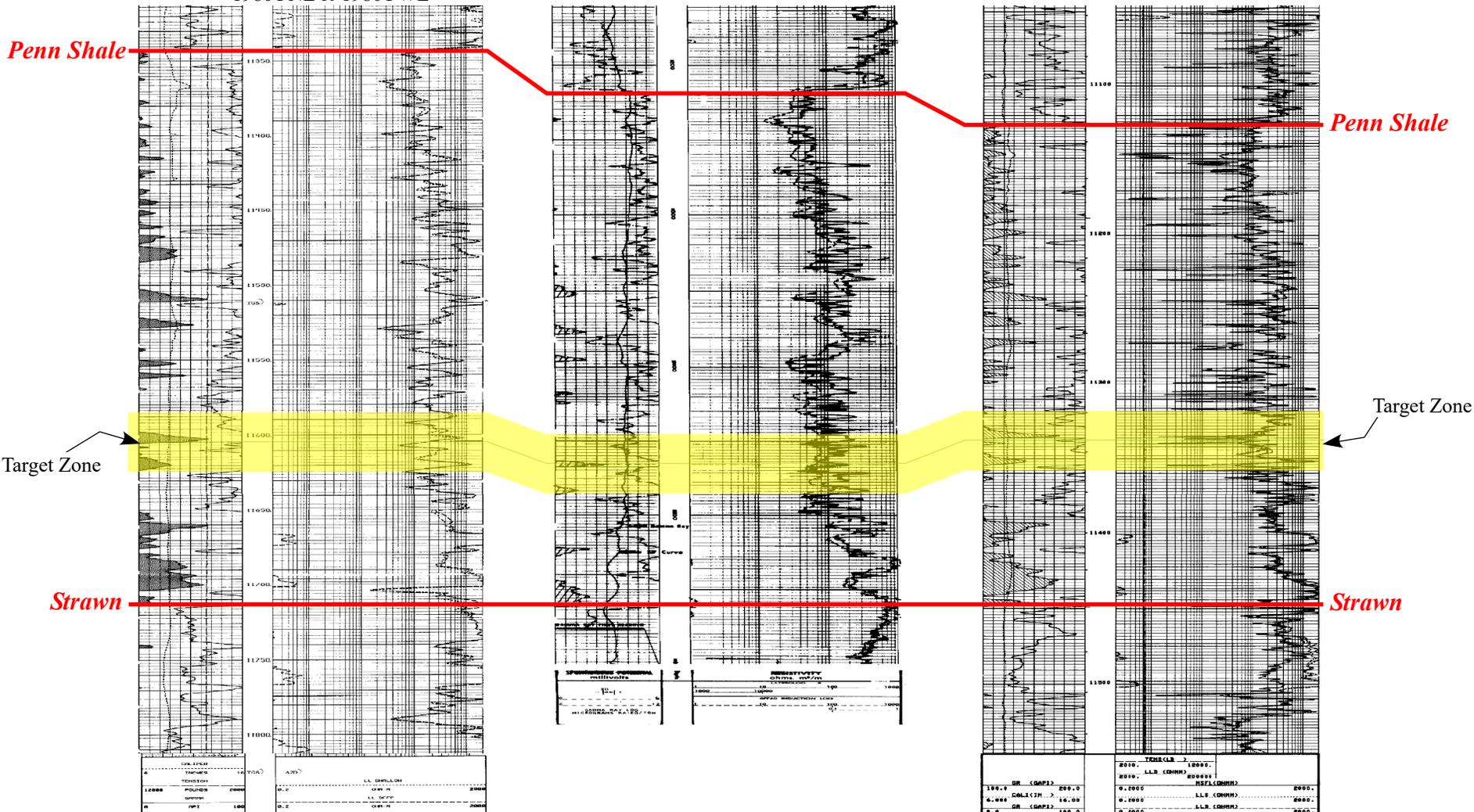
