

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY BTA OIL PRODUCERS, LLC**

ORDER NO. CTB-1115

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

CONCLUSIONS OF LAW

8. 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.

9. 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.
10. 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.
11. 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.
12. Commingling of 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.
13. 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.
14. 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 gas production from the pools, leases, and wells identified in Exhibit A.

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

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

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

2. For matters of surface commingling and off-lease storing and measuring gas production and for the wells identified in Exhibit A, this Order supersedes Order CTB-1074.
3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

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 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 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 gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the gas production from the 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.

4. The allocation of gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of 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.
5. The gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
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 gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of gas production from any pool, lease, or well reduces the value of the commingled 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 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 identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of 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**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 5/23/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1115
Operator: BTA Oil Producers, LLC (260297)
Central Tank Battery: Penn Shale Central Delivery Point #1
Central Tank Battery Location: UL L, Section 19, Township 17 South, Range 36 East
Central Tank Battery: Hideout Central Tank Battery
Central Tank Battery Location: UL H, Section 24, Township 17 South, Range 35 East
Central Tank Battery: Altamont Central Tank Battery
Central Tank Battery Location: UL L, Section 19, Township 17 South, Range 36 East
Central Tank Battery: Vindicator 1 Central Tank Battery
Central Tank Battery Location: UL C, Section 15, Township 17 South, Range 36 East
Central Tank Battery: Vindicator 2 Central Tank Battery
Central Tank Battery Location: UL O, Section 20, Township 17 South, Range 36 East
Central Tank Battery: Vindicator 3 Central Tank Battery
Central Tank Battery Location: UL F, Section 22, Township 17 South, Range 36 East
Central Tank Battery: Vindicator 4 Central Tank Battery
Central Tank Battery Location: UL C, Section 21, Township 17 South, Range 36 East
Central Tank Battery: Bluebell and Big Piney Central Tank Battery
Central Tank Battery Location: UL L, Section 19, Township 17 South, Range 36 East
Gas Title Transfer Meter Location: UL L, Section 19, Township 17 South, Range 36 East

Pools

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

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Pennsylvanian NMSLO 204505 PUN 1397823	E/2 W/2	18-17S-36E
	E/2 NW/4	19-17S-36E
CA Pennsylvanian NMSLO 204506 PUN 1397834	W/2 W/2	18-17S-36E
	W/2 NW/4	19-17S-36E
CA Pennsylvanian NMSLO 204544 PUN 1398220	E/2 E/2	18-17S-36E
	E/2 NE/4	19-17S-36E
CA Pennsylvanian NMSLO 204544 PUN 1398238	W/2 E/2	18-17S-36E
	W/2 NE/4	19-17S-36E
CA Pennsylvanian NMSLO 204879	E/2 E/2	13-17S-35E
	E/2 NE/4	24-17S-35E
CA Pennsylvanian NMSLO 204882 PUN 1403297	W/2 E/2	13-17S-35E
	W/2 NE/4	24-17S-35E
CA Pennsylvanian NMSLO 204619 PUN 1399714	E/2 SW/4	19-17S-36E
	E/2 W/2	30-17S-36E
	E/2 NW/4	31-17S-36E
CA Pennsylvanian NMSLO 204697 PUN 1400788	W/2 SE/4	9-17S-36E
	W/2 E/2	16-17S-36E
	W/2 NE/4	21-17S-36E

