

**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. 22809

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex D. Barker
A-1	Application & Proposed Notice of Hearing
A-2	C-102 for Well
A-3	Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled
A-4	Sample Well Proposal Letter and AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of David Childers
B-1	Resume of David Childers
B-2	Project Location Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross-Section, Subsea Depth
B-5	Gross Isopach
Exhibit C	Affidavit of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties and Certified Mail Receipts
C-3	Affidavit of Publication for May 11, 2022

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	22809
Hearing Date:	6/2/2022
Applicant	BTA Oil Producers, LLC
Designated Operator & OGRID	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	Big Piney
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 Size	240-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre
Building Blocks	quarter-quarter
Orientation	Standup
Description: TRS/County	E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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
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	Big Piney 22115 19-18 State Com #1H (API # pending) SHL: 2,140' FSL & 1,320' FEL (Unit J) of Section 19, T17S-R36E BHL: 50' FNL & 660' FEL (Unit A) of Section 18, T17S-R36E Completion Target: Pennsylvania Shale (Approximately 11,620' TVD) Completion status: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8,000
Production Supervision/Month \$	800
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)	Exhibits C-1, C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3

Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance	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
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-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
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-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-3
Gross Isopach	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
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:	5/31/2022

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. 22809

**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 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Big Piney 22115 19-18 State Com #1H** well (“Well”) to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18.

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

7. The Well is located in the Upper Penn Pool (Code 98333).
8. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15.
9. **Exhibit A-2** contains the C-102 for the Well.
10. **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.
11. **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.
12. BTA has conducted a diligent search of all public records in Lea County including phone directories and computer databases.
13. All interest owners BTA seeks to pool are locatable.
14. 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**.
15. 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.
16. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

17. 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.

18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 17 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

5-19-2022
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. 22809

APPLICATION

Pursuant to NMSA § 70-2-17, BTA Oil Producers, LLC (“Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale Formation, underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”). In support of its application, Applicant states the following.

1. Applicant (OGRID No. 260297) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Big Piney 22115 19-18 State Com #1H** well (“Well”) to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18.
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. 22809
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 mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

WHEREFORE, Applicant requests this application be set for hearing on June 2, 2022, and that after notice and hearing, 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 charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates 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 McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
Counsel for BTA Oil Producers, LLC

Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the Big Piney 22115 19-18 State Com #1H well (“Well”) to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 8 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 BIG PINEY 22115 19-18 STATE COM	
⁷ OGRID No. 260297	⁸ Operator Name BTA OIL PRODUCERS, LLC	⁶ Well Number 1H
⁹ Elevation 3880'		

¹⁰ Surface Location

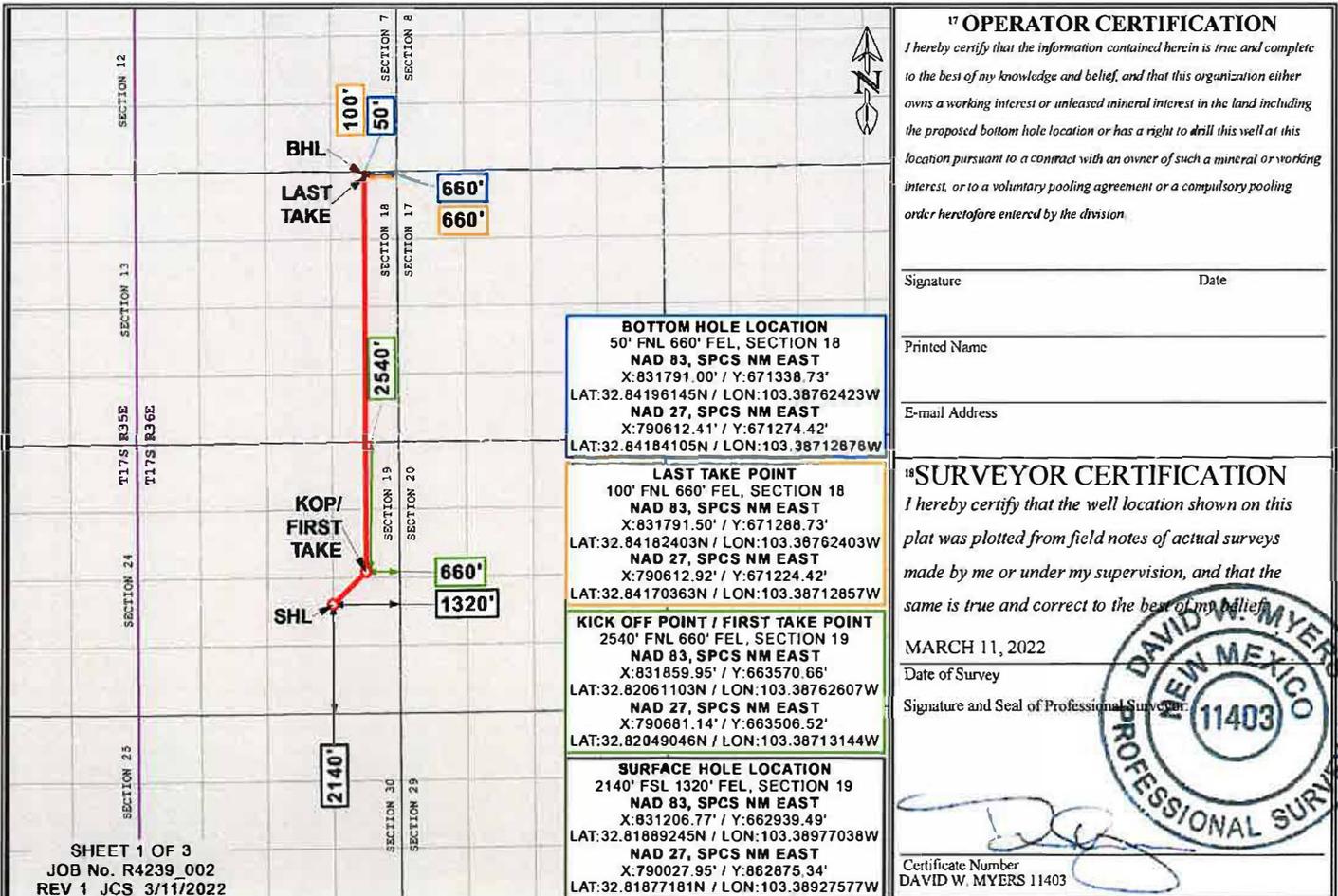
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	17S	36E		2140	SOUTH	1320	EAST	LEA