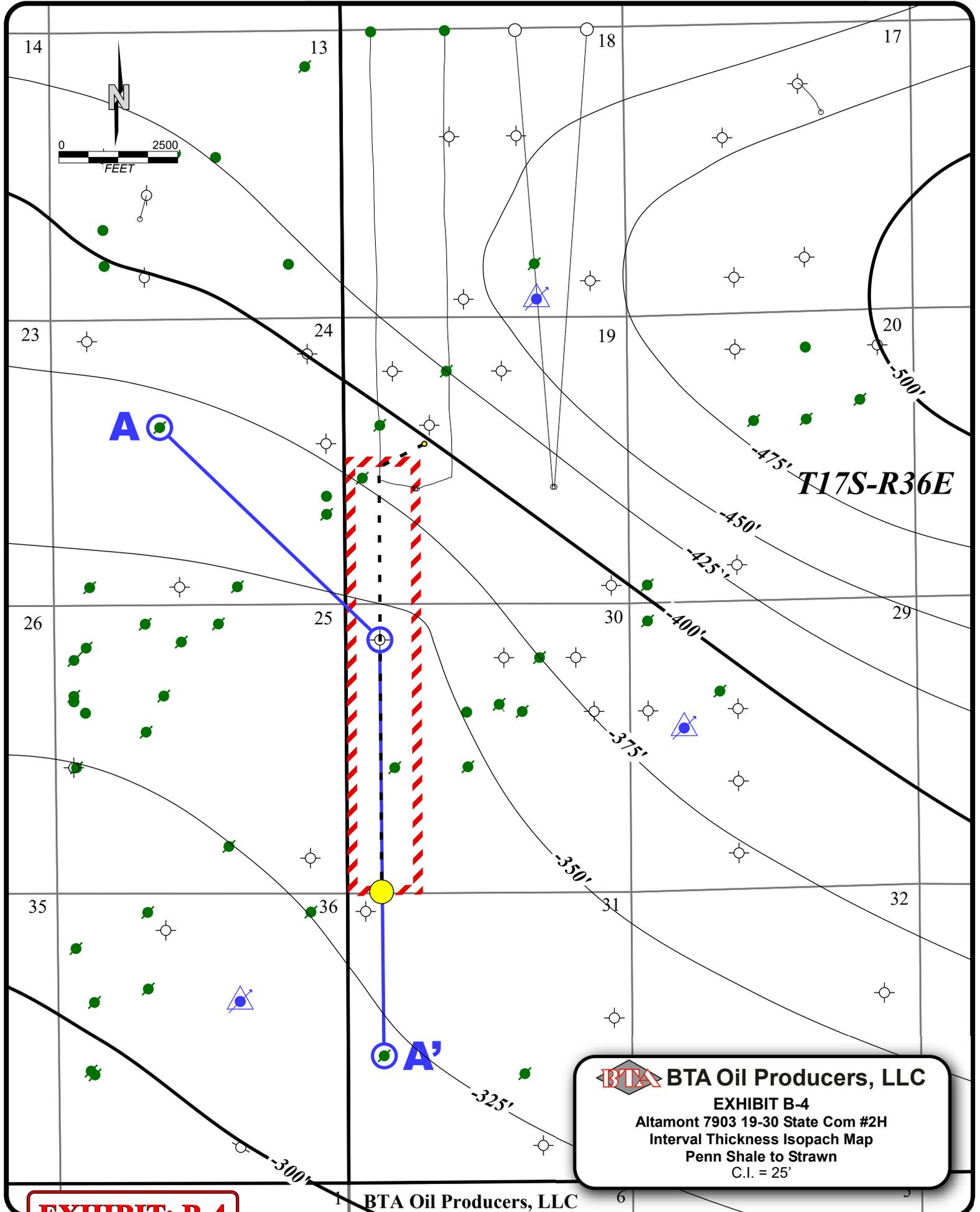


