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

CASE NO. 22810

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Rex Barker
A-1	Application & Proposed Notice of Hearing
A-2	C102s for Wells
A-3	Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled
A-4	Sample Well Proposal Letter and AFEs
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 12, 2022

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUS	ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS						
Case No.:	22810						
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							
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	W/2 E/2 of Section 18 and the W/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,	Yes						
describe							
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)							
• •	Add wells as needed						
Name & API (if assigned), surface and bottom hole							
location, footages, completion target, orientation,							
completion status (standard or non-standard)							
Well #1	Big Piney 22115 19-18 State Com #2H (API # pending)						
	SHL: 2,140' FSL & 1,350' FEL (Unit J) of Section 19, T17S-R36E						
	BHL: 50' FNL & 1980' FEL (Unit B) of Section 18, T17S-R36E						
	Completion Target: Pennslyvania Shale (Approximately 11,595' TVD)						
	Completion status: Standard						
Louisentel Wall First and Last Take Daints							
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)	C-1, C-2						
Proof of Published Notice of Hearing (10 days before							
hearing)	C-3						
Ownership Determination							
teleased to Imaging: 5/31/2022 12:39:22 PM Land Ownership Schematic of Spacing Unit	Exhibit A-3						

Received by OCD: 5/31/2022 12:20:53 PM	Page 3 of 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

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

CASE NO. 22810

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 W/2 E/2 of Section 18 and the W/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 #2H 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 NW/4 NE/4 (Unit B) of Section 18.

1

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

BTA Oil Producers, LLC Case No. 22810 Exhibit A 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.

I understand this Self-Affirmed Statement will be used as written testimony in this 18. 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.

them

5-19-2022 Date

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

CASE NO. 22810

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 W/2 E/2 of Section 18 and the W/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 #2H** 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 NW/4 NE/4 (Unit B) 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. 22810 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 W/2 E/2 of Section 18 and the W/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 #2H 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 NW/4 NE/4 (Unit B) 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

WELL LOCATION AND AODEA OF DEDICATION DI AT

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

	PI Number		T T			EAGE DEDIC					
	r	9	² Pool Code 98333	\mathbf{I}							
⁴ Property C	Code				⁵ Property N	Name			⁶ Well Number		
			F	BIG PINEY 22115 19-18 STATE COM					2H		
⁷ OGRID N	io.				⁸ Operator N	Name			S	Elevation	
26029	7			BTA	OIL PROD	UCERS, LLC				3880'	
.u.					¹⁰ Surface I	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	Vest line	County	
J	19	17S	36E		2140	SOUTH	1350	EAS	Г	LEA	
			" Bo	ttom Hol	e Location If	Different From	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/V	East/West line Cou		
B	18	17S	36E		50	NORTH	1980	EAS	EAST LEA		
¹² Dedicated Acres 240	¹³ Joint of	r Infill 14	Consolidation	Code ¹⁵ Or	der No.						

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. 22810 Exhibit A-2

Released to Imaging: 5/31/2022 12:39:22 PM

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 & 1350' FEL ELEVATION: 3880' LEASE: BIG PINEY 22115 19-18 STATE COM U.S.G.S. TOPOGRAPHIC MAP: LOVINGTON SW, NM.

BTA Oil Producers, LLC Case No. 22810 Exhibit A-3

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



SHEET 2 OF 3 PREPARED BY: R-SQUARED GLOBAL, LLC 510 TRENTON ST., UNIT B, WEST MONROE, LA 71291 318-323-8900 OFFICE JOB No. R4239_002

Released to Imaging: 5/31/2022 12:39:22 PM

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 & 1350' 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 318-323-8900 OFFICE JOB No. R4239_002

240.00 Acre Spacing Unit for the Big Piney 22115 19-18 State Com #2H



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

Big Piney 22115 19-18 State Com #2H Unit Recapitulation

Tract 1	Leasehold Owner	WI	80.00 Acres
State of New Mexico OGL VC-0266 W/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 W/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 NW/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 SW/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 #2H	BTA Oil Producers, LLC Maverick Permian LLC	75.0000% 25.0000%	180.0000 <u>60.0000</u>
Total		100.0000%	240.0000

CARLTON BEAL, JR.

BARRY BEAL

KELLY BEAL

STUART BEAL

ALEX BEAL

SPENCER BEAL

BARRY BEAL, JR.

ROBERT DAVENPORT, JR.