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
A	18	17S	36E		50	NORTH	660	EAST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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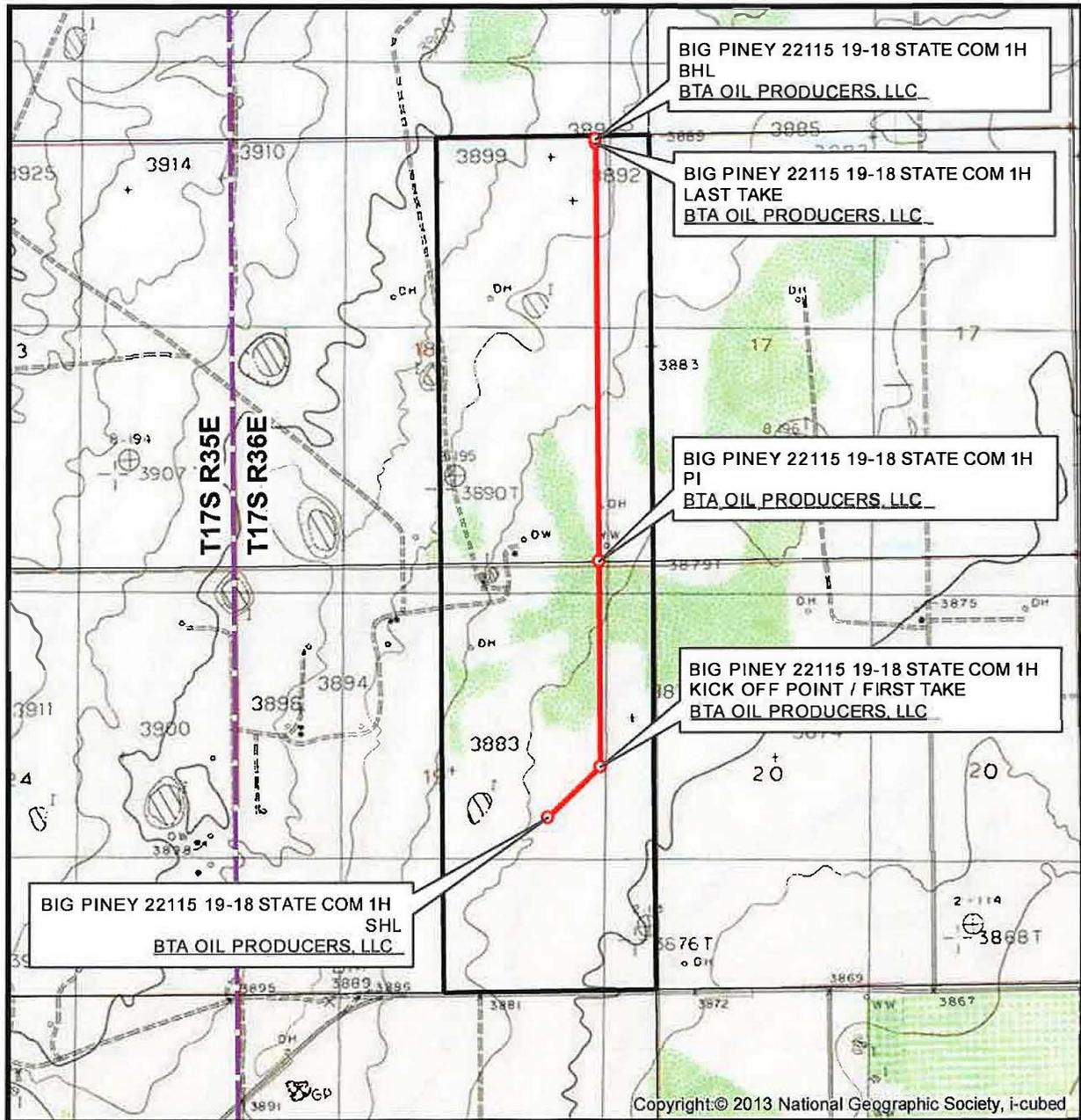
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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

BTA Oil Producers, LLC
Case No. 22809
Exhibit A-2

LOCATION VERIFICATION MAP



SEC. 19 TWP. 17-S RGE. 36-E
 SURVEY: N.M.P.M.
 COUNTY: LEA
 OPERATOR: BTA OIL PRODUCERS, LLC
 DESCRIPTION: 2140' FSL & 1320' FEL
 ELEVATION: 3880'
 LEASE: BIG PINEY 22115 19-18 STATE COM
 U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

1" = 2,000'
 CONTOUR INTERVAL = 10'