EXHIBIT: B-3

BTA OIL PRODUCERS, LLC

BTA Oil Producers, LLC
Case No. 23273
Exhibit B-3



BTA BTA Oil Producers, LLC
 EXHIBIT B-4
 Altamont 7903 19-30 State Com #2H
 Interval Thickness Isopach Map
 Penn Shale to Strawn
 C.I. = 25'

EXHIBIT: B-4

BTA Oil Producers, LLC
 Case No. 23273
 Exhibit B-4

January, 2023 - DWC/jhb

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

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

CASE NO. 23273

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of BTA Oil Producers, LLC the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On December 22, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

January 13, 2023
Date

**BTA Oil Producers, LLC
Case No. 23273
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

December 7, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23273 – Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **January 5, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Rex D. Barker, Landman for BTA Oil Producers, LLC by phone at (432) 682-3753 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

BTA Oil Producers, LLC
Case No. 23273
Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

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

CASE NO. 23273

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Levi Sap Nei Thang, LLC 7080 Hollywood Blvd., Suite 1100 Los Angeles, CA 90028 Attn: Levi Sap Nei Thang	12/07/22	12/16/22
Maverick Permian, LLC 1111 Bagby Street, Suite 1600 Houston, TX 77002 Attn: Emma Kelly	12/07/22	12/19/22 No signature.

**BTA Oil Producers, LLC
Case No. 23273
Exhibit C-2**

7021 0950 0002 0374 3009

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

For delivery information, visit our website at www.usps.com®

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Levi Sap Nei Thang, LLC
 7080 Hollywood Blvd., Suite 1100
 Los Angeles, CA 90028
 Attn: Levi Sap Nei Thang
 23273 - BTA Oil Altamont

Postmark Here
DEC 07 2022

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>X </p>	
<p>1. Article Addressed to:</p> <p>Levi Sap Nei Thang, LLC 7080 Hollywood Blvd., Suite 1100 Los Angeles, CA 90028 Attn: Levi Sap Nei Thang 23273 - BTA Oil Altamont</p> <p></p> <p>9590 9402 7635 2122 8627 92</p>	<p>B. Received by (Printed Name) Kimberly Acuña</p>	<p>C. Date of Delivery DEC 16 2022</p>
	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> <p>RECEIVED</p> <p>DEC 16 2022</p>	
<p>2. Article Number (Transfer from service label) 7021 0950 0002 0374 3009</p>	<p>3. Service Type <input checked="" type="checkbox"/> Hinkle Shanor LLC <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053		Domestic Return Receipt

BTA Oil Producers, LLC
Case No. 23273
Exhibit C-3

702J 0950 0002 0374 3016

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Maverick Permian, LLC
 1111 Bagby Street, Suite 1600
 Houston, TX 77002
 Attn: Emma Kelly

23273 - BTA Oil Allamont

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE, NM 87501
 Postmark Here
DEC 07 2022
 USPS

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p>Maverick Permian, LLC 1111 Bagby Street, Suite 1600 Houston, TX 77002 Attn: Emma Kelly</p> <p style="text-align: right; font-size: small;">23273 - BTA Oil Allamont</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em;">DEC 19 2022</p>
<p>2. A _____</p> <p>7 _____</p>	<p>3. Service Type Hinkle Shanor LLP</p> <p><input type="checkbox"/> Adult Signature Santa Fe NM 87501 <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3800, July 2020 PSN 7530-02-000-9000</p>	<p>Domestic Return Receipt</p>

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

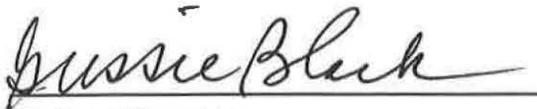
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 22, 2022
and ending with the issue dated
December 22, 2022.



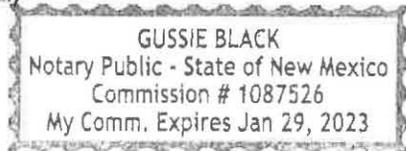
Publisher

Sworn and subscribed to before me this
22nd day of December 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said



02107475

00274117

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

BTA Oil Producers, LLC
Case No. 23273
Exhibit C-4