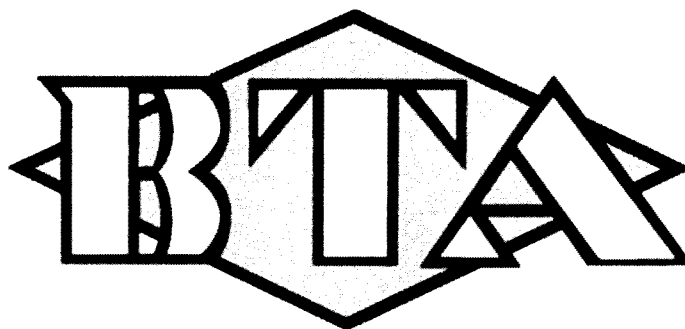


**BEFORE THE OIL CONSERVATION COMMISSION
SPECIAL HEARING APRIL 24, 2018**

CASE NO. ^{BTA}16024 AND ^{MARATHON}16076

**BTA OIL PRODUCERS
OGDEN 20509 32-29 FED COM #5H & 6H WELLS
&
MARATHON OIL PERMIAN
ZEUS FEE 23 28 29 WXY
12H, 16H & 17H WELLS**

EDDY COUNTY, 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) 324-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

NM OIL CONSERVATION

ARTESIA DISTRICT

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

RECEIVED
220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44339	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code 318086	Property Name OGDEN 20509 32-29 FEDERAL COM	Well Number 5H
OGRID No 260297	Operator Name BTA OIL PRODUCERS, LLC	Elevation 3107'

Surface Location

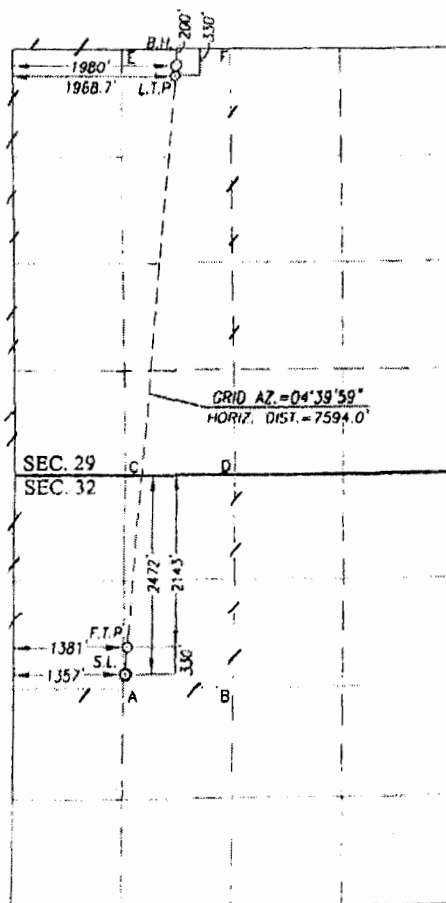
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	32	23-S	28-E		2472	NORTH	1357	WEST	EDDY

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
C	29	23-S	28-E		200	NORTH	1980	WEST	EDDY

Dedicated Acres 480	Joint or Infill	Consolidation Code	Order 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



SCALE: 1"=2000'

GEODETIC COORDINATES
NAD 83 NME
BOTTOM HOLE LOCATION
Y = 466672.9 N
X = 609824.4 E
LAT. = 32.282763° N
LONG. = 104.111717° W

GEODETIC COORDINATES
NAD 27 NME
BOTTOM HOLE LOCATION
Y = 466613.9 N
X = 568641.6 E
LAT. = 32.282643° N
LONG. = 104.111221° W

GEODETIC COORDINATES
NAD 83 NME
LAST TAKE POINT
Y = 466542.9 N
X = 609813.8 E
LAT. = 32.282406° N
LONG. = 104.111752° W

GEODETIC COORDINATES
NAD 27 NME
LAST TAKE POINT
Y = 466483.9 N
X = 568631.0 E
LAT. = 32.282286° N
LONG. = 104.111256° W

CORNER COORDINATES TABLE

NAD 27 NME
A - Y = 458878.7 N, X = 568001.6 E
B - Y = 458880.6 N, X = 569337.6 E
C - Y = 461518.4 N, X = 568027.7 E
D - Y = 461515.2 N, X = 569367.1 E
E - Y = 466812.1 N, X = 567978.9 E
F - Y = 466815.6 N, X = 569296.7 E

CORNER COORDINATES TABLE

NAD 83 NME
A - Y = 458937.5 N, X = 609184.5 E
B - Y = 458939.3 N, X = 610520.5 E
C - Y = 461577.2 N, X = 609210.5 E
D - Y = 461574.1 N, X = 610550.0 E
E - Y = 466871.1 N, X = 609161.6 E
F - Y = 466874.6 N, X = 610479.4 E

FIRST TAKE POINT

NAD 83 NME
Y = 459434.7 N
X = 609233.6 E
LAT. = 32.262870° N
LONG. = 104.113677° W

SURFACE LOCATION

NAD 83 NME
Y = 459105.8 N
X = 609206.7 E
LAT. = 32.261966° N
LONG. = 104.113766° W

FIRST TAKE POINT

NAD 27 NME
Y = 459375.9 N
X = 568050.7 E
LAT. = 32.262749° N
LONG. = 104.113181° W

SURFACE LOCATION

NAD 27 NME
Y = 459047.1 N
X = 568023.8 E
LAT. = 32.261846° N
LONG. = 104.113270° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with no owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Kayla McConnell
Date: 12/20/2017

KAYLA MCCONNELL

Printed Name

KMCCONNELL@BTAOIL.COM

E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 30, 2016

Date of Survey

Signature & Seal of Professional Surveyor:

NEW MEXICO
3239
Ronald J. Eldson
Certificate Number: 12641
Ronald J. Eldson 3239
ALC: NHE: W.O.: 15110872 FWBC W.O.: 17130081

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 1

Submitted by: BTA OIL PRODUCERS

Special Hearing Date: April 24, 2018

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 Bruno Road, Aztec, NM 87410
Phone: (505) 334-6174 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, New Mexico 87505

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

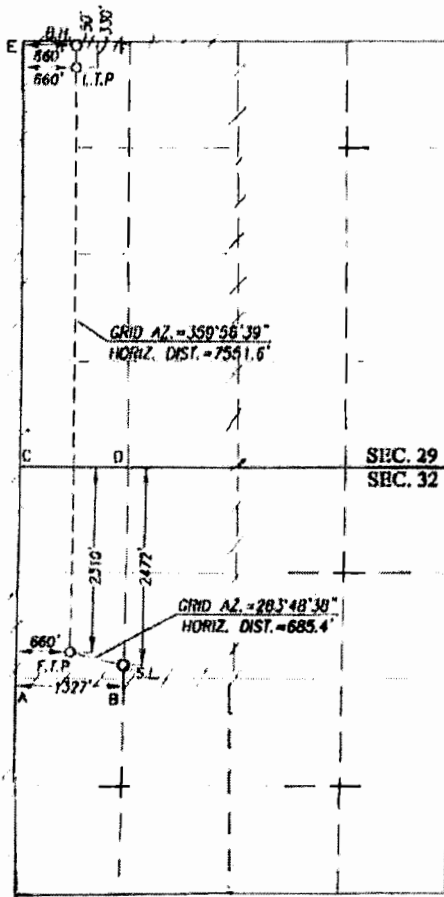
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44340	Pool Code 98220	Pool Name PURPLE SAGE/WOLFCAMP
Property Code NMNM 100335	Property Name OGDEN 20509 32-29 FEDERAL COM	Well Number 6H
OGRID No. 260297	Operator Name BTA OIL PRODUCERS, LLC	Elevation 3107'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	23-S	28-E		2472	NORTH	1327	WEST	EDDY

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
D	29	23-S	28-E		50	NORTH	660	WEST	EDDY
Dedicated Acres 4.80	Joint or Infill	Consolidation Code	Order 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



SCALE: 1"=2000'

GEODETIC COORDINATES NAD 83 NME BOTTOM HOLE LOCATION Y=466819.3 N X=608503.9 E LAT.=32.283173° N LONG.=104.115989° W	GEODETIC COORDINATES NAD 27 NME BOTTOM HOLE LOCATION Y=466760.3 N X=587321.2 E LAT.=32.283053° N LONG.=104.115493° W
GEODETIC COORDINATES NAD 83 NME LAST TAKE POINT Y=466539.4 N X=608503.3 E LAT.=32.282404° N LONG.=104.115986° W	GEODETIC COORDINATES NAD 27 NME LAST TAKE POINT Y=466480.4 N X=587322.6 E LAT.=32.282283° N LONG.=104.115490° W

CORNER COORDINATES TABLE
NAD 27 NME

A - Y= 458876.9 N, X= 566665.6 E
B - Y= 458878.7 N, X= 568001.6 E
C - Y= 461521.6 N, X= 568688.3 E
D - Y= 461518.4 N, X= 568027.7 E
E - Y= 466808.6 N, X= 566661.1 E
F - Y= 466812.1 N, X= 567978.9 E

CORNER COORDINATES TABLE
NAD 83 NME

A - Y= 458935.7 N, X= 607846.5 E
B - Y= 458937.5 N, X= 609184.5 E
C - Y= 461580.4 N, X= 607871.1 E
D - Y= 461577.2 N, X= 608210.5 E
E - Y= 466867.5 N, X= 607843.8 E
F - Y= 466871.1 N, X= 609161.6 E

FIRST TAKE POINT NAD 83 NME Y=459269.4 N X=608511.2 E LAT.=32.262420° N LONG.=104.116014° W	FIRST TAKE POINT NAD 27 NME Y=459210.7 N X=587328.4 E LAT.=32.262299° N LONG.=104.115519° W
SURFACE LOCATION NAD 83 NME Y= 459105.8 N X= 609176.7 E LAT.=32.261966° N LONG.=104.113863° W	SURFACE LOCATION NAD 27 NME Y= 459047.1 N X= 587993.8 E LAT.=32.261846° N LONG.=104.113388° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Katy Reddell* Date: *10/20/18*