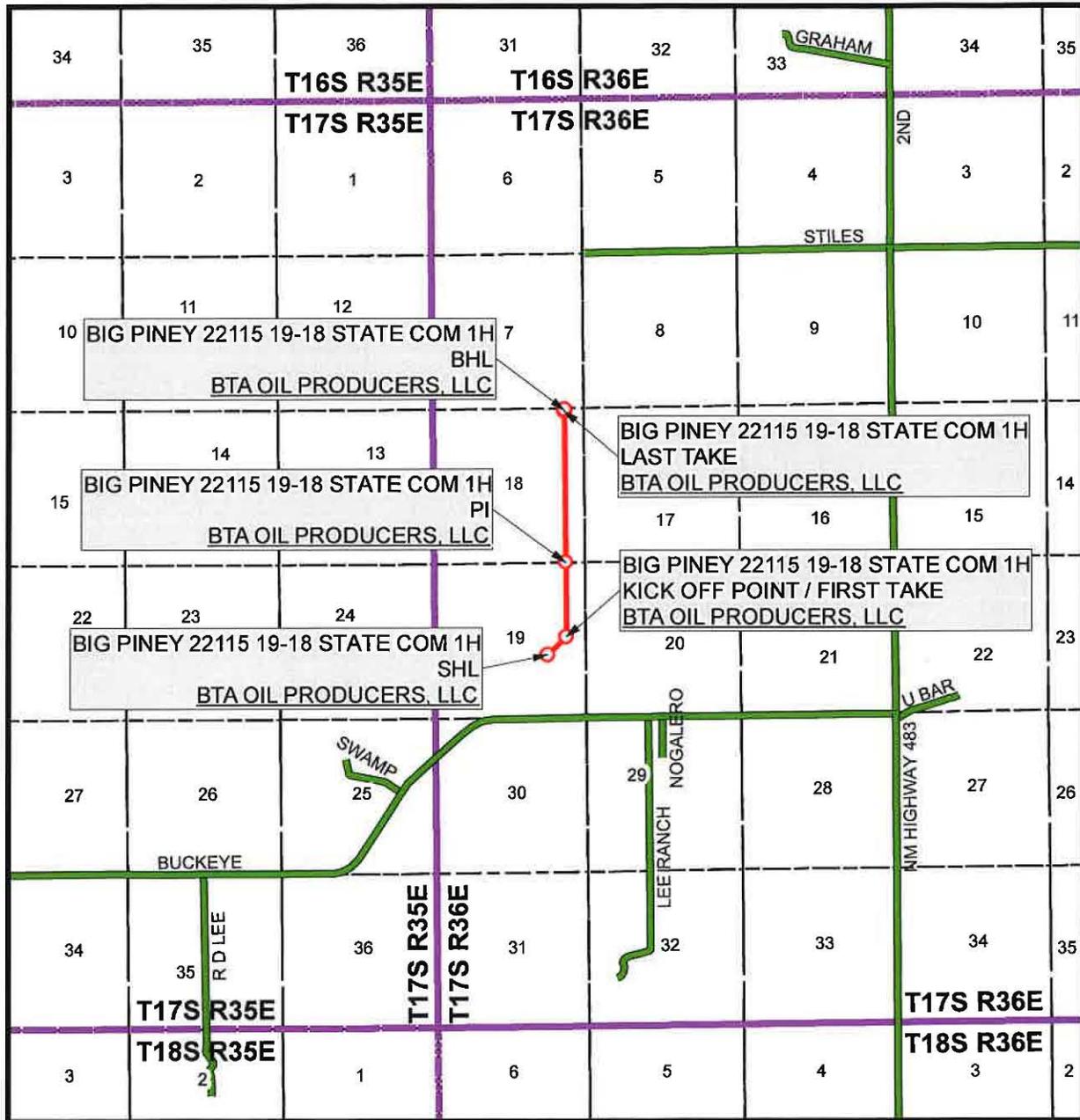


SHEET 2 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 610 TRENTON ST., UNIT B,
 WEST MONROE, LA 71291
 318-323-6900 OFFICE
 JOB No. R4239_002

BTA Oil Producers, LLC
 Case No. 22809
 Exhibit A-3

VICINITY MAP



SEC. 19 TWP. 17-S RGE. 36-E
 SURVEY: N.M.P.M.
 COUNTY: LEA
 OPERATOR: BTA OIL PRODUCERS, LLC
 DESCRIPTION: 2140' FSL & 1320' FEL
 ELEVATION: 3880'
 LEASE: BIG PINEY 22115 19-18 STATE COM
 U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

1" = 1 MILE

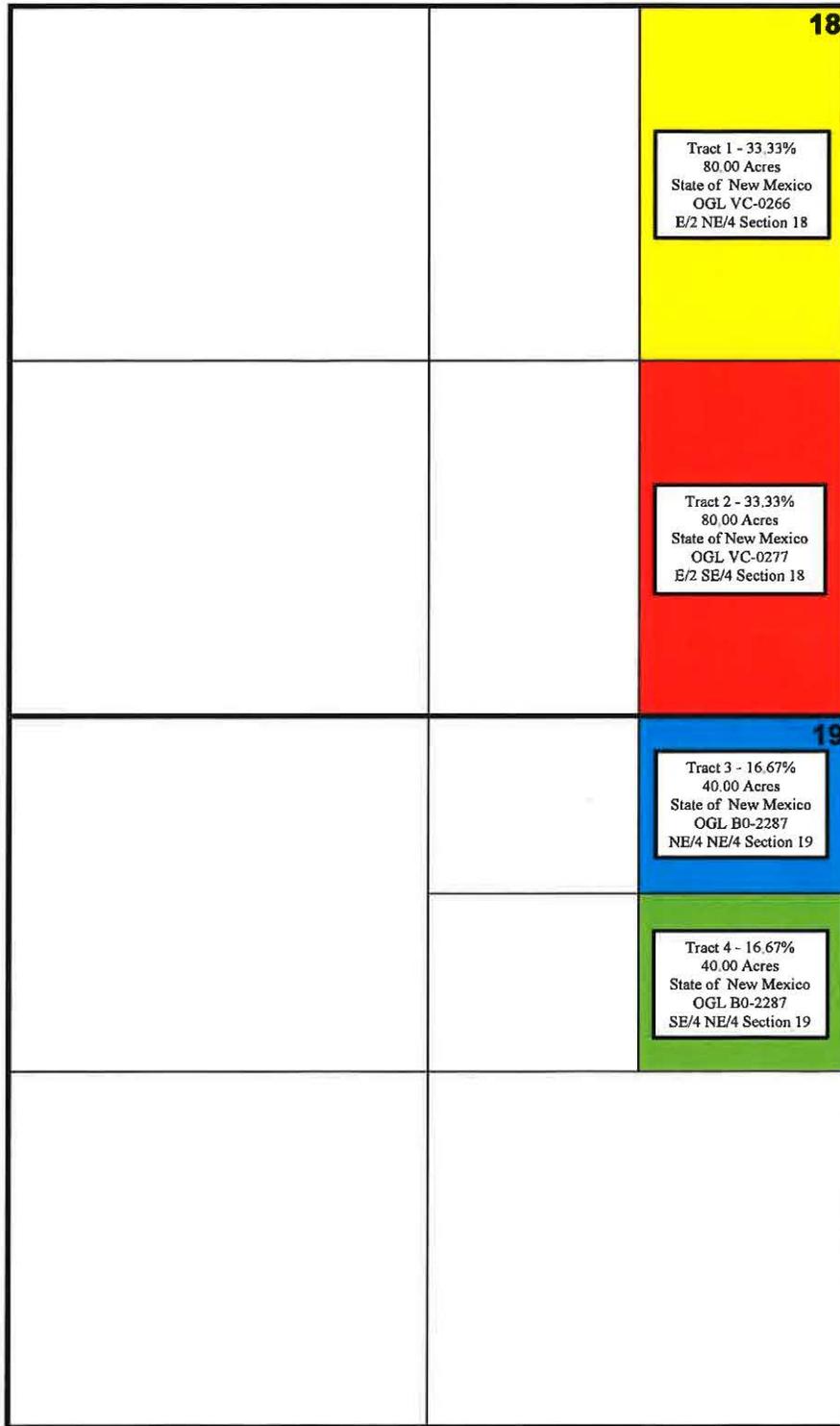


SHEET 3 OF 3

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 510 TRENTON ST., UNIT B,
 WEST MONROE, LA 71291
 318-323-6900 OFFICE
 JOB No. R4239_002

240.00 Acre Spacing Unit for the Big Piney 22115 19-18 State Com #1H

Township 17 South, Range 36 East, Lea County, New Mexico



Big Piney 22115 19-18 State Com #1H Unit Recapitulation

Tract 1	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL VC-0266 E/2 NE/4 Section 18, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 2	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL VC-0277 E/2 SE/4 Section 18, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC	100.0000%	80.0000
Tract 3	Leasehold Owner	WI	40.00 Acres
State of New Mexico OGL B0-2287 NE/4 NE/4 Section 19, T17S, R36E, Lea County, New Mexico	Maverick Permian LLC	100.0000%	40.0000
Tract 4	Leasehold Owner	WI	40.00 Acres
State of New Mexico OGL B0-2287 SE/4 NE/4 Section 19, T17S, R36E, Lea County, New Mexico	BTA Oil Producers, LLC Maverick Permian LLC	50.0000% 50.0000%	20.0000 20.0000
Recapitulation	Leasehold Owner	WI	240.00 Acres
Big Piney 22115 19-18 State Com #1H	BTA Oil Producers, LLC Maverick Permian LLC	75.0000% 25.0000%	180.0000 60.0000
Total		100.0000%	240.0000



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. 570
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

March 7, 2022

Federal Express

7762 2889 7187

In re: Well Proposal – Big Piney 22115 19-18 State Com #1H

Township 17 South, Range 36 East, N.M.P.M.