ASHLEY BEAL LAFEVERS



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 #2H <u>Township 17 South, Range 36 East, N.M.P.M.</u> Section 18: W/2 E/2 Section 19: W/2 NE/4 Lea County, New Mexico SHL: Section 19 - 2140' FSL & 1350' FEL BHL: Section 18 - 50' FNL & 1980' FEL DTA 22115 MTH

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 #2H Well (the "Well"), a horizontal Pennsylvanian Shale communitized well with a TVD of 11,595' and a MD of 19,068' (the "Operation"), at the above referenced location. The anticipated spud date for the Well will be July 26, 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

1

BTA Oil Producers, LLC Case No. 22810 Exhibit A-4

- Contract Area of 240.00 acres, being W/2 E/2 of Section 18 and W/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 #2H Well (Send Well Information Requirements to BTA Oil Producers, LLC)

Elect to go non-consent in the Big Piney 22115 19-18 State Com #2H Well

COG Operating LLC

Ву:____

Title:_____

Date:_____

RB/HW Enclosure C:\Users\hwhipple\Documents\Land\Letters\Rex Barker\Well Proposal Ltr - COG - Big Piney #2H.docx BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

	Well Name: Location: Location: Bif Piney 22115 19-18 State Com #0 Location: SHL: 2140 FSL & 1350 FEL Sec 19, FTP: 2540 FNL & 1980 FEL Sec 19, LTP: 100 FNL & 1980 FEL Sec 18, 1 Lea County, NM Date Prepared: 22/2022			17S, 36E 17S, 36E 7S, 36E				Total Dept	b:		595' TVD 368' MD
				(S, 36E				Formation:		Penn Shale	
				NE		Prepared	By:	TW	1		
	Difficultation and a	1		En receip	<u></u>	CASED HO	NE .	COUNTE	TON	121017	相比的情報
CODE	FORMATI	ON EVALU	ATION	5		\$		\$		\$	
2203 2204	Logs Cores			l.	000,6				20,000		28,000
2205	OST LOCATIO	N & ACCES	55								
2211 2212	Survey & : Damages	Stake			5,000						5,000 45,000
2213	Road & Lo Other Loc				0,000			4	5,000		125,000
2223	DRILLING				5,000						135,000
2225	Caywork	*1			7,000	94,	000				611,000
2227	Foolage Turnkey										
2232	Blis	SUPPLIES			5.000						75,000
2233 2234	BHA Fuel				5,000 5,200	26,	400	6	50,000		105,000 171,600
2236	Other Sup MUD REL										
2241 2242	Mud Purch Mud Ront			115	5,000	5,	,000				120,000
2244	Frast; Wa Brine				5 600	1.	000	45	50,000		506.000
2246	Solids Con Mud Monit		(Closed Loop)	3:	5,000 3,000	б	.000				45,000
2247 2249	Mud Relat	ad Other			3,000 3,000						28,000 6,000
2252	BOP Rela	SERVICE	5		5,000		000				19,000
2253 2254	Casing Re Welding	lated			9,000 9,000		000,000		5,000		133,000 15,000
2255 2256	Trucking Rental Equ	icment		22	2,500	10	000	5	54.000		86,500
2257	Other Sen		(Diraction/GR Services)		3,000						253,000
2261	Casing Ca			115	5,000	165,	000				280,000
2262		CT SERVIC	ES					1:	50,000		150,000
2265 2267	Engineenin Geologica	1		22	000. 2,000						8,000 22,000
2268 2269	Roustabou Wellsite St				5,000 1,400	14	608		15,000 70,000		51,000 186,200
2270		Iract Servic		25	C00,						25,000
2272 2273	Pulling Un Dneng Rig	it						2	200,000		20.000
2276	Perforate								2,000		272,000
2278	Other Con	npl, Service	s						0.000		2,304,000 200,000
2280	OVERHEJ Drang & A	Admin.soau	re la	10	0,000				10,000	42 mm	20,000
	TOWNANDALE	10.01.00	3	\$ 2,155	5,100	\$ 431.	200	\$ 4,05	5.000	\$	6.641,300
CODE	TANGELE COSTS	5									
2311 2312	Surface Ca	asing	(103/4" @ 2125) (75/8" @ 11,408")		5,000 3,000						125,000 533,000
2313 2314	Drig Liner Production	& Hanger	(5-1/2" × 5" @ TO)	530	3,000	589,	000				589,000
2315	Productio;	Liner & Ha	(JE (10,000 - TD)			569,	000				303,000
2316	Other Tube	UIPMENT				-7					107.000
2321 2322	Well Head Flowling			25	5,000	27,	.000	7	5,000 5,000		137,000 75,000
2325 2326	Rods							10	0.000		100,000
2327 2328	Pumps Pumping L	lnic.									
2329 2331	Subsurfac	Equipment		35	5,000	25	000		25,000 3,000		25,000 63,000
	LEASE EC	UIPMENT			1,000	20	000				
2361 2362	Tenks Separators							10	5,000 0,000		75,000 100,000
2363 2364	Heater Tre Pumps	ater						1	5,000		25,000 15,000
2365 2366	Electrical S Meters	ysteni							0.000		100,000 20,000
2367 2368	Connector Lact Equip								5,000		65,000
2369		se Equipme	m					10	600,06		100,000
	SUBTOTA	L - TANGIE	BLES	718	C00,	641,	000	78	000,8	-	2,147,000
575-	SYSTEMS										
2353 2353	Gas Line T Gas Line Ir	nangicies									
2381 7.382	Compress Gas Plant	Tangibles									
2362 2364	Gas Plani Dehydrator										
		L.SYSTEM	'S			_	-			-	
	TOTAL TANGIBLE CO			5 748	.000	\$ 541,	006	5 78	8,000	5	2,147,000
	GENERAL				,365		332	-	0,580	2	527,206
					Constituee 1					*	9,315.598
	Contraction of the			5 3.045		3 1.135.		-	3,590	-4	9,010.295
	UNAULA ITVE WELL	CU315	men made relation	3,045	(465) villas	5 4 112	o(a)	\$ 9,31	0,593		
			1								
	thika' Routing Date; NE RTW	SWW	SB, CR, LJH, RMD. SE6, 281								
		SWW) SB, CR, LJH, RMD, SEB, BBJ								