KATY REDDELL

Printed Name

kreddell@btaoil.com

E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 30, 2016

Date of Survey

Signature of Surveyor: *Ronald J. Eidson*

NEW MEXICO
3239

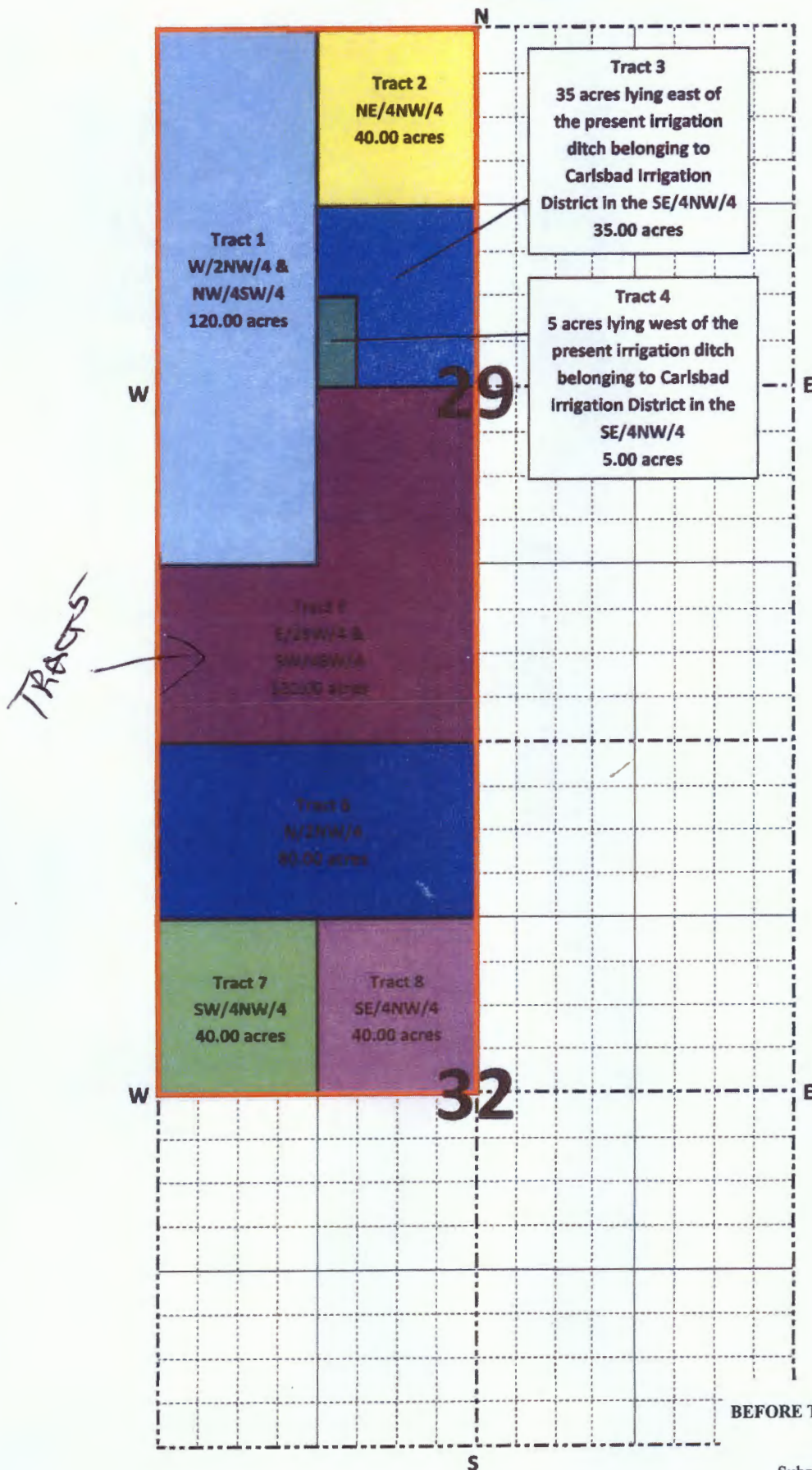
Ronald J. Eidson

Certificate Number: *12641*

Ronald J. Eidson 3239

ACE REG. W.O. 1818883 JWC W.O. 1818870

Ogden 20509 32-29 Fed Com #5H and #6H
W/2 of Section 29 and NW/4 of Section 32, T23S, R28E
Eddy County, New Mexico



**Ogden 20509 32-29 Fed Com #5H and #6H
W/2 of Section 29 and NW/4 of Section 32, T23S, R28E
Eddy County, New Mexico**

Tract 1: W/2NW/4 & NW/4SW/4 of Section 29, T23S, R28E

BTA Oil Producers, LLC	100.00%
Total	100.00%

Tract 2: NE/4NW/4 of Section 29, T23S, R28E

BTA Oil Producers, LLC	100.00%
Total	100.00%

Tract 3: 35 acres lying east of the present irrigation ditch belonging to Carlsbad Irrigation District in the SE/4NW/4 of Section 29, T23S, R28E

BTA Oil Producers, LLC	50.00%
Marathon Oil Permian LLC	50.00%
	100.00%

Tract 4: 5 acres lying west of the present irrigation ditch belonging to Carlsbad Irrigation District in the SE/4NW/4 of Section 29, T23S, R28E

Marathon Oil Permian LLC	100.00%
Total	100.00%

Tract 5: E/2SW/4 & SW/4SW/4 of Section 29, T23S, R28E

Marathon Oil Permian LLC	100.00%
Total	100.00%

Tract 6: N/2NW/4 of Section 32, T23S, R28E

BTA Oil Producers, LLC	100.00%
Total	100.00%

Tract 7: SW/4NW/4 of Section 32, T23S, R28E

BTA Oil Producers, LLC	100.00%
Total	100.00%

Tract 8: SE/4NW/4 of Section 32, T23S, R28E

BTA Oil Producers, LLC	100.00%
Total	100.00%

Unit Recapulation
W/2 of Section 29 and NW/4 of Section 32, T23S, R28E

	Net Acres	Working Interest
BTA Oil Producers, LLC	337.50	70.3125%
*Marathon Oil Permian LLC	142.50	29.6875%
Total	480.00	100.0000%

**Interest seeking to Compulsory Pool*



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

GULF COAST DISTRICT
TCTAL 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

October 25, 2017

Certified Return Receipt
70150640000150986851

In re: BTA – Ogden 20509 32-29 Fed Com #5H
W/2 Section 29 & NW/4 of Section 32-T23S-R28E
Eddy County, New Mexico

BTA 20509 JV-P Ogden, Tr. II

Marathon Oil Company
5555 San Felipe Street
Houston, TX 77056

Attention: Matt S. Tate

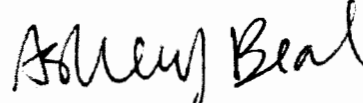
Mr. Tate:

BTA Oil Producers, LLC ("BTA") proposes to drill the BTA-Ogden 20509 32-29 Fed Com #5H well ("the Ogden #5H"). Records indicate that Marathon Oil Permian LLC ("Marathon") owns a 29.6875% working interest in the above described lands. Enclosed for your review and approval are two (2) original AFE(s) to drill and complete the Ogden #5H, a proposed 17,142' MD, and 9,450' TVD horizontal Wolfcamp Sand well with the SHL of 2472' FNL 1,357' FWL of Sec 32, T23S, R28E in Eddy County, New Mexico. The 480 acre spacing unit for the Ogden #5H covers the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East in Eddy County, New Mexico. Please note that the Ogden #5H is a horizontal well and there will not be a casing point election. The election to participate in drilling the Ogden #5H is also an election to participate in the completion of the Ogden #5H.

Should you elect to participate in the drilling of the Ogden #5H, please so indicate in the space provided and return one (1) executed copy of this letter to the undersigned along with one (1) executed copy of the AFE. The anticipated spud date of the Ogden #5H is March 2017.

Should you have any questions, or wish to discuss, please call me at (432) 682-3753.

Respectfully,



Ashley Beal, RPL
Landman

_____ Marathon hereby elects to participate in the drilling and completion of the proposed Ogden #5H Ogden 20509 32-29 Fed Com #5H well

_____ Marathon hereby elects NOT to participate in the drilling and completion of the proposed Ogden #5H Ogden 20509 32-29 Fed Com #5H well

Working Interest Owner:

Marathon Oil Permian LLC

By: _____

Title: _____

Date: _____

AB

Enclosures

C:\Users\mlegan\Documents\Land\Letters\AB\Well Proposal - Ogden 20509 32-29 Fed Com #5H (Marathon) (2).docx



BTA OIL PRODUCERS, LLC

104 SOUTH PECOS STREET
MIDLAND, TEXAS 79701-5021
432-682-3753
FAX 432-683-0311

CARLTON BEAL, JR.
BARRY BEAL
SPENCER BEAL
KELLY BEAL
BARRY BEAL, JR.
STUART BEAL
ROBERT DAVENPORT, JR.

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

October 25, 2017

Certified Return Receipt
70150640000150986844

In re: BTA – Ogden 20509 32-29 Fed Com #6H
W/2 Section 29 & NW/4 of Section 32-T23S-R28E
Eddy County, New Mexico

BTA 20509 JV-P Ogden, Tr. II

Marathon Oil Company
5555 San Felipe Street
Houston, TX 77056

Attention: Matt S. Tate

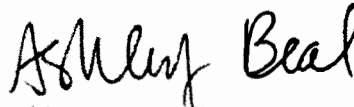
Mr. Tate:

BTA Oil Producers, LLC ("BTA") proposes to drill the BTA-Ogden 20509 32-29 Fed Com #6H well ("the Ogden #6H"). Records indicate that Marathon Oil Permian LLC ("Marathon") owns a 29.6875% working interest in the above described lands. Enclosed for your review and approval are two (2) original AFE(s) to drill and complete the Ogden #6H, a proposed 17,142' MD, and 9,450' TVD horizontal Wolfcamp Sand well with the SHL of 2472' FNL 1,327' FWL of Sec 32, T23S, R28E in Eddy County, New Mexico. The 480 acre spacing unit for the Ogden #5H covers the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East in Eddy County, New Mexico. Please note that the Ogden #6H is a horizontal well and there will not be a casing point election. The election to participate in drilling the Ogden #6H is also an election to participate in the completion of the Ogden #6H.

Should you elect to participate in the drilling of the Ogden #6H, please so indicate in the space provided and return one (1) executed copy of this letter to the undersigned along with one (1) executed copy of the AFE. A proposed Joint Operating Agreement covering W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East from the top of the Bone Spring formation to the base of the Wolfcamp formation will follow shortly. The anticipated spud date of the Ogden #6H is February 2017.

Should you have any questions, or wish to discuss, please call me at (432) 682-3753.

Respectfully,



Ashley Beal, RPL
Landman

_____ Marathon hereby elects to participate in the drilling and completion of the proposed Ogden #6H Ogden 20509 32-29 Fed Com #6H well

_____ Marathon hereby elects NOT to participate in the drilling and completion of the proposed Ogden #6H Ogden 20509 32-29 Fed Com #6H well

Working Interest Owner:

Marathon Oil Permian LLC

By: _____

Title: _____

Date: _____

AB

Enclosures

C:\Users\mlagan\Documents\Land\Letters\AB\Well Proposal - Ogden 20509 32-29 Fed Com #6H (Marathon).docx

BTA OIL PRODUCERS
WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Ogden 20509 32-29 Fed Corn #5H
 4-1/2" production liner
 1.5 mile
 Location: SHL: 2472' FNL 1357 FWL Sec 32 23S 28E
 BHL: 200' FNL 1980 FWL Sec 29 23S 28E
 Eddy County, NM
 Date Prepared: 2/1/18

Total Depth: 9,450' TVD
 17,142' MD
 Formation: Wolfcamp Sand

REVISED COSTS
 ↓

		Prepared By:			
		NE	NE	TW	
		CASED HOLE	COMPLETION		
CODE	FORMATION EVALUATION	\$	\$	\$	\$
2203	LOGS	5,000		7,200	12,200
2204	CORES				0
2205	DST				0
2211	LOCATION & ACCESS				0
2212	SURVEY & STAKE	5,000			5,000
2213	DAMAGES	10,000			10,000
2214	ROAD & LOCATION	58,000		100,000	158,000
2214	OTHER LOCATION	110,000			110,000
2223	DRILLING RIG				0
2223	MOBILIZATION	80,000			80,000
2225	DAYWORK	408,500	78,000		487,500
2226	FOOTAGE				0
2227	TURNKEY				0
2232	DRILLING SUPPLIES				0
2232	BITS	60,000			60,000
2233	BHA	25,000		50,000	75,000
2234	FUEL	89,775	18,000		107,775
2236	OTHER SUPPLIES				0
2241	MUD RELATED				0
2241	MUD PURCHASE	90,000	5,000		95,000
2242	MUD RENTAL				0
2244	FRESH WATER	25,000	5,000	520,000	550,000
2245	BRINE	20,000			20,000
2246	SOLIDS CONTROL (Centrifuge)	26,565	9,000		35,565
2247	MUD MONITOR	18,000	1,000		19,000
2249	MUD RELATED OTHER	8,000			8,000
2252	DRILLING SERVICES				0
2252	ROP RELATED	15,000	4,000		19,000
2253	CASING RELATED	15,000	45,000		60,000
2254	WELDING	8,000	2,000		10,000
2255	TRUCKING	25,000	10,000	30,000	65,000
2256	RENTAL EQUIP.	45,000	10,000	230,000	285,000
2257	OTHER SERVICES (Direction/GR Services)	199,500			199,500
2261	CEMENT				0
2261	CASING CEMENTING	120,000	80,000		200,000
2262	OTHER CEMENTING			150,000	150,000
2266	CONTRACT SERVICES				0
2266	ENGINEERING	8,000			8,000
2267	GEOLOGICAL	20,000			20,000
2268	ROUSTABOUT	8,000		5,000	13,000
2269	WELLSITE SUPER VISION	43,470	14,400	50,000	107,870
2270	OTHER CONTRACT SERV.	5,000			5,000
2272	COMPLETION SERVICES				0
2272	PULLING UNIT			20,000	20,000
2273	DRILLING RIG				0
2276	PERFORATE			240,000	240,000
2277	STIMULATION			3,400,000	3,400,000
2278	OTHER COMPL. SERV.			180,000	180,000
2278	OVERHEAD				0
2280	DRLG & ADMIN.	10,000		4,800	14,800
TOTAL INTANGIBLE COSTS		\$ 1,541,810	\$ 281,400	\$ 4,986,800	\$ 6,810,010
TANGIBLE COSTS					
CODE	TUBULARS				
2311	SURFACE CASING (13 3/8" @ 450')	16,000			16,000
2312	INTERMEDIATE CSG (9 5/8" @ 2,600')	76,000			76,000
2313	DRLG LINER & HANGER				0
2314	PRODUCTION CSG 7" @ 10100	236,000			236,000
2315	PROD LINER & HNGR 4-1/2" @ TD (8000')		90,000		90,000
2316	OTHER TUBULARS				0
2321	WELL EQUIPMENT				0
2321	WELL HEAD	22,000	10,000	45,000	77,000
2322	FLOWLINE			10,000	10,000
2325	TUBING			50,000	50,000
2326	RODS				0
2327	PUMPS				0
2328	PUMPING UNIT				0
2329	SUBSURFACE EQUIP			25,000	25,000
2331	OTHER WELL EQUIP		90,000	3,000	93,000
2361	LEASE EQUIPMENT				0
2361	TANKS				0
2362	SEPARATORS				0
2363	HEATER TREATER				0
2364	PUMPS				0
2365	ELECTRICAL SYSTEM			5,000	5,000
2366	METERS				0
2367	CONNECTORS				0
2368	LACT EQUIP.				0
2369	OTHER LEASE EQUIP			362,500	362,500
SUBTOTAL - TANGIBLES		350,000	190,000	500,500	1,040,500
SYSTEMS					
2353	GAS LINE TANGIBLES			0	0
2353	GAS LINE INTANGIBLES			0	0
2381	COMPRESSOR			-	0
2382	GAS PLANT TANGIBLES			-	0
2382	GAS PLANT INTANGIBLES			-	0
2384	DEHYDRATOR			-	0
SUBTOTAL - SYSTEMS		0	0	0	0
TOTAL TANGIBLE COSTS		350,000	190,000	500,500	\$ 1,040,500
GENERAL CONTINGENCIES		113,509	28,284	329,238	
		\$ 2,005,319	\$ 499,684	\$ 5,816,538	\$ 7,850,510
CUMULATIVE WELL COST \$		\$ 2,005,319	\$ 2,505,003	\$ 6,321,541	

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
Exhibit No. 4
 Submitted by: **BTA OIL PRODUCERS**
 Special Hearing Date: April 24, 2018

BTA OIL PRODUCERS
WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name: Ogden 20509 32-29 Fed Corn #6H
 4-1/2" production liner
 1.5 mile
 Location: SHL: 2472' FNL 1327 FWL Sec 32 23S 28E
 BHL: 200' FNL 660 FWL Sec 29 23S 28E
 Eddy County, NM
 Date Prepared: 2/1/2018

Total Depth: 9,450' TVD
 17,142' MD
 Formation: Wolfcamp Sand

		Prepared By:			
		NE	NE	TW	
		NE	CASED HOLE	COMPLETION	
CODE	FORMATION EVALUATION	\$	\$	\$	\$
2203	LOGS	5,000		7,200	12,200
2204	CORES				0
2205	DST				0
	LOCATION & ACCESS				0
2211	SURVEY & STAKE	5,000			5,000
2212	DAMAGES	10,000			10,000
2213	ROAD & LOCATION	58,000		100,000	158,000
2214	OTHER LOCATION	110,000			110,000
	DRILLING RIG				0
2223	MOBILIZATION	60,000			60,000
2225	DAYWORK	409,500	78,000		487,500
2226	FOOTAGE				0
227	TURNKEY				0
	DRILLING SUPPLIES				0
2232	BITS	60,000			60,000
2233	BIHA	25,000		50,000	75,000
2234	FUEL	89,775	18,000		107,775
2236	OTHER SUPPLIES				0
	MUD RELATED				0
2241	MUD PURCHASE	90,000	5,000		95,000
2242	MUD RENTAL				0
2244	FRESH WATER	25,000	5,000	520,000	550,000
2245	BRINE	20,000			20,000
2246	SOLIDS CONTROL (Centrifuge)	26,585	9,000		35,585
2247	MUD MONITOR	18,000	1,000		19,000
2249	MUD RELATED OTHER	8,000			8,000
	DRILLING SERVICES				0
2252	BOP RELATED	15,000	4,000		19,000
2253	CASING RELATED	15,000	45,000		60,000
2254	WELDING	8,000	2,000		10,000
2255	TRUCKING	25,000	10,000	30,000	65,000
2256	RENTAL EQUIP.	45,000	10,000	230,000	285,000
2257	OTHER SERVICES (Direction/GR Services)	199,500			199,500
	CEMENT				0
2261	CASING CEMENTING	120,000	80,000		200,000
2262	OTHER CEMENTING			150,000	150,000
	CONTRACT SERVICES				0
2266	ENGINEERING	8,000			8,000
2267	GEOLOGICAL	20,000			20,000
2268	ROUSTABOUT	8,000		5,000	13,000
2269	WELLSITE SUPERVISION	43,470	14,400	50,000	107,870
2270	OTHER CONTRACT SERV.	5,000			5,000
	COMPLETION SERVICES				0
2272	PULLING UNIT			20,000	20,000
2273	DRILLING RIG				0
2276	PERFORATE			240,000	240,000
2277	STIMULATION			3,400,000	3,400,000
2278	OTHER COMPL. SERV.			180,000	180,000
	OVERHEAD				0
2280	DRLG & ADMIN.	10,000		4,600	14,600
	TOTAL INTANGIBLE COSTS	\$ 1,541,810	\$ 281,400	\$ 4,965,800	\$ 6,810,010
TANGIBLE COSTS					
CODE	TUBULARS				
2311	SURFACE CASING (13 3/8" @ 450')	16,000			16,000
2312	INTERMEDIATE CSG (9 5/8" @ 2,600')	76,000			76,000
2313	DRLG LINER & HANGER				0
2314	PRODUCTION CSG 7" @ 10100	238,000			238,000
2315	PROD LINER & HNGR 4-1/2" @ TD (8000')		90,000		90,000
2316	OTHER TUBULARS				0
	WELL EQUIPMENT				0
2321	WELL HEAD	22,000	10,000	45,000	77,000
2322	FLOWLINE			10,000	10,000
2325	TUBING			50,000	50,000
2326	ROGS				0
2327	PUMPS				0
2328	PUMPING UNIT				0
2329	SUBSURFACE EQUIP			25,000	25,000
2331	OTHER WELL EQUIP		90,000	3,000	93,000
	LEASE EQUIPMENT				0
2361	TANKS				0
2362	SEPARATORS				0
2363	HEATER TREATER				0
2364	PUMPS				0
2365	ELECTRICAL SYSTEM			5,000	5,000
2366	METERS				0
2367	CONNECTORS				0
2368	LACT EQUIP				0
2369	OTHER LEASE EQUIP			362,500	362,500
	SUBTOTAL - TANGIBLES	350,000	190,000	500,500	1,040,500
	SYSTEMS				
2353	GAS LINE TANGIBLES				0
2353	GAS LINE INTANGIBLES				0
2361	COMPRESSOR				0
2362	GAS PLANT TANGIBLES				0
2362	GAS PLANT INTANGIBLES				0
2384	DEHYDRATOR				0
	SUBTOTAL - SYSTEMS	0	0	0	0
	TOTAL TANGIBLE COSTS	350,000	190,000	500,500	\$ 1,040,500
	GENERAL CONTINGENCIES	113,509	28,284	329,238	
		\$ 2,005,319	\$ 499,684	\$ 5,816,538	\$ 7,850,510
	CUMULATIVE WELL COST \$	\$ 2,005,319	\$ 2,505,003	\$ 8,321,541	

- 10/25/2017: BTA sent well proposals for the Ogden #5H & #6H

Reply Reply All Forward

AB

Ashley Beal Tate, Matthew S. (MRO)

2 10/25/2017

Ogden 20509 32-29 Fed Com #6H & Ogden 20509 32-29 Fed Com #5H Well Proposals

You forwarded this message on 4/5/2018 3:48 PM.



Matt,

Please see the attached well proposal letters for the Ogden 20509 32-29 Fed Com #6H well and Ogden 20509 32-29 Fed Com #5H well located in the W/2 of Section 29, T23S, R28E and the NW/4 of Section 32, T23S, R28E. I have also sent hard copies via certified mail.

Would it be possible to have a meeting in Houston with my manager and I to discuss possible trade options in the upcoming weeks? We would like to revisit the original trade we proposed.

Let me know if you have any questions.

Thanks,
Ashley Beal, RPL
 Landman
 BTA Oil Producers, LLC
 104 S. Pecos St.
 Midland, TX 79701
 Phone: (432) 682-3753
abeal@btaoil.com



- 11/9/2017: Sent up meeting with Marathon to discuss options

Reply Reply All Forward

TM

Tate, Matthew S. (MRO) <matthewstate@marathonoil.com>

Ashley Beal

11/9/2017

Meeting Next Week

You replied to this message on 11/10/2017 10:41 AM.

Ashley

Meeting next Wednesday from 10:00-11:00 with lunch following works for us. Let me know if this works for you and I'll send a meeting notice.

Thanks
 Matt
 Sent from my iPhone

- 11/15/2017: Meet with Marathon in Houston. Matt Brown told Willis and I that they would either find a trade or participate. He said they did not want us to have to do compulsory pooling.

- 12/20/2017: Sent JOA

Reply Reply All Forward

AB Ashley Beal Tate, Matthew S. (MRO)

1 12/20/2017

Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

You forwarded this message on 2/6/2018 9:36 AM.

20171220085741.pdf
7 MB

Matt,

Please review and if necessary, revise the attached JOA that pertains to the well proposals dated October 25, 2017 for the Ogden 20509 32-29 Fed Corn #5H & #6H wells.

If you have any questions, please don't hesitate to call.

Thanks,

Ashley Beal RPL

Landman
BTA Oil Producers, LLC
104 S. Pecos St.
Midland, TX 79701
Phone: (432) 682-3753
abeal@btaoil.com



- 1/9/2018: Marathon stated they would like to provide their election before we had to file for compulsory pooling

Reply Reply All Forward

TM Tate, Matthew S. (MRO); <matthewstata@marathonoil.com> Ashley Beal

1 9/2018

RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

You replied to this message on 1/9/2018 11:12 AM.

Ashley

I have forwarded your email below and the JOA to Chase Rice (cf Rice@marathonoil.com) who is now handling this area of Eddy County.

What is BTA's timing for this well? We would like to provide our election prior to BTA having to file an application for compulsory pooling.

If you need anything further please let me know.

Thanks

Matt

- 1/10/2018: Marathon proposed trade options

Reply Reply All Forward



Rice, Chase F. (MRO) <cfrice@marathonoil.com> Ashley Beal
RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

1/10/2018

You replied to this message on 1/11/2018 2:25 PM.

Ashley, just out of curiosity but do y'all have any acreage you would like to trade out of in 23S 28E, 23S 29E, 24S 28E or 24S 29E? for Marathon's int in the Ogden?

From: Ashley Beal [mailto:ABeal@btaoil.com]
Sent: Tuesday, January 09, 2018 11:13 AM
To: Rice, Chase F. (MRO) <cfrice@marathonoil.com>
Subject: [External] RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

Beware of links/attachments.

Thank you. I look forward to hearing from you.

From: Rice, Chase F. (MRO) [mailto:cfrice@marathonoil.com]
Sent: Tuesday, January 09, 2018 11:10 AM
To: Ashley Beal
Subject: FW: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

Ashley, I am now handling this area. The JOA is out for review and I hope to have some feedback by the end of the week.

Regards,

Chase Rice, CPL
Sr. Land Professional - Permian
Marathon Oil Corp.
5555 San Felipe Street
Houston, Texas 77056
O: 713-296-3055
C: 832-530-0051
F: 713-513-4430

Reply Reply All Forward



Ashley Beal Rice, Chase F. (MRO)
RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

1/11/2018

Chase,

We looked into a trade when Matt was over this area but couldn't find something. If you have any ideas, we are definitely open to a trade though.

I will be a NAPE. Would you be able to sit down with me for a quick meeting?

Thanks,
Ashley Beal, RPL
Landman
BTA Oil Producers, LLC
104 S. Pecos St.
Midland, TX 79701
Phone: (432) 682-3753
abeal@btaoil.com



- 1/22/2018: Marathon subsurface team had questions about well costs

Reply Reply All Forward



Rice, Chase F. (MRO) <cfrice@marathonoil.com>

Ashley Beal

1/22/2018

RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

You forwarded this message on 1/22/2018 9:43 AM.

Ashley, I have not had an opportunity to review for any trade opportunities yet.

A did get some feedback.. Our subsurface team would like to schedule a conference call with BTA's subsurface. They have some questions concerning the cost of the proposed wells/AFE.

We would also like to hear your thoughts on Marathon taking over as operator for these wells/unit area. If this is something BTA would consider let me know.

- 1/30/2018: Conference call with Marathon about proposed wells
- 1/31/2018: Marathon sent their proposed costs

Reply Reply All Forward



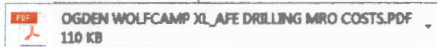
Rice, Chase F. (MRO) <cfrice@marathonoil.com>

Willis Price; Ashley Beal

1

1/31/2018

Ogden area - Marathon AFE



Willis, please see the attached AFE that outlines Marathon's costs for a 1.5 mile lateral equivalent to the BTA Ogden well(s). Could you please forward the AFE to the appropriate people at BTA.

We would prefer to trade out of this acreage. Our Focus areas are:

Eddy:

T23S 28E

T23S 29E (W/2 of Township)

T23S 29E (E/2 of Township)

T26S 29E

T25S 29E

LEA:

T24S 34E

T24S 35E (W/2)

T25S 34E

T25S 35E (W/2)

T26S 34E

T26S 35E

- 2/5/2018: BTA sent revised AFEs to accommodate Marathon's concerns with AFE costs

Reply Reply All Forward

Willis Price Ashley Beal

WP
 FW: Ogden area - **Marathon** AFE

You forwarded this message on 3/7/2018 2:54 PM.

revised Ogden 6H AFE.PDF 17 KB
 revised Ogden 5H AFE.PDF 17 KB

From: Willis Price
Sent: Thursday, February 01, 2018 4:04 PM
To: Rice, Chase F. (MRO) <cfrice@marathonoil.com>
Subject: RE: Ogden area - **Marathon** AFE

Chase:

Per our telephone conference recently, attached are the revised AFE's for the Ogden #5H & #6H reflecting pad savings, average drilling days in the area, current frac prices, completed construction on the lease and 6% contingency (last AFE reflected 12.5% contingency). Thanks.

Willis Price
Land Manager
BTA Oil Producers, LLC
104 South Pecos
Midland, Texas 79701
Phone (432) 682-3753
Fax (432) 683-0311
Cell (432) 638-6810
E-mail wprice@btaoil.com

- 2/12/2018: Marathon said they would get a response to us about our proposals and JOA

Reply Reply All Forward

Rice, Chase F. (MRO) <cfrice@marathonoil.com> Ashley Beal

RC
 RE: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

You replied to this message on 2/16/2018 5:46 PM.

Should have feedback for you sometime today

From: Ashley Beal [<mailto:ABeal@btaoil.com>]
Sent: Tuesday, February 06, 2018 9:36 AM
To: Rice, Chase F. (MRO) <cfrice@marathonoil.com>
Subject: [External] FW: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

Beware of links/attachments.

From: Ashley Beal
Sent: Wednesday, December 20, 2017 9:08 AM
To: 'Tate, Matthew S. (MRO)'
Subject: Ogden JOA - W/2 Section 29 & NW/4 of Section 32-T23S-R28E

Matt,

Please review and if necessary, revise the attached JOA that pertains to the well proposals dated October 25, 2017 for the Ogden 20509 32-29 Fed Com #5H & #6H wells.

TIMELINE

June-October 2017: Trade discussions involving Section 29

October 25, 2017: BTA formally proposes Ogden 5H and 6H Wolfcamp wells for 480-acre spacing unit comprised of W/2 of Section 29 and NW/4 of Section 32

November 15, 2017: At Houston meeting, Marathon represents it will trade acreage or participate

December 20, 2017: JOA sent to Marathon

January 9, 2018: Marathon represents it will provide an election on Ogden wells without need for compulsory pooling

January 22, 2018: Marathon questions AFE costs

February 5, 2018: BTA provides update AFE costs for Ogden 5H and 6H wells

February 12, 2018: Marathon represents will provide "feedback" on JOA

February 19, 2018: Marathon sends competing well proposals to BTA (Zeus 12H, 15H, 17H)

February 20, 2018: BTA files compulsory pooling application for Ogden 5H and 6H

March 23, 2018: Marathon files competing compulsory pooling application for Zeus 12H, 15H and 17H wells.

April 10, 2018: BTA proposes Ogden 7H and 8H wells in lower Wolfcamp D under 480-acre spacing unit to address Marathon's lease concerns.

BTA also proposes Ogden 9H (W/2 W/2) and 10H (E/2 W/2) in the Bone Spring formation to further develop the acreage

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM100335
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribal Name
2. Name of Operator BTA OIL PRODUCERS LLC		7. If Unit of CA Agreement Name and No.
3a. Address 104 S. Pecos Midland TX 79701	3b. Phone No. (include area code) (432)682-3753	8. Lease Name and Well No. OGEMIN 20509 32-29 FED COM 7H
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NWSW / 2440 FSL / 330 FWL / LAT 32.260942 / LONG -104.1171 At proposed prod. zone NWNW / 200 FNL / 330 FWL / LAT 32.282761 / LONG -104.117055		9. API Well No.
10. Field and Pool, or Exploratory PUEBLO SAGE / WOLFCAMP		11. Sec., T. R. M. or Blk. and Survey or Area SEC 32 / T23S / R28E / NMP
12. Distance in miles and direction from nearest town or post office* 2.06 miles		12. County or Parish EDDY
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 200 feet	16. No. of acres in lease 120	17. Spacing Unit dedicated to this well 280
18. Distance from proposed location* to nearest well, drilling, completed, 892 feet applied for, on this lease, ft.	19. Proposed Depth 9450 feet / 10142 feet	20. BLM/BIA Bond No. on file FED: NMB000849
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3108 feet	22. Approximate date work will start* 05/14/2017	23. Estimated duration 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature (Electronic Submission)	Name (Printed/Typed) Kayla McConnell / Ph: (432)682-3753	Date 02/17/2017
Title Regulatory Analyst		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575)234-5959	Date 07/14/2017
Title Supervisor Multiple Resources		
Office HOBBS		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

APPROVED WITH CONDITIONS

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 7

Submitted by: BTA OIL PRODUCERS

Special Hearing Date: April 24, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM100335
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Heir Name
2. Name of Operator BTA OIL PRODUCERS LLC		7. If Unit or CA Agreement Name and No.
3a. Address 104 S. Pecos Midland TX 79701	3b. Phone No. (include area code) (432)682-3753	8. Lease Name and Well No. OGLETHORN 20509 32-29 FED COM 8H
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NWSW / 2440 FSL / 360 FWL / LAT 32.260942 / LONG -104.117003 At proposed prod. zone NWNW / 200 FNL / 360 FWL / LAT 32.282761 / LONG -104.116958		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 2.06 miles		10. Field and Pool, or Exploratory PUSLE SAGE / WOLFCAMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 360 feet		11. Sec., T. R. M. or Blk. and Survey or Area SEC 32 / T23S / R28E / NMP
16. No. of acres in lease 120		12. County or Parish EDDY
17. Spacing Unit dedicated to this well 280		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, 892 feet applied for, on this lease, ft.		20. BLM/BIA Bond No. on file FED: NMB000849
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3108 feet		22. Approximate date work will start* 05/14/2017
23. Estimated duration 45 days		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature (Electronic Submission)	Name (Printed/Typed) Kayla McConnell / Ph: (432)682-3753	Date 01/16/2017
Title Regulatory Analyst		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575)234-5959	Date 06/02/2017
Title Supervisor Multiple Resources		
Office HOBBS		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

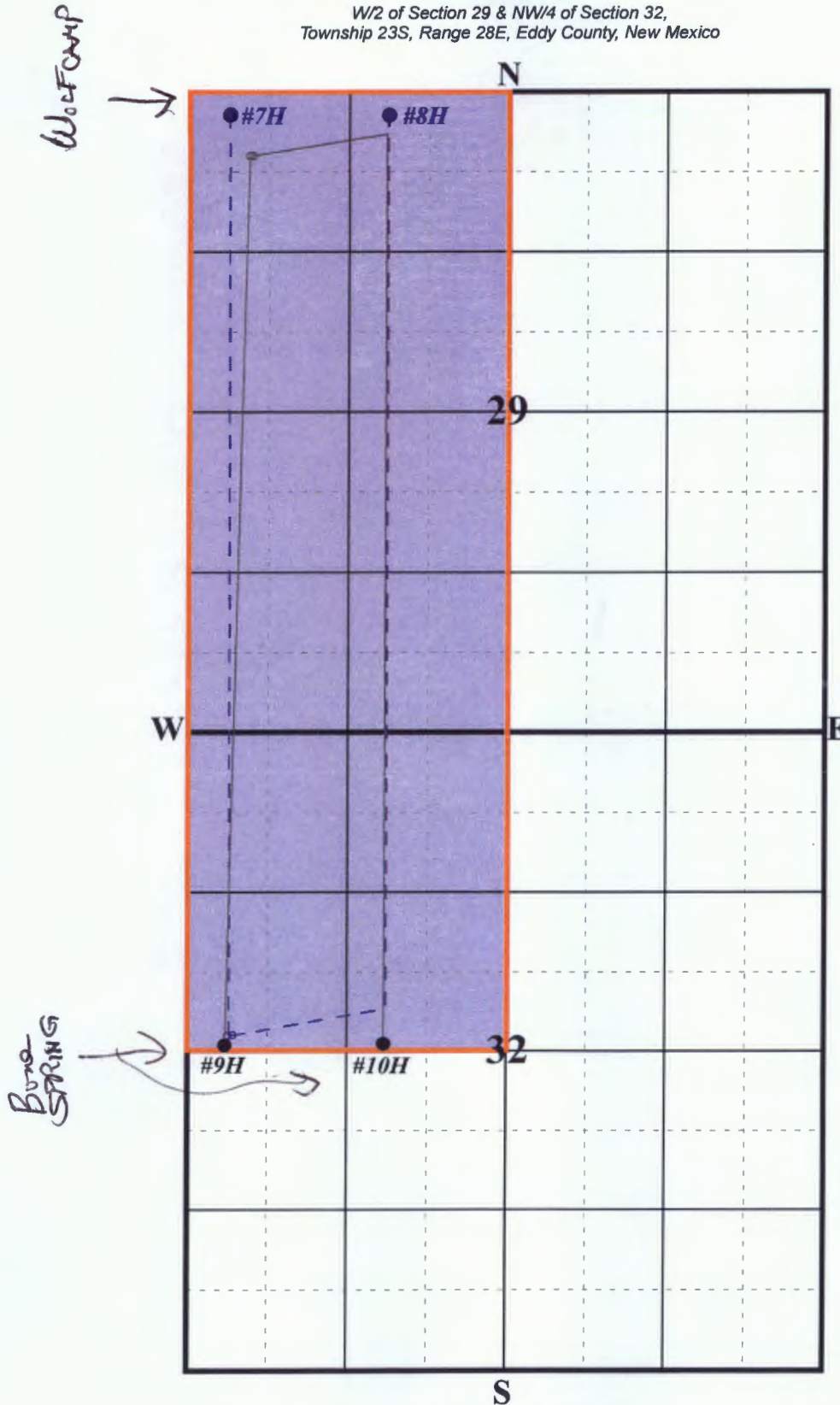
APPROVED WITH CONDITIONS



BTA Oil Producers, LLC

W/2 Development Plan

W/2 of Section 29 & NW/4 of Section 32,
Township 23S, Range 28E, Eddy County, New Mexico



Ogden 20509 32-29 Fed Com #7H
SHL: 2440'FNL & 330'FWL / BHL:200'FNL & 330'FWL
Ogden 20509 32-29 Fed Com #8H
SHL: 2440'FNL & 360'FWL / BHL:200'FNL & 1650'FWL
Ogden 20509 29-32 Fed Com #9H
SHL: 540'FNL & 490'FWL / BHL:2590'FNL & 330'FWL
Ogden 20509 29-32 Fed Com #10H
SHL: 540'FNL & 520'FWL / BHL:2590'FNL & 1650'FWL

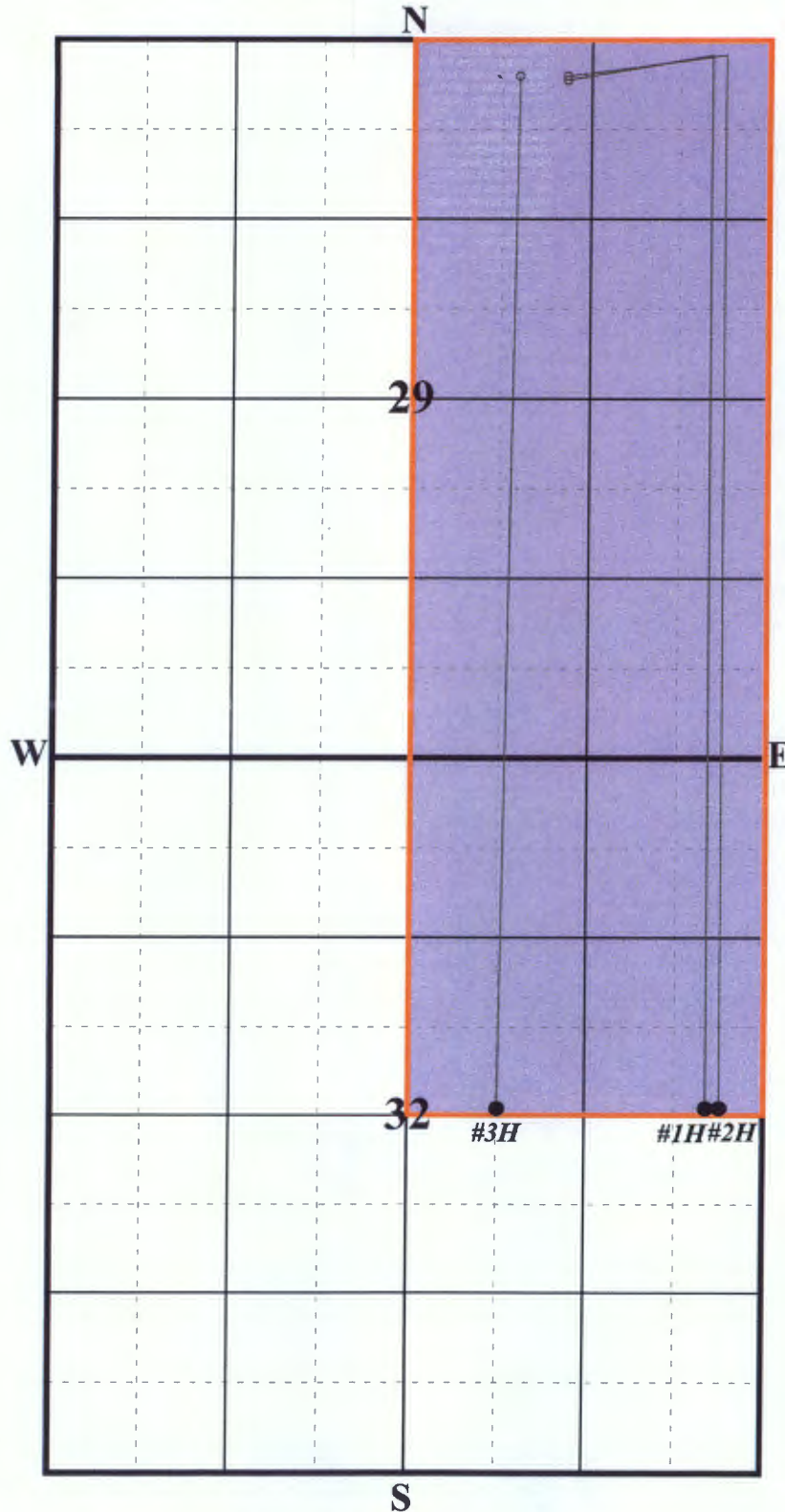
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 8
Submitted by: **BTA OIL PRODUCERS**
Special Hearing Date: April 24, 2018



BTA Oil Producers, LLC

E/2 Development Plan

*E/2 of Section 29 & NE/4 of Section 32,
Township 23S, Range 28E, Eddy County, New Mexico*



Ogden 20509 29-32 Fed Com #1H

Anticipated Spud Date: June 20, 2018

SHL: 270'FNL& 1505'FEL / BHL: 2600'FNL& 330'FEL

Ogden 20509 29-32 Fed Com #2H

Anticipated Spud Date: June 8, 2018

SHL: 300'FNL& 1505'FEL / BHL: 2600'FNL& 430'FEL

Ogden 20509 29-32 Fed Com #3H

Anticipated Spud Date: July 7, 2018

SHL: 270'FNL& 1860'FEL / BHL: 2600'FNL& 1980'FEL

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 9

Submitted by: **BTA OIL PRODUCERS**

Special Hearing Date: April 24, 2018

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

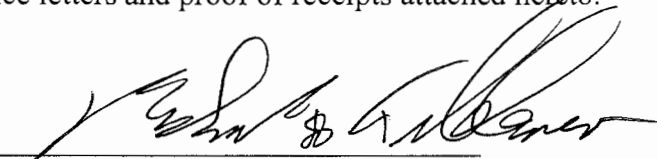
**AMENDED APPLICATION OF BTA OIL
PRODUCERS, LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT, AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 16024

AFFIDAVIT

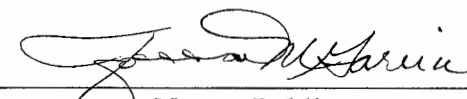
STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Michael H. Feldewert, attorney in fact and authorized representative of BTA Oil Producers, LLC., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

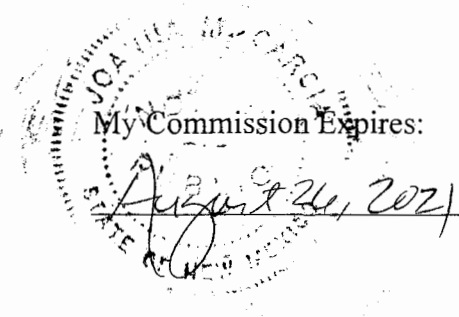


Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 23th day of April, 2018 by Michael H. Feldewert.


Notary Public

My Commission Expires:



August 24, 2021

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 10
Submitted by: **BTA OIL PRODUCERS**
Special Hearing Date: April 24, 2018

HOLLAND & HART



Adam G. Rankin
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

March 2, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of BTA Oil Producers, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.
BTA-Ogden 20509 32-29 Fed Com #5H Well
BTA-Ogden 20509 32-29 Fed Com #6H Well

Ladies & Gentlemen:

This letter is to advise you that BTA Oil Producers, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on March 22, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter please contact Ashley Beal at (432) 682-3753 or abeal@btaoil.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR BTA OIL PRODUCERS, LLC

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

BTA-Ogden 20509 32-29 #5H
Case No. 16024 - Pooled Parties

Shipment Date: 03/02/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	18
Total	18

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

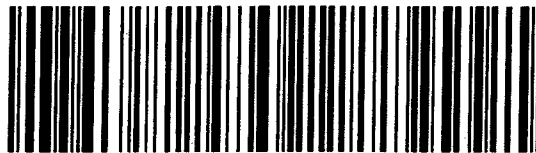
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 4151 58



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8304 6947 30		Birch Royalties LLC PO BOX 660882 Dallas TX 75266-0882		0.49	3.45								1.50			
2. 9214 8901 9403 8304 6947 47		BNM Inc 4032 US Hwy 82 Mayhill NM 88339		0.49	3.45								1.50			
3. 9214 8901 9403 8304 6947 54		Debra J Hamilton 454 Hannah Lane Boone TX 78006		0.49	3.45								1.50			
4. 9214 8901 9403 8304 6947 61		Douglas C Koch PO BOX 540244 Houston TX 77254		0.49	3.45								1.50			
5. 9214 8901 9403 8304 6947 78		Fred C Corey dba Poco Royalty Company 2602 Terrace Midland TX 79705		0.49	3.45								1.50			
6. 9214 8901 9403 8304 6947 85		Lost Creek Royalties LP PO BOX 11146 Midland TX 79701		0.49	3.45								1.50			
7. 9214 8901 9403 8304 6947 92		Lynn Chavik 3821 Tanforan Court Midland TX 79707		0.49	3.45								1.50			
8. 9214 8901 9403 8304 6948 08		Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056		0.49	3.45								1.50			
Total Number of Pieces Listed by Sender 18		Total Number of Pieces Received at Post Office														
Postmaster, Per (Name of receiving employee)																



Firm Mailing Book For Accountable Mail

Name and Address of Sender		USPS Tracking/Article Number		Check type of mail or service										Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.									
				<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery																			
				Addressee (Name, Street, City, State, & ZIP Code™)																			
9. 9214 8901 9403 8304 6948 15				Mayhill Oil Corporation PO BOX 5334 Midland TX 79704-5334																			
10. 9214 8901 9403 8304 6948 22				Noble Royalties Access Fund IV LP PO BOX 660082 Dallas TX 75266-0082																			
11. 9214 8901 9403 8304 6948 39				Noble Royalties Access Fund V LP PO BOX 660082 Dallas TX 75266-0082																			
12. 9214 8901 9403 8304 6948 46				Noble Royalties Access Fund VI LP PO BOX 660082 Dallas TX 75266-0082																			
13. 9214 8901 9403 8304 6948 53				Oak Valley Mineral & Land LP PO BOX 50820 Midland TX 79710																			
14. 9214 8901 9403 8304 6948 60				Suzanne B Koch 5735 Tanglewood Cove St Houston TX 77057-3537																			
15. 9214 8901 9403 8304 6948 77				Suzanne B Koch PO BOX 270475 Houston TX 77277																			
16. 9214 8901 9403 8304 6948 84				Tay-Mor Enterprises Inc PO BOX 4723 Midland TX 79704-4723																			



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.											
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
17. 9214 8901 9403 8304 6949 91	Wayne A Blissett 4004 Blakemore Ct Midland TX 79707	0.49	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50				
18. 9214 8901 9403 8304 6949 07	Wayne A Blissett PO BOX 2101 Midland TX 79702	0.49	3.45								1.50				
Total Number of Pieces Listed by Sender 18	Total Number of Pieces Received at Post Office 18	Postmaster, Per (Name of receiving employee)													



You are using an old version of e-Certify. [Click here](#) to update to the new version.

Welcome Joanna Garcia. (Not [Joanna Garcia?](#))
Company:
Holland & Hart LLP

[Home](#) [My Queue](#) [Piece Search](#) [Support](#) [Logout](#)

[History](#) > [Mail Jobs](#) > [Mail Job Details](#)



My Tools

[Mail Jobs](#)

[Mail Pieces](#)

[Manual Mailings](#)

[Reports](#)

[Setup](#)

[Account](#)

[Tools](#)

Mail Pieces

Filter:

< No Filter >

Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8304 6949 07	Wayne A Bissett PO BOX 2101 Midland TX 79702	Delivered Signature Received	No	
9214 8901 9403 8304 6948 91	Wayne A Bissett 4004 Blakemore Ct Midland TX 79707	Delivered Signature Received	No	
9214 8901 9403 8304 6948 84	Tay-Mor Enterprises Inc PO BOX 4723 Midland TX 79704-4723	Delivered Signature Received	No	
9214 8901 9403 8304 6948 77	Suzanne B Koch PO BOX 270475 Houston TX 77277	Delivered Signature Received	No	
9214 8901 9403 8304 6948 60	Suzanne B Koch 5735 Tanglewood Cove St Houston TX 77057-3537	In-Transit	No	
9214 8901 9403 8304 6948 53	Oak Valley Mineral & Land LP PO BOX 50820 Midland TX 79710	Delivered Signature Received	No	
9214 8901 9403 8304 6948 46	Noble Royalties Access Fund VI LP PO BOX 660082 Dallas TX 75266-0082	Delivered Signature Received	No	
9214 8901 9403 8304 6948 39	Noble Royalties Access Fund V LP PO BOX 660082 Dallas TX 75266-0082	Delivered Signature Received	No	
9214 8901 9403 8304 6948 22	Noble Royalties Access Fund IV LP PO BOX 660082 Dallas TX 75266-0082	Delivered Signature Received	No	
9214 8901 9403 8304 6948 15	Mayhill Oil Corporation PO BOX 5334 Midland TX 79704-5334	Delivered Signature Received	No	
9214 8901 9403 8304 6948 08	Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056	Delivered Signature Received	No	
9214 8901 9403 8304 6947 92	Lynn Charuk 3921 Tanforan Court Midland TX 79707	Delivered Signature Received	No	
9214 8901 9403 8304 6947 85	Lost Creek Royalties LP PO BOX 11148 Midland TX 79701	Delivered Signature Received	No	
9214 8901 9403 8304 6947 78	Fred C Corey dba Poco Royalty Company 2602 Terrace Midland TX 79705	Delivered Signature Received	No	
9214 8901 9403 8304 6947 61	Douglas C Koch PO BOX 540244 Houston TX 77254	Delivered Signature Received	No	

4/23/2018

ConnectSuite e-Certify

Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8304 6947 54	Debra J Hamilton	Delivered		
	454 Hannah Lane	Signature	No	
	Boerne TX 78006	Received		
9214 8901 9403 8304 6947 47	BNM Inc	Delivered		
	4032 US Hwy 82	Signature	No	
	Mayhill NM 88339	Received		
9214 8901 9403 8304 6947 30	Birch Royalties LLC	Delivered		
	PO BOX 660082	Signature	No	
	Dallas TX 75266-0082	Received		

50 items per page

© 2017 Connect-Suite.com.
Release v4.5
[REDACTED]

HOLLAND & HART^{LLP}



Adam G. Rankin
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

March 2, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

Re: Application of BTA Oil Producers, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.
BTA-Ogden 20509 32-29 Fed Com #5H Well
BTA-Ogden 20509 32-29 Fed Com #6H Well

This letter is to advise you that BTA Oil Producers, has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on March 22, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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.

If you have any questions about this matter please contact Ashley Beal at (432) 682-3753 or abeal@btaoil.com.

Sincerely,

Adam G. Rankin

ATTORNEY FOR BTA OIL PRODUCERS, LLC



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

BTA-Ogden 20509 32-29 #5H
Case No. 16024 - Offset Parties -

Shipment Date: 03/02/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	10
Total	10

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0007 4155 47



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.										
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8304 6951 33	BK Exploration Corporation 10159 E 11th Street Suite 401 Tulsa OK 74128	0.49	3.45								1.50			
2. 9214 8901 9403 8304 6951 40	COG Operating LLC 600 West Illinois Avenue Midland TX 79701	0.49	3.45								1.50			
3. 9214 8901 9403 8304 6951 57	Legacy Reserves Operating LP 303 W Wall St Suite 1800 Midland TX 79701	0.49	3.45								1.50			
4. 9214 8901 9403 8304 6951 64	Nordstrand Engineering Inc 3228 O'Amica Street Suite 200 Houston TX 77019	0.49	3.45								1.50			
5. 9214 8901 9403 8304 6951 71	Marathon Oil Permian LLC 5655 San Felipe Street Houston TX 77056	0.49	3.45								1.50			
6. 9214 8901 9403 8304 6951 88	Matador Production Company One Lincoln Centre 5400 LBJ Freeway Suite 1500 Dallas TX 75240	0.49	3.45								1.50			
7. 9214 8901 9403 8304 6951 95	Merbourne Oil Company 500 West Texas Ave Suite 1020 Midland TX 79701	0.49	3.45								1.50			
8. 9214 8901 9403 8304 6952 01	Basic Energy Services LP 801 Cherry Street Suite 2100 Fort Worth TX 76102	0.49	3.45								1.50			
Total Number of Pieces Listed by Sender 10	Total Number of Pieces Received at Post Office 10	Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

[illegible]



▲ You are using an old version of e-Certify. [Click here](#) to update to the new version.

Welcome Joanna Garcia, (Not [Joanna Garcia?](#))
Company:
Holland & Hart LLP

[Home](#) [My Queue](#) [Piece Search](#) [Support](#) [Logout](#)

< [History](#) > [Mail Jobs](#) > [Mail Job Details](#)



My Tools

[Mail Jobs](#)

[Mail Pieces](#)

[Manual Mailings](#)

[Reports](#)

[Setup](#)

[Account](#)

[Tools](#)

Mail Pieces

Filter:

< No Filter >

Barcode

Recipient

Status

DL

Custom

9214 8901 9403 8304 6952 25

NGL Water Solutions Permian LLC
1509 W Wall Street Suite 306
Midland TX 79701

Delivered
Signature
Received

No

9214 8901 9403 8304 6952 18

Black River Water Management
Company LLC
One Lincoln Centre 5400 LBJ Freeway
Suite 1500
Dallas TX 75240

Delivered
Signature
Received

No

9214 8901 9403 8304 6952 01

Basic Energy Services LP
801 Cherry Street Suite 2100
Fort Worth TX 76102

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 95

Mewbourne Oil Company
500 West Texas Ave Suite 1020
Midland TX 79701

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 88

Matador Production Company
One Lincoln Centre 5400 LBJ Freeway
Suite 1500
Dallas TX 75240

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 71

Marathon Oil Permian LLC
5555 San Felipe Street
Houston TX 77056

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 64

Nordstrand Engineering Inc
3229 D'Amico Street Suite 200
Houston TX 77019

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 57

Legacy Reserves Operating LP
303 W Wall St Suite 1800
Midland TX 79701

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 40

COG Operating LLC
600 West Illinois Avenue
Midland TX 79701

Delivered
Signature
Received

No

9214 8901 9403 8304 6951 33

BK Exploration Corporation
10159 E 11th Street Suite 401
Tulsa OK 74128

Delivered
Signature
Received

No



50

items per page

© 2017 ConnectSuite, Inc.
Houston, TX
www.connectsuite.com

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001237797

HOLLAND & HART
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

03/15/18

Kazara
Legal Clerk

Subscribed and sworn before me this
15th of March 2018.

Vicky Felty
State of WI, County of Brown
NOTARY PUBLIC

9/9/21
My Commission Expires

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **March 22, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **March 12, 2018**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO
TO:
All named parties
and persons
having any right, title,
interest
or claim in the
following cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All offset owners and pooled parties, including BK Exploration Corporation; COG Operating LLC; Legacy Reserves Operating, LP; Nordstrand Engineering Inc.; Marathon Oil Permian LLC; Matador Production Company; Mewbourne Oil Company; Basic Energy Services, LP; Black River Water Management Company, LLC; NGL Water Solu-



Ad#:0001237797
P O :
of Affidavits :0.00

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 11
Submitted by: BTA OIL PRODUCERS
Special Hearing Date: April 24, 2018

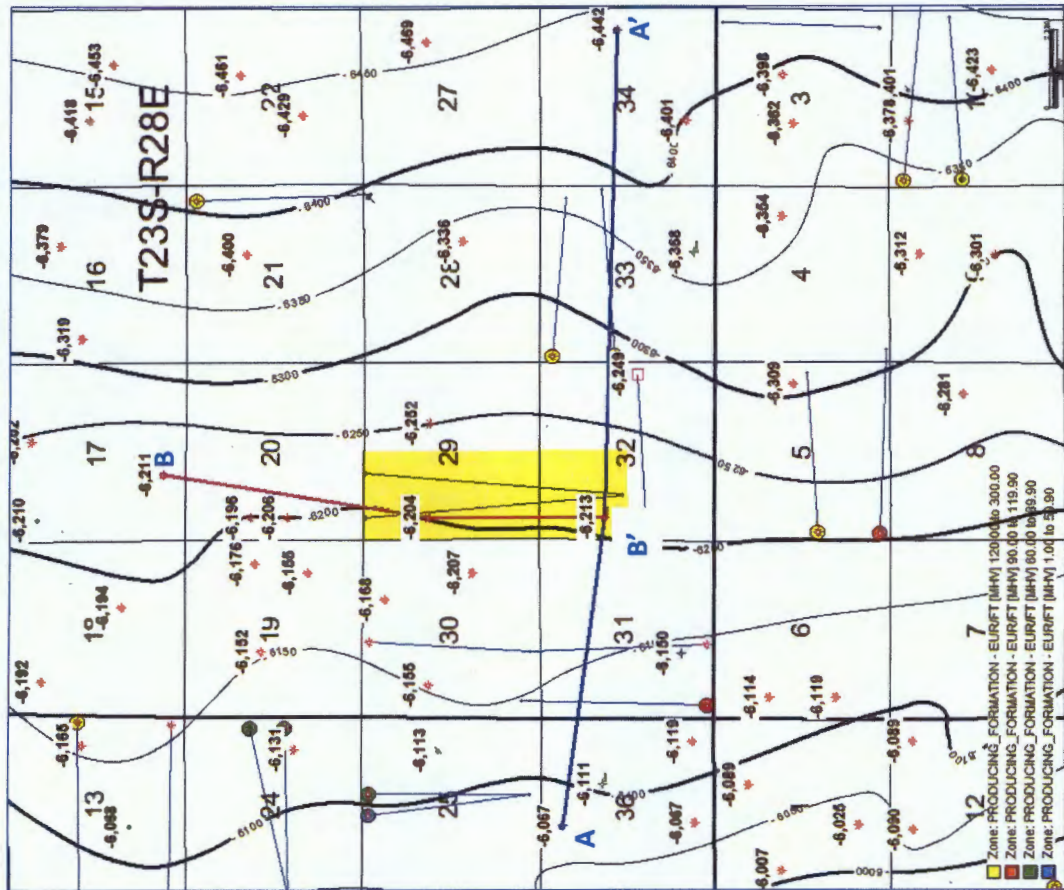
tions Permian, LLC; Madison M. Hinkle, her heirs and devisees; Rolla R. Hinkle, III, his heirs and devisees; Mae Jones Jackson, her heirs and devisees; Jones & Jordan Mineral Trust No. 5-2, Kenneth H. Jordan, Trustee; David R. Jones, his heirs and devisees; Robert J. Jones, his heirs and devisees; Kimberley Rose Jordan, her heirs and devisees; George A. Lakey, his heirs and devisees; Kay Larsen, Trustee of the Cassidy Enterprises, A Trust; Mary R. Leonard, her heirs and devisees; Silver Spur Resources, LLC; Springbok Energy Partners II, LLC; Tilden Capital LLC; Tulsa Energy, LLC; Pardue Limited Company; Polk Land and Minerals, LP; Crown Rock Minerals, LP; JPH Holdings, LP; Ruth W. Gose, f/k/a Ruth Moore, her heirs and devisees; Deborah D. Weakly-Lammermann, her heirs and devisees; Birch Royalties, LLC; Lynn Charuk, her heirs and devisees; Fred C. Corey dba Poco Royalty Company, his heirs and devisees; Debra J. Hamilton, her heirs and devisees; Mayhill Oil Corporation; Noble Royalties Access Fund VI LP; Noble Royalties Access Fund IV LP; Noble Royalties Access Fund V LP; BNM Inc.; Tay-Mor Enterprises Inc.; Douglas C. Koch, his heirs and devisees; Suzanne B. Koch, her heirs and devisees; Wayne A. Bissett, his heirs and devisees; Lost Creek Royalties, LP; BTA Oil Producers, LLC; The State of New Mexico Commissioner of Public Lands Oil and Gas Accounting Division; Office of Natural Resources Revenue Royalty Management Program; Oak Valley Mineral & Land LP; Geraldine M. Wyrick, her heirs and devisees.

Case No. 16024:
Amended Application of
BTA Oil Producers, LLC
for a non-standard spacing
and proration unit
and compulsory pooling.
Eddy County, New Mexico.
Applicant in the
above-styled cause seeks
an order (1) authorizing a
non-standard, 160-acre
spacing unit in the Purple
Sage Wolfcamp Gas Pool
(98220); (2) combining

that 160-acre non-standard spacing unit with a standard 320-acre spacing unit to create a 480-acre non-standard spacing and proration unit comprised of the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be the project area for two proposed initial wells, to be drilled and simultaneously completed: the proposed **BTA-Ogden 20509 32-29 Fed Com #5H Well** and the proposed **BTA-Ogden 20509 32-29 Fed Com #6H Well**. The **BTA-Ogden 20509 32-29 Fed Com #5H Well** has a standard surface location in the SE/4 NW/4 (Unit F) of Section 32 with a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 29. The **BTA-Ogden 20509 32-29 Fed Com #6H Well** will have a standard surface hole location in the SW/4 NW/4 (Unit E) of Section 32 with a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 29. The completed interval for the each will remain within the 330-foot standard offset required by the Special Rule for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BTA Oil Producers, LLC as operator of the wells and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, N.M. Legal #1237797

Run: 3/15

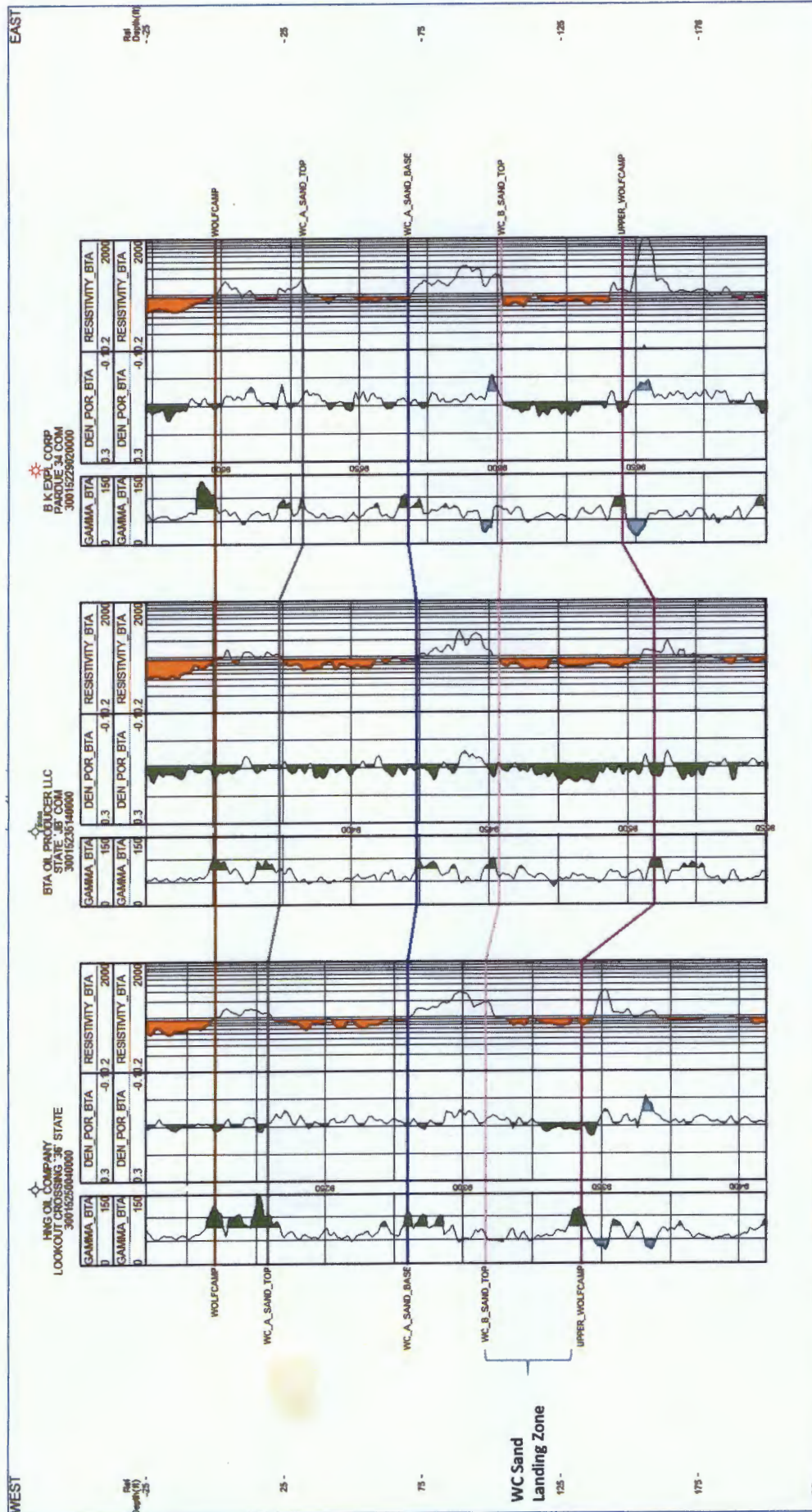
MAP SHOWING TOP WOLFCAMP STRUCTURE MAP, LOCATION OF CROSS SECTIONS AND WOLFCAMP SAND HORIZONTAL WELLS



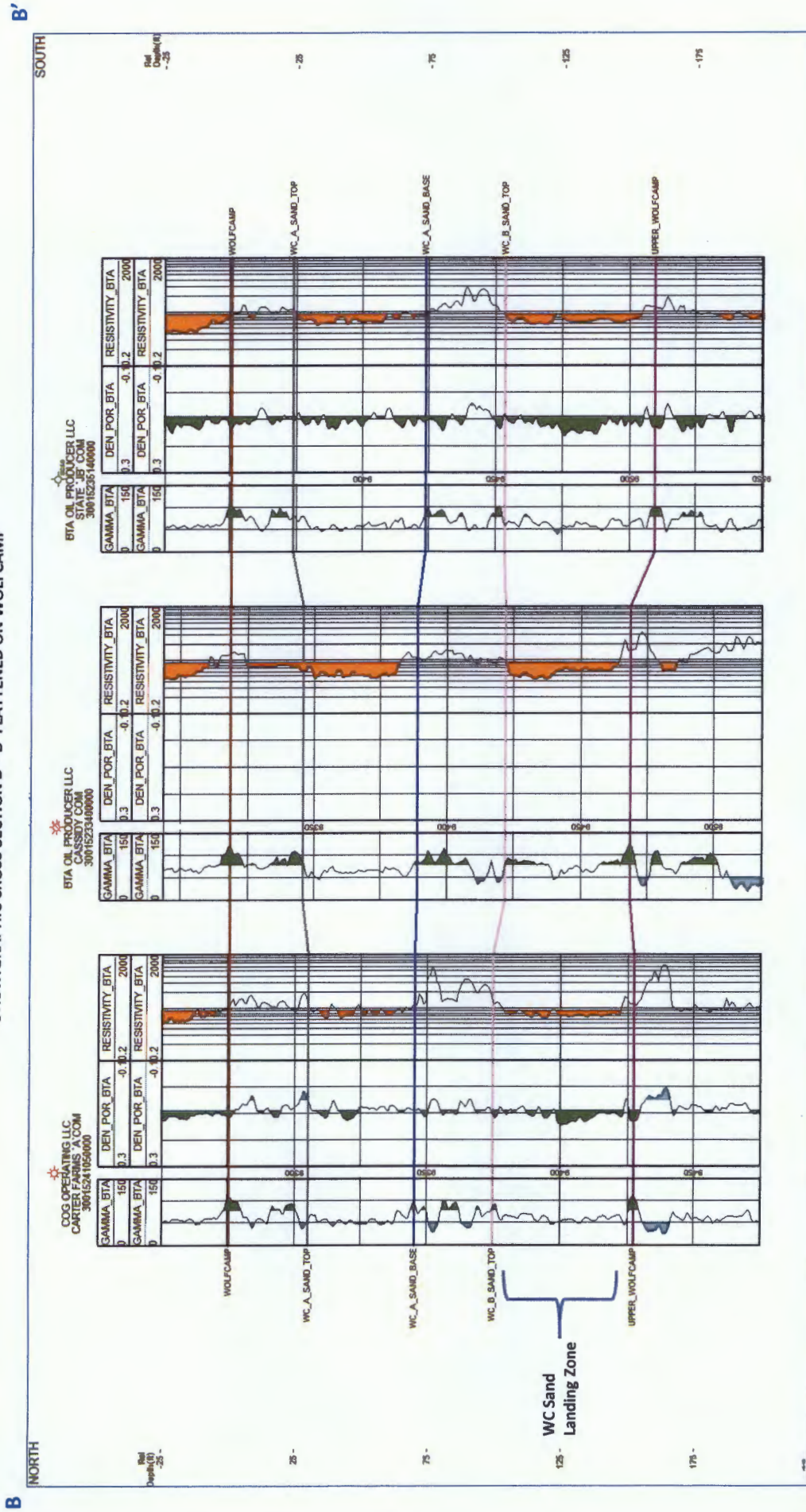
Attributes are BO/Lateral foot based on EUR
WC Sand Production

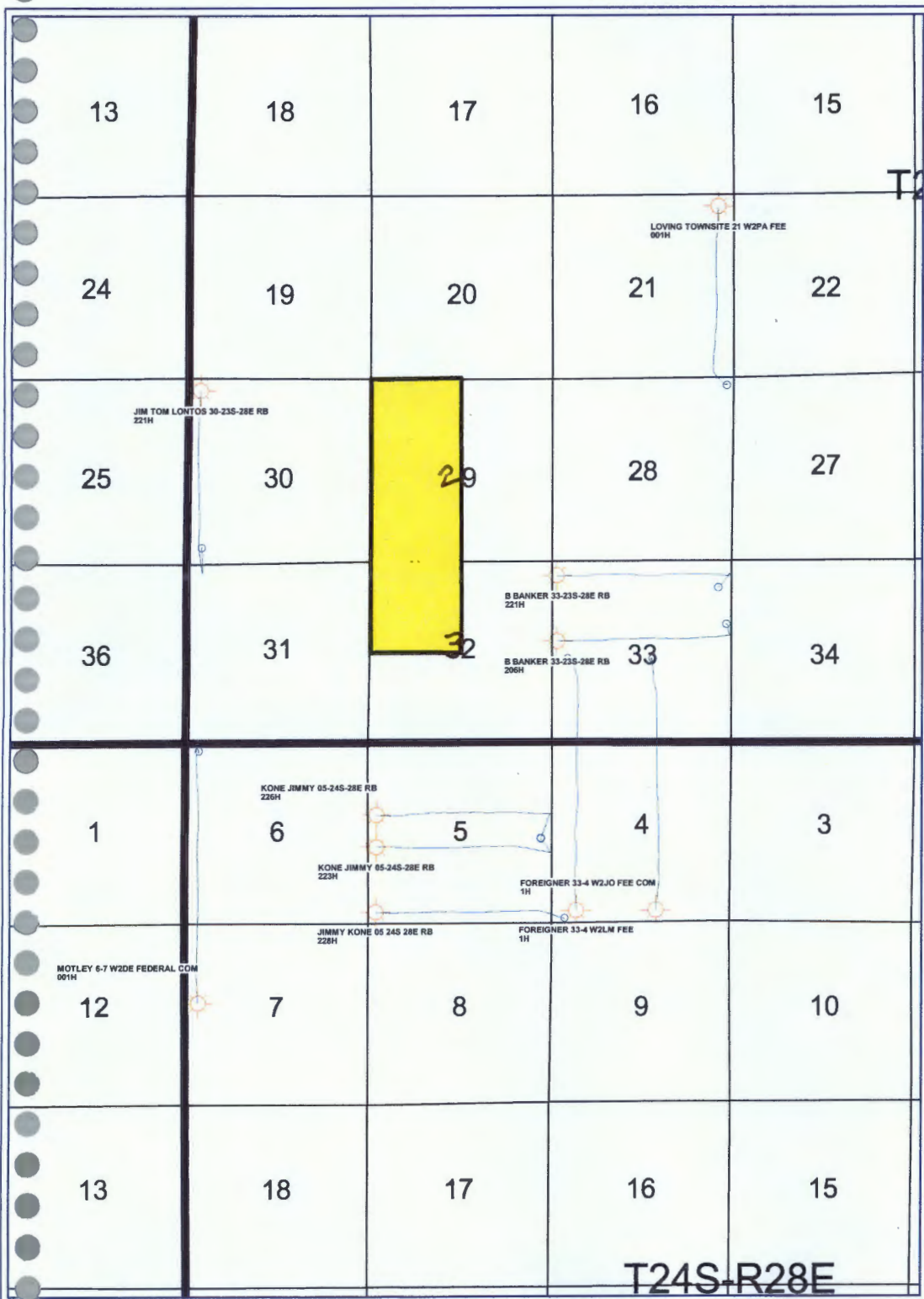
A'

STRATIGRAPHIC CROSS SECTION A - A' FLATTENED ON WOLFCAMP



STRATIGRAPHIC CROSS SECTION B - B' FLATTENED ON WOLFCAMP