Section 18: E/2 E/2

Section 19: E/2 NE/4

Lea County, New Mexico

SHL: Section 19 - 2140' FSL & 1320' FEL

BHL: Section 18 - 50' FNL & 660' FEL

BTA 22115 Village

COG Operating LLC
600 W. Illinois Avenue
Midland, TX 79701

Attn: Mr. Adam C. Reker

Dear Adam:

BTA Oil Producers, LLC, as Operator, hereby proposes the drilling of the Big Piney 22115 19-18 State Com #1H Well (the "Well"), a horizontal Pennsylvanian Shale communitized well with a TVD of 11,620' and a MD of 19,093' (the "Operation"), at the above referenced location. The anticipated spud date for the Well will be July 24, 2022. The Cumulative Well Costs of the Operation are estimated to be \$9,315,598.00, as detailed in our enclosed Authority for Expenditure.

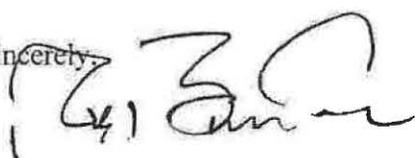
BTA proposes drilling the Well under the terms of a modified AAPL Form 610-2015 Model Form Operating Agreement with the following general provisions:

- 300% / 100% / 300% non-consent penalty
- \$8,000.00 / \$800.00 drilling and producing overhead rates

- Contract Area of 240.00 acres, being E/2 E/2 of Section 18 and E/2 NE/4 of Section 19, T17S, R36E, Lea County, New Mexico, limited to the Pennsylvanian Shale Formation
- BTA Oil Producers, LLC named as Operator

Should you elect to participate in the drilling of the Well, please indicate so by returning a signed copy of this letter along with a signed copy of the AFE to my attention within thirty (30) days. Be advised that in the near term, BTA will submit an application for a Compulsory Pooling Hearing with the New Mexico Oil Conservation Division to pool any uncommitted working interest owners.

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

Sincerely,

 Rex D. Barker
 Landman

_____ Elect to participate in the Big Piney 22115 19-18 State Com #1H Well
 (Send Well Information Requirements to BTA Oil Producers, LLC)

_____ Elect to go non-consent in the Big Piney 22115 19-18 State Com #1H Well

COG Operating LLC

By: _____

Title: _____

Date: _____

RB/HW

Enclosure

C:\Users\hwhipple\Documents\Land\Letters\Rex Barker\Well Proposal Ltr - COG - Big Piney #1H.docx

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

Well Name: *Big Piney 22115 19-18 State Com #01H*
 Location: *SHL: 2140 FSL & 1320 FEL Sec 19, 17S, 36E
 FTP: 2540 FNL & 660 FEL Sec 19, 17S, 36E
 LTP: 100 FNL & 660 FEL Sec 18, 17S, 36E
 BHL: 50 FNL & 660 FEL, Sec 18, 17S, 36E
 Lea County, NM*
 Date Prepared: *2/2/2022*

Total Depth: *11,620' TVD
 19,093' MD*
 Formation: *Penn Shale*

CODE	DESCRIPTION	Prepared By:			TOTAL COSTS
		NE DRILL	NE CASED HOLE	TW COMPLETION	
INTANGIBLE COSTS:					
2203	FORMATION EVALUATION				
2204	Logs	8,000		20,000	28,000
2205	Cores				
	DST				
LOCATION & ACCESS					
2211	Survey & Stake	5,000			5,000
2212	Damages	45,000			45,000
2213	Road & Location	80,000		45,000	125,000
2214	Other Location	130,000			130,000
DRILLING RIG					
2223	Mobilization	135,000			135,000
2225	Daywork	517,000	94,000		611,000
2226	Footage				
2227	Turnkey				
DRILLING SUPPLIES					
2232	Bits	75,000			75,000
2233	BHA	45,000		60,000	105,000
2234	Fuel	145,200	26,400		171,600
2236	Other Supplies				
MUD RELATED					
2241	Mud Purchase	115,000	5,000		120,000
2242	Mud Rental				
2244	Fresh Water	55,000	1,000	450,000	506,000
2245	Brine	45,000			45,000
2246	Solids Control (Closed Loop)	30,000	6,000		36,000
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	6,000	2,000	5,000	15,000
2255	Trucking	22,500	10,000	54,000	86,500
2256	Rental Equipment	82,000	8,000	350,000	440,000
2257	Other Services (Direction/GR Services)	253,000			253,000
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	Roostabout	6,000		45,000	51,000
2269	Wellsite Supervision	81,400	14,800	70,000	166,200
2270	Other Contract Services	25,000			25,000
COMPLETION SERVICES					
2272	Pulsing Unit			20,000	20,000
2273	Drilling Rig				
2276	Perforate			272,000	272,000
2277	Stimulation			2,304,000	2,304,000
2278	Other Compl. Services			200,000	200,000
OVERHEAD					
2280	Drilling & Administrative	10,000		10,000	20,000
	TOTAL INTANGIBLE COSTS	\$ 2,155,100	\$ 431,200	\$ 4,055,000	\$ 6,641,300
TANGIBLE COSTS:					
TUBULARS					
2311	Surface Casing (10 3/4" @ 2125')	125,000			125,000
2312	Intermediate Casing (7 5/8" @ 11,405')	533,000			533,000
2313	Drig Liner & Hanger				
2314	Production Casing (5-1/2" x 5' @ TD)		569,000		569,000
2315	Production Liner & Hange (10,000 - TD)				
2316	Other Tubulars				
WELL EQUIPMENT					
2321	Well Head	25,000	27,000	95,000	147,000
2322	Flowline			75,000	75,000
2325	Tubing			100,000	100,000
2326	Rods				
2327	Pumps				
2328	Pumping Unit				
2329	Subsurface Equipment			25,000	25,000
2331	Other Well Equipment	35,000	25,000	3,000	63,000
LEASE EQUIPMENT					
2361	Tanks			75,000	75,000
2362	Separators			100,000	100,000
2363	Heater Treater			25,000	25,000
2364	Pumps			15,000	15,000
2365	Electrical System			100,000	100,000
2369	Meters			20,000	20,000
2367	Connectors			65,000	65,000
2368	Leac Equipment				
2369	Other Lease Equipment			100,000	100,000
	SUBTOTAL - TANGIBLES	718,000	641,000	788,000	2,147,000
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	\$ 718,000	\$ 641,000	\$ 788,000	\$ 2,147,000
	GENERAL CONTINGENCIES	172,386	64,332	290,580	527,298
	TOTAL SYSTEMS	\$ 3,045,486	\$ 1,138,532	\$ 5,123,580	\$ 9,315,598
	CUMULATIVE WELL COSTS	\$ 3,045,486	\$ 4,182,018	\$ 9,315,598	

Initial Requiring Date:
 NE RTW BMM SB CR LH RMD SGG BGG

Land Approval Block
 APPROVED BY: _____
 COMPANY: _____

CHRONOLOGY OF CONTACT
Big Piney 22115 19-18 State Com #1H

- 3/7/2022 Sent Big Piney 22115 19-18 State Com #1H Well Proposal and AFE to COG Operating LLC by Fedex Envelope, Tracking #776228897187. Lea County Records reflect COG Operating LLC as current leasehold owner.
- 3/9/2022 Fedex Tracking #7762328897187 indicates COG Operating LLC received Big Piney 22115 19-18 State Com #1H Well Proposal and AFE this date.
- 3/24/2022 Contacted Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 3/23/2022 Emailed Adam Reker, Land Supervisor, COG Operating LLC/ConocoPhillips, requesting contact information for Maverick Natural Resources, LLC, leasehold purchaser under Big Piney 22115 19-18 State Com #1H Well.
- 3/23/2022 Received email response from Adam Reker, Land Supervisor, COG Operating LLC/ConocoPhillips, containing contact information for Kitt Jordan, Land Manager, Non-Op, Maverick Natural Resources, LLC, leasehold purchaser under Big Piney 22115 19-18 State Com #1H Well.
- 3/25/2022 Spoke with Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 3/31/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 4/5/2022 Zoom Meeting with Kitt Jordan, Emma Kelly and Jeff Darakhshan of Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 4/7/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 4/8/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 4/22/2022 Received email from Kitt Jordan at Maverick Natural Resources, LLC, stating Maverick is planning on participating in the well with part, possibly all their interest. Kitt Jordan also requested BTA submit farmout terms for evaluation.
- 4/25/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC, notifying him that we were working on terms as per his email of 4/22/2022.

CHRONOLOGY OF CONTACT
continued

- 4/26/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC, proposing basic terms for a BTA/Maverick Development Agreement covering Sections 18, 19 & 30, T17S, R36E, Lea County, New Mexico.
- 5/3/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.
- 5/16/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #1H Well Proposal and AFE.

**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. 22809

**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.

2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). A copy of my resume is attached as **Exhibit B-1**.

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

4. **Exhibit B-2** is a project location map that shows the location of the proposed horizontal well spacing unit.

5. BTA is targeting the Pennsylvanian Shale Formation. **Exhibit B-3** 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 line. The structure map shows the Pennsylvanian Strawn 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 the proposed unit.

6. **Exhibit B-3** also shows a cross-section line in red running West to East 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.

7. **Exhibit B-4** is a stratigraphic cross-section that I prepared using the logs from the three wells noted on Exhibit B-3. Each well in the cross-section contains the gamma ray in the first track, resistivity in the second track, and porosity curves in the third track. The initial target interval is labeled and marked. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

8. **Exhibit B-5** 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 line. The anticipated gross thickness of the Pennsylvanian Shale Formation interval is 400 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-4 is also shown as a red line on this map.

9. In my opinion the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

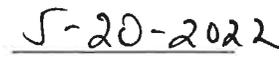
10. Based on my geologic study, the Pennsylvanian Shale Formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will be productive and contribute proportionately to the production from the well.

11. 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.

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

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 12 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


Date

David W. Childers**Address:** 10619 Gawain Lane, Houston, Texas 77024**Telephone:** Cell: 713-715-8044 Work: 432-682-3753 e-mail: dchilders@btaoil.com**Professional Experience:****BTA Oil Producers, Houston, Texas** (1999 – Present)

Geologist (1999 – 2008)

Provided geological support for BTA's Gulf Coast exploration program.

Gulf Coast Exploration Manager (2008 – Present). Directed BTA's Gulf Coast exploration program from 2008 – 2016.

Currently responsible for geological aspects of BTA's Wolfcamp exploitation program in the Delaware Basin (2016 – present).

PetroCorp, Inc. Houston, Texas (1994 – 1999) Exploration Manager

Built and managed a Gulf Coast and Rocky Mountain exploration program and supervised the drilling of twenty-two wells resulting in five new field discoveries in Mississippi, Texas, and Colorado.

Shell Oil Company, Houston, Texas (1979 – 1994)**1991 – 1994:** South Vermilion Parish exploration group.**1988 – 1991:** Project leader for the Anadarko Basin exploration team.**1984 – 1988:** Stratigraphic Prediction Group, Bellaire Research Center. Worked extensively with New Orleans staff in the Louisiana shelf and slope. Integrated prospect-scale work of shelf and slope exploration staff into a regional overview of Miocene/Pliocene stratigraphy. Identified seismic stratigraphic means to predict presence of turbidite reservoirs in the Miocene, Pliocene, and Pleistocene sections of the Gulf of Mexico deep water exploration area.**1979 – 1984:** Rocky Mountain Exploration district.**Education:****B.S. Geology:** University of Oklahoma (1977).**M.S. Geology:** University of Oklahoma (1979).**Shell Oil Company Training:** Taught Shell training courses and symposia in Houston, La Jolla, California, and The Hague concerning carbonate sequence stratigraphy, deep water clastics, and applied seismic stratigraphy. Guest lecturer at the University of Texas, Louisiana State University, the West Texas Geological Society, AAPG, and the Mississippi Geological Survey.**Awards and Professional Affiliations:****A.I. Levorsen Memorial Award (1993).** Member Sigma Xi, Sigma Gamma Epsilon, AAPG, HGS.**Selected Publications:**

Childers, D.W. (1987), Depositional History of the Mississippi Fan Complex, Technical Progress Report, BRC 77-87, Shell Development, Bellaire Research Center, Houston.

