



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Pecos District  
Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.blm.gov/nm



IN REPLY REFER TO:  
NM138655  
3105.2 (P0220)

API No.  
30-025-42918

08/08/2018

Reference:  
Communitization Agreement  
Rojo D 7811 JV-P Fed Com 2H  
T. 25 S., R. 33 E.,  
Section 22: E2  
Section 27: E2  
Eddy County, NM  
*lea*

BTA Oil Producers, LLC  
104 South Pecos Street  
Midland, TX 79701-5021

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM138655 involving 200 acres of Federal land in lease NMNM15091, 320 acres of Fee land and 120 acres of Federal land in lease NMNM26080, Leas County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the E2 of sec. 22 and E2 of sec. 27, T. 25 S., R. 33 E., NMPM, and is effective 11/01/2017. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234 or Deborah Ham at (575) 234-5965.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

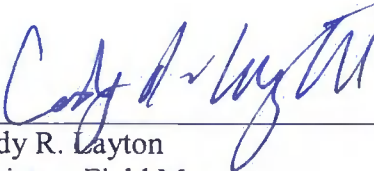
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the E2 of sec. 22 and the E2 of sec. 27, T. 25 S., R. 33 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 08/08/2018

  
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Cody R. Layton  
Assistant Field Manager  
Lands and Minerals

Effective: 11/01/2017

Contract No.: Com. Agr. NM138655



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## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
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[www.nm.blm.gov](http://www.nm.blm.gov)



In Reply Refer to  
NM138655  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM138655

Date of Completion:	11/19/2017
Date of First Production:	11/29/2017
Field:	Red Hills
Operator, Well Name & No, API Number:	BTA Oil Producers.; Rojo D 7811 JV-P Fed Com 2H; 30-025-42918
Surface Location:	Sec. 22, NENE, T. 25 S., R. 33 E.
Bottom Location:	Sec. 27, SESE, T. 25 S., R. 33 E.
Total Depth:	19,452' MD; 9,313' TVD
Surface Elevation:	3349 GL
Producing Formation:	Bone Spring
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 1230 BBL; 2340 MCF; Water 1807 BBL
Current Status:	Producing Oil Well
Remarks:	CA NM138655, effective 11/01/2017, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the E2 of sec. 22 and E2 of sec. 27, T. 25 S., R. 33E, NMPM, and comprises 200 acres of Federal land in lease NMNM15091, 320 acres of Fee land and 120 acres of Federal land in lease NMNM26080 for a 640 acre well spacing unit whose leases are held by production. Lease NMNM15091 is actual and NMNM26080 is allocated.

If you have any questions regarding this memorandum please call Deborah Ham at (575) 234-5965.

/S/ **Deborah Ham**  
08/08/2018

cc:  
ONRR-MS 63230B  
First Production File  
LLNM (P0220, File Room)