Released to Imaging: 5/31/2022 12:39:22 PM

CHRONOLOGY OF CONTACT Big Piney 22115 19-18 State Com #2H

- 3/7/2022 Sent Big Piney 22115 19-18 State Com #2H 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 #2H Well Proposal and AFE this date.
- 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 #2H 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 #2H Well.
- 3/24/2022 Contacted Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
- 3/25/2022 Spoke with Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
- 3/31/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H 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 #2H Well Proposal and AFE.
- 4/7/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.
- 4/8/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H 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.

BTA Oil Producers, LLC Case No. 22810 Exhibit A-5

1

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 #2H Well Proposal and AFE.
- 5/16/2022 Emailed Kitt Jordan at Maverick Natural Resources, LLC about Big Piney 22115 19-18 State Com #2H Well Proposal and AFE.

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

CASE NO. 22810

SELF-AFFIRMED STATEMENT OF DAVID CHILDERS

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 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

BTA Oil Producers, LLC Case No. 22810 Exhibit B

1

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.

2

The exhibits attached hereto were either prepared by me or under my supervision 12. 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

<u>J-20-2022</u> Date

David W. Childers

Address:10619 Gawain Lane, Houston, Texas 77024Telephone:Cell: 713-715-8044 Work: 432-682-3753 e-mail: dchilders@btaoil.comProfessional 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).
<u>PetroCorp, Inc. Houston, Texas</u> (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.
 <u>Shell Oil Company. Houston, Texas</u> (1979 – 1994) <u>1991 – 1994</u>: South Vermilion Parish exploration group. <u>1988 – 1991</u>: Project leader for the Anadarko Basin exploration team. <u>1984 – 1988</u>: 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. <u>1979 – 1984</u>: 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. <u>Cotton</u> <u>Valley Formation in Mississippi</u> : <u>A Symposium</u> . Mississippi Geological Society pub., S.M. Oivanki ed., 1997.



BTA Oil Producers, LLC Case No. 22810 Exhibit B-1

Released to Imaging: 5/31/2022 12:39:22 PM



Case No. 22810 Released to Imaging: 5/31/2022 12:39:22 PM





BTA Oil Producers, LLC Case No. 22810 Exhibit B-4



Released to Imaging: 5/31/2022 12:39:22 PM

Case No. 22810 Exhibit B-5

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

CASE NO. 22810

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.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy <u>May 30, 2022</u> Date

> BTA Oil Producers, LLC Case No. 22810 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

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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

BTA Oil Producers, LLC Case No. 22810 Exhibit C-1

Enclosure

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 Released to Imaging: 5/31/2022 12:39:22 PM 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

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	5/4/22	05/13/22
Houston, TX 77002 Attn: Kitt Jordan		

.





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.

a, b

Business Manager

My commission expires January 29, 2023 (Seal) GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

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



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. 22810). 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.emrid.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 W/2 E/2 of Section 18 and the W/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 #2H 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 NW/4 NE/4 (Unit B) of Section 18. Also to be considered will be the cost of drilling and completing the Well and the allocation 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. **#37639**

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00266666

BTA Oil Producers, LLC Case No. 22810 Exhibit C-3