Childers, D.W. (1988), Miocene Stratigraphy of Offshore and Coastal Louisiana, Gulf of Mexico, Technical Progress Report, BRC 123-88, Shell Development, Bellaire Research Center, Houston.

Childers, D.W. (1992), Resolution of Morrowan Stratigraphy in the Western Anadarko Basin, Exploration Bulletin, Special Issue Summer, 1992, Shell International Petroleum Maatschappij b.v., The Hague.

Childers, D.W. (1992), Eustatic Signatures in Carbonate Sequences of the Permian Basin, Exploration Bulletin, Special Issue Summer, 1992, Shell International Petroleum Maatschappij b.v., The Hague.

Childers, D.W. (1997), Maynor Creek Field: 3-D seismic resolution of an Upper Cotton Valley Stratigraphic Trap. Cotton Valley Formation in Mississippi: A Symposium. Mississippi Geological Society pub., S.M. Oivanki ed., 1997.**EXHIBIT: B-1****BTA OIL PRODUCERS, LLC**

BTA Oil Producers, LLC

Case No. 22809

Exhibit B-1

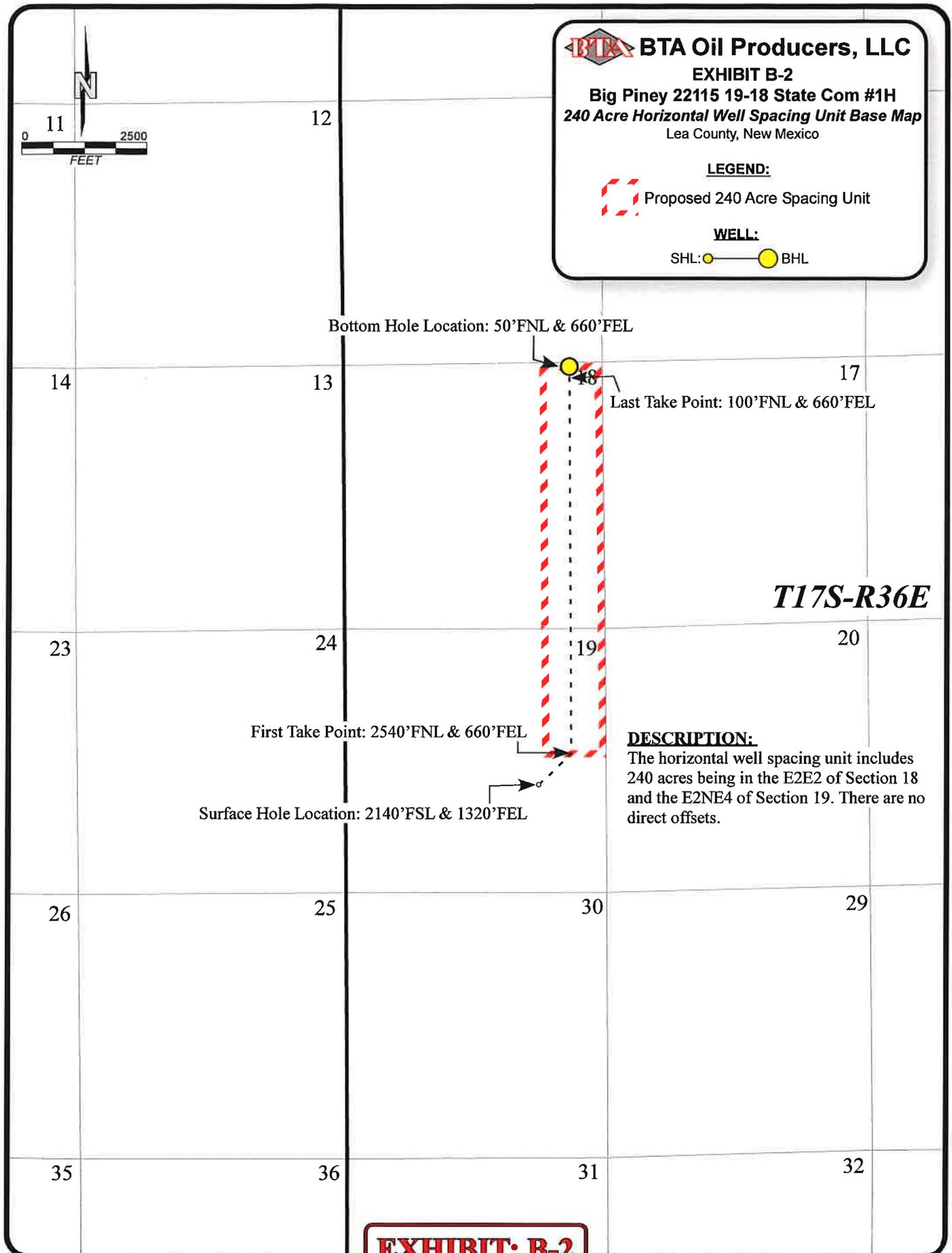


EXHIBIT: B-2

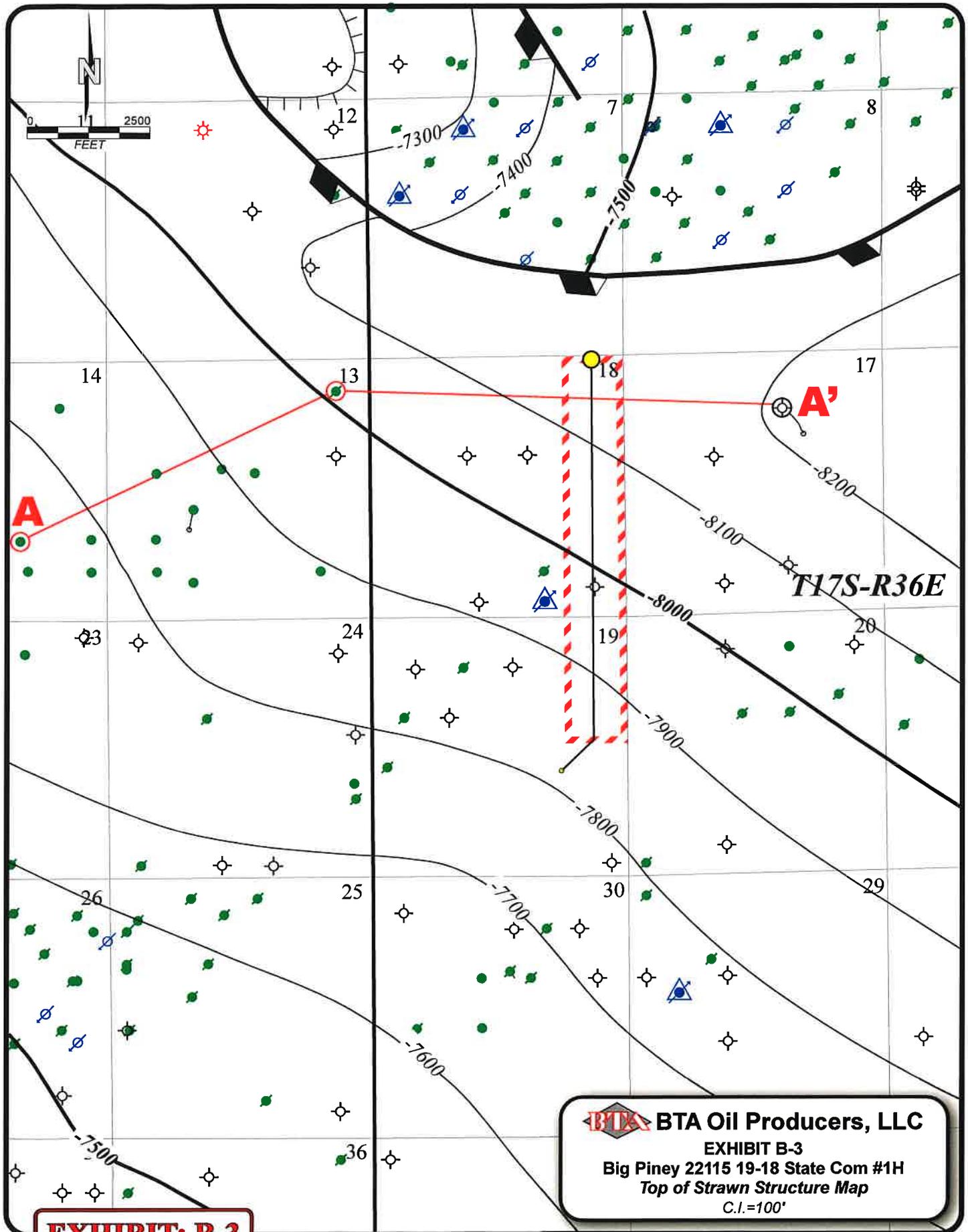


EXHIBIT: B-3

BTA OIL PRODUCERS, LLC

Released to Imaging: 5/31/2022 12:38:59 PM

BTA Oil Producers, LLC

Case No. 22809

Exhibit B-3

May, 2022 - DWG/jhb

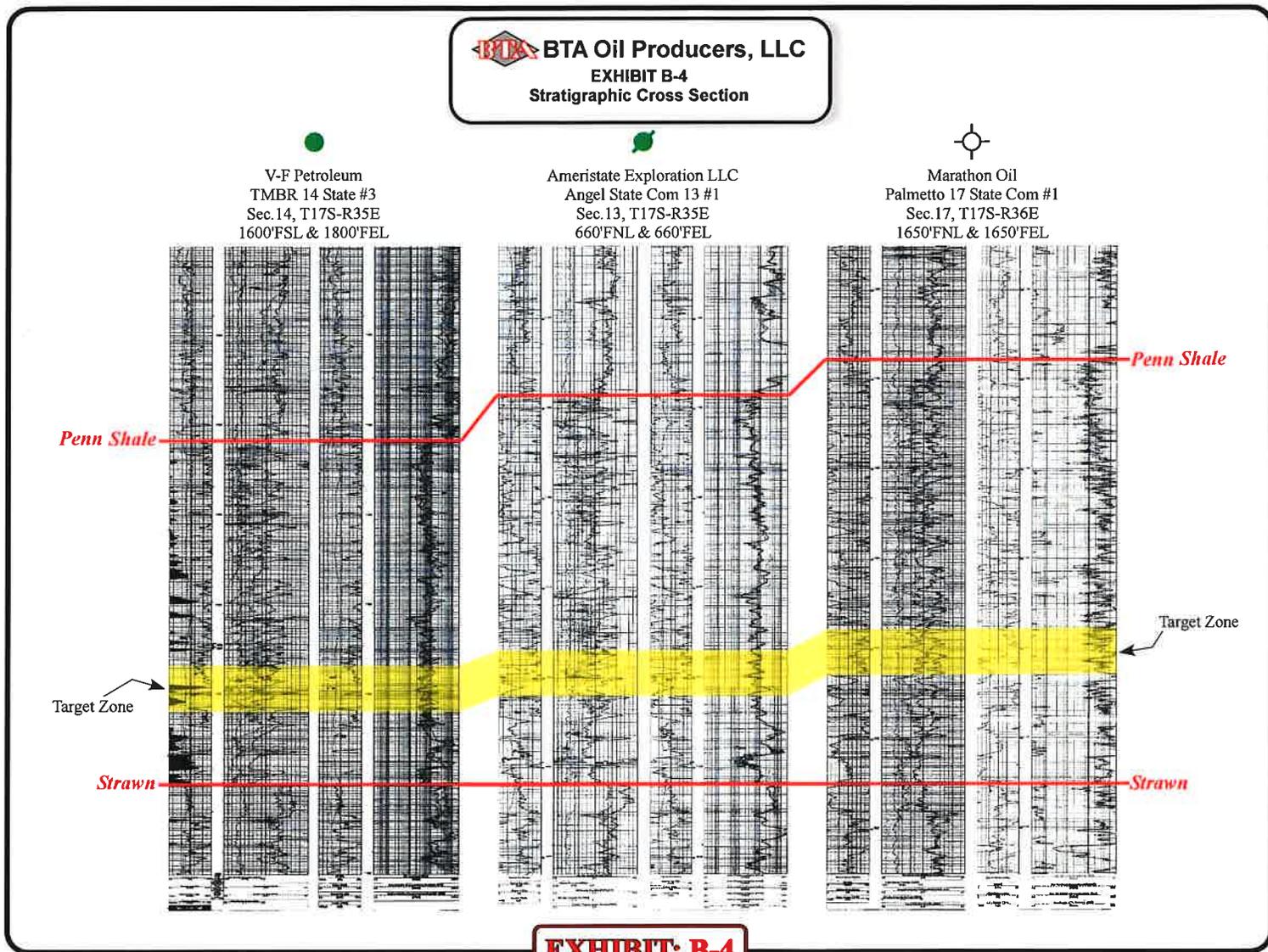
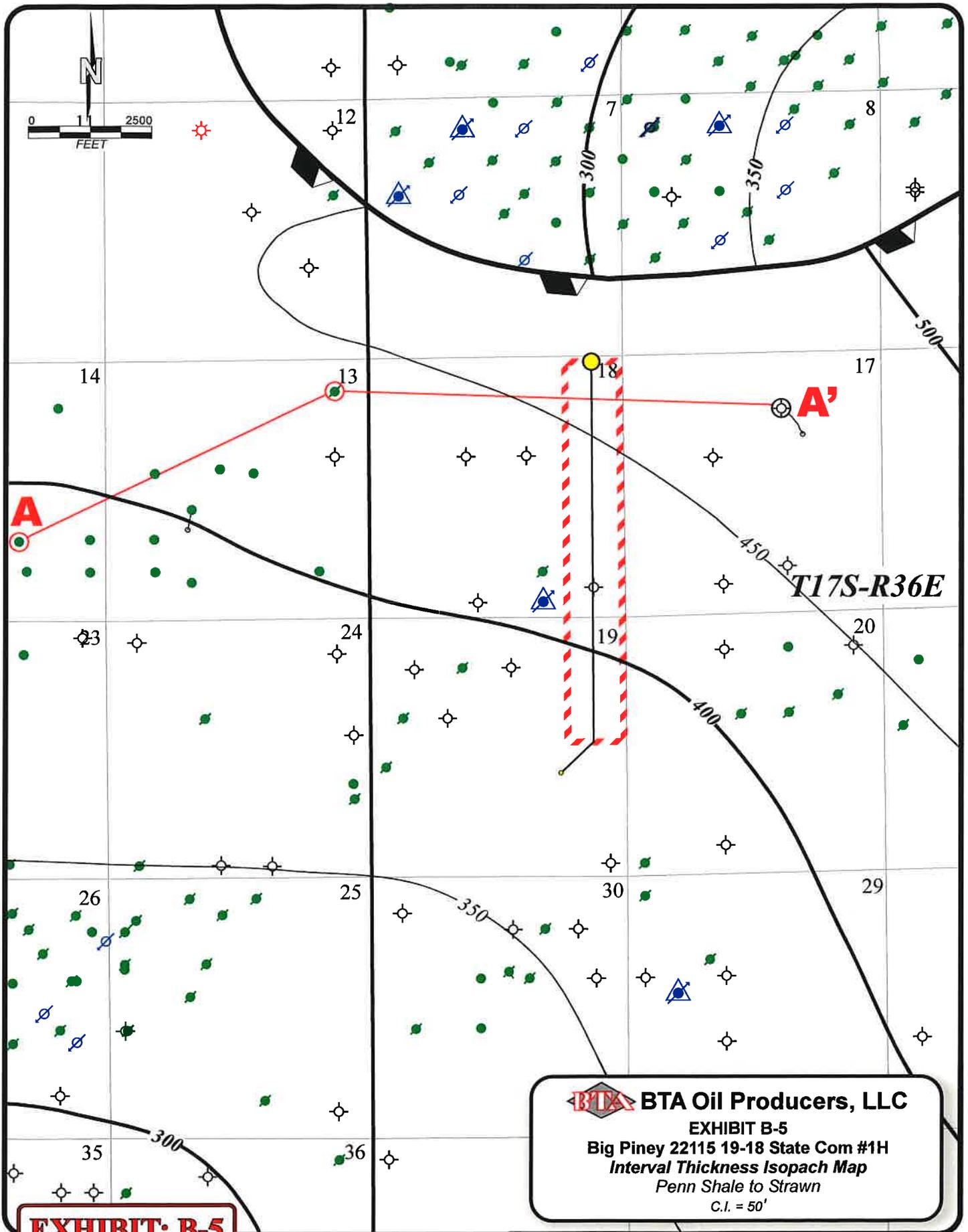


EXHIBIT: B-4
BTA OIL PRODUCERS, LLC

May, 2022 - DWC/jhb

BTA Oil Producers, LLC
Case No. 22809
Exhibit B-4



BTA OIL PRODUCERS, LLC

BTA Oil Producers, LLC

May, 2022 - DWC/jhb

Case No. 22809

Exhibit B-5

**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. 22809

**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.

3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received and includes copies of the certified mail green cards and white slips as supporting documentation for proof of mailing.

4. On May 11, 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-3.

5. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 4 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.

/s/ Dana S. Hardy
Dana S. Hardy

May 30, 2022
Date

BTA Oil Producers, LLC
Case No. 22809
Exhibit C



HINKLE SHANOR LLP
 ATTORNEYS AT LAW
 PO BOX 2068
 SANTA FE, NEW MEXICO 87504
 505-982-4554 (FAX) 505-982-8623

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

May 4, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 22809, 22810
Applications 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 applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **June 2, 2022** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be 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 filed at the Division's Santa Fe office or submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) 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 at (432) 682-3753 or rbarker@btaoil.com if you have any questions about this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

BTA Oil Producers, LLC
 Case No. 22809
 Exhibit C-1

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

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

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

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

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

Case Nos. 22809, 22810

NOTICE LETTERS

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Maverick Natural Resources, LLC 1111 Bagby Street, Suite 1600 Houston, TX 77002 Attn: Kitt Jordan	5/4/22	05/13/22

BTA Oil Producers, LLC
Case No. 22809
Exhibit C-2

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

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

OFFICIAL USE

USPS SANTA FE NM FE 87301
SANTA FE NM POST OFFICE
MAY 04 2022
Postmark Here

7021 0950 0002 0368 9550

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	
\$	
Sent To	
Maverick Natural Res. ATTN: Kitt Jordan	
Street and Apt. No., or PO Box No.	
1111 Bagby St. Suite 1600	
City, State, ZIP+4®	
Houston, TX 77002 Big Piney	

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</p> <p><input checked="" type="checkbox"/> JSB <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>Logan Smith 5/9/22</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>1. Article Addressed to:</p> <p style="text-align: center;">Maverick Natural Resources, LLC 1111 Bagby Street, Suite 1600 Houston, TX 77002 Attn: Kitt Jordan</p> <p style="text-align: right; font-size: 0.8em;">BTA/Big Piney</p>	<p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Collect on Delivery Restricted Delivery																	
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0002 0368 9550</p>																	

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

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
May 11, 2022
and ending with the issue dated
May 11, 2022.



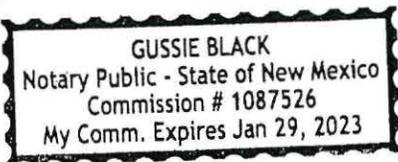
Publisher

Sworn and subscribed to before me this
11th day of May 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

LEGAL NOTICE
May 11, 2022

This is to notify all interested parties, including Maverick Natural Resources, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 22809). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on June 2, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. Applicant applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 18 and the E/2 NE/4 of Section 19, Township 17 South, Range 36 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Big Piney 22115 19-18 State Com #1H well ("Well") to be horizontally drilled from a surface hole location in the NW/4 SE/4 (Unit J) of Section 19 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 18. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 8 miles south of Lovington, New Mexico.
#37638

02107475

00266665

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

BTA Oil Producers, LLC
Case No. 22809
Exhibit C-3