

**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. 23481 – 23484

NOTICE OF SUPPLEMENTAL EXHIBITS

As requested by the Division at the May 4, 2023 hearing, BTA Oil Producers is submitting the Supplemental Self-Affirmed Statement of Adams Davenport to provide additional information regarding the requested overhead and administrative rates for the Capitan 22301 28-33 State Com #9H, Capitan 22301 28-33 State Com #10H, Capitan 22301 33-4 State Com #11H, and the Capitan 22301 33-4 State Com #12H wells in the above-referenced cases.

Respectfully submitted,

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**SUPPLEMENTAL SELF-AFFIRMED
STATEMENT OF ADAMS DAVENPORT**

1. I am a landman at BTA Oil Producers, LLC ("BTA"). I previously submitted a self-affirmed statement in these matters.

2. At the May 4, 2023 hearing, the Division requested that BTA provide supplemental information regarding the requested overhead and administrative rates for the Capitan 22301 28-33 State Com #9H, Capitan 22301 28-33 State Com #10H, Capitan 22301 33-4 State Com #11H, and the Capitan 22301 33-4 State Com #12H wells ("Wells").

3. BTA requests overhead and administrative rates of \$12,000.00 per month while the Wells are being drilled and \$1,200.00 per month while the Wells are producing. As stated in my previously submitted self-affirmed statement, these rates are fair and are comparable to the rates charged by BTA and other operators in the vicinity.

4. As of November 2022, BTA's New Mexico horizontal wells under a JOA included average drilling and producing overhead rates of \$12,890.00 and \$1,289.00 per month, respectively. With the updated 2023 COPAS escalation rate of 8.5%, these averages would likely increase to \$13,985.65 and \$1,398.57.

5. Additionally, parties participating in the Wells have agreed to overhead and administrative rates of \$12,000.00 per month while the Wells are being drilled and \$1,200.00 per month while the Wells are producing.

6. BTA has also obtained and reviewed industry information regarding 2023 overhead rates that have been updated based on the escalated COPAS rates. The Wells will be drilled between the Delaware Basin and Midland Basin. For wells in that area, the average overhead rates are \$12,625.00/\$1,262.50.

7. For these reasons, the requested overhead and administrative rates of \$12,000.00 per month while the Wells are being drilled and \$1,200.00 per month while the Wells are producing are reasonable, fair and comparable to the rates charged in the vicinity.

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

Adams Davenport
Adams Davenport

05/15/2023
Date