	SW/4	14-17S-36E
	All	15-17S-36E
	All	20-17S-36E
	All	21-17S-36E
	All	22-17S-36E
	S/2, NW/4	23-17S-36E
	All	26-17S-36E
	All	27-17S-36E
	All	28-17S-36E
	All	29-17S-36E
	N/2, SW/4	32-17S-36E
	NE/4	33-17S-36E
	E/2 E/2	34-17S-36E
	All	35-17S-36E
	B0 2287 0005	M 19-17S-36E
	B0 2287 0010	L 19-17S-36E
	LG 6478 0000	D E L 30-17S-36E
	VC 0794 0000	M 30-17S-36E
	VC 0301 0003	P 9-17S-36E
	VC 0288 0003	A H 16-17S-36E
	B0 1565 0012	I P 16-17S-36E
	V0 1591 0000	A 21-17S-36E
	VC 0421 0001	H 21-17S-36E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-51355	Hideout 22115 24 13 State Com #1H	E/2 E/2	13-17S-35E	98333
		E/2 NE/4	24-17S-35E	
30-025-51386	Hideout 22115 24 13 State Com #2H	W/2 E/2	13-17S-35E	98333
		W/2 NE/4	24-17S-35E	
30-025-50165	Bluebell 22115 19 18 State Com #1H	E/2 W/2	18-17S-36E	98333
		E/2 NW/4	19-17S-36E	
30-025-50166	Bluebell 22115 19 18 State Com #2H	W/2 W/2	18-17S-36E	98333
		W/2 NW/4	19-17S-36E	
30-025-50549	Big Piney 22115 19 18 State Com #1H	E/2 E/2	18-17S-36E	98333
		E/2 NE/4	19-17S-36E	
30-025-50550	Big Piney 22115 19 18 State Com #2H	W/2 E/2	18-17S-36E	98333
		W/2 NE/4	19-17S-36E	
30-025-51237	Altamont 7903 19 30 31 State Com #1H	E/2 SW/4	19-17S-36E	98333
		E/2 W/2	30-17S-36E	
		E/2 NW/4	31-17S-36E	
30-025-51238	Altamont 7903 19 30 31 State Com #2H	W/2 SW/4	19-17S-36E	98333
		W/2 W/2	30-17S-36E	
30-025-49781	Vindicator Canyon State Unit #152H	E/2 W/2 NE/4	15-17S-36E 22-17S-36E	98333
30-025-46513	Vindicator Canyon State Unit #153H	E/2 W/2	15-17S-36E	98333
30-025-49355	Vindicator Canyon State Unit #154H	W/2 W/2	15-17S-36E	98333
		W/2 NW/4	22-17S-36E	

30-025-48404	Vindicator Canyon State Unit #223H	E/2 W/2 E/2 W/2	22-17S-36E 27-17S-36E	98333
30-025-49934	Vindicator Canyon State Unit Com #91H	SE/4 SE/4 E/2 E/2 E/2 NE/4	9-17S-36E 16-17S-36E 21-17S-36E	98333
30-025-51019	Vindicator Canyon State Unit #303H	E/2 SE/4 E/2 E/2 E/2 NE/4	21-17S-36E 28-17S-36E 33-17S-36E	98333
30-025-51020	Vindicator Canyon State Unit Com #404H	W/2 SE/4 W/2 E/2 W/2 NE/4	9-17S-36E 16-17S-36E 21-17S-36E	98333
30-025-50814	Vindicator Canyon State Unit #305H	W/2 SW/4 W/2 W/2	22-17S-36E 27-17S-36E	98333
30-025-50815	Vindicator Canyon State Unit #306H	E/2 SW/4 E/2 W/2	22-17S-36E 27-17S-36E	98333
30-025-51021	Vindicator Canyon State Unit #307H	W/2 SE/4 W/2 E/2	22-17S-36E 27-17S-36E	98333
30-025-51022	Vindicator Canyon State Unit #308H	E/2 SE/4 E/2 E/2	22-17S-36E 27-17S-36E	98333
30-025-52026	Vindicator Canyon State Unit #319H	E/2 W/2 E/2 W/2	29-17S-36E 32-17S-36E	98333
30-025-52027	Vindicator Canyon State Unit #320H	W/2 W/2 W/2 W/2	29-17S-36E 32-17S-36E	98333

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: CTB-1115
Operator: BTA Oil Producers, LLC (260297)

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Pennsylvanian NMSLO	W/2 SW/4	19-17S-36E	224.59	A
	W/2 W/2	30-17S-36E		
CA Pennsylvanian NMSLO	SE/4 SE/4	9-17S-36E	280	B
	E/2 E/2	16-17S-36E		
	E/2 NE/4	21-17S-36E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
B0 2287 0005	M	19-17S-36E	37.4	A
B0 2287 0010	L	19-17S-36E	37.35	A
LG 6478 0000	D E L	30-17S-36E	112.35	A
VC 0794 0000	M	30-17S-36E	37.49	A
VC 0301 0003	P	9-17S-36E	40	B
VC 0288 0003	A H	16-17S-36E	80	B
B0 1565 0012	I P	16-17S-36E	80	B
V0 1591 0000	A	21-17S-36E	40	B
VC 0421 0001	H	21-17S-36E	40	B

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

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

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

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

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

CONDITIONS

Action 347331

CONDITIONS

Operator: BTA OIL PRODUCERS, LLC 104 S Pecos Midland, TX 79701	OGRID: 260297
	Action Number: 347331
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/23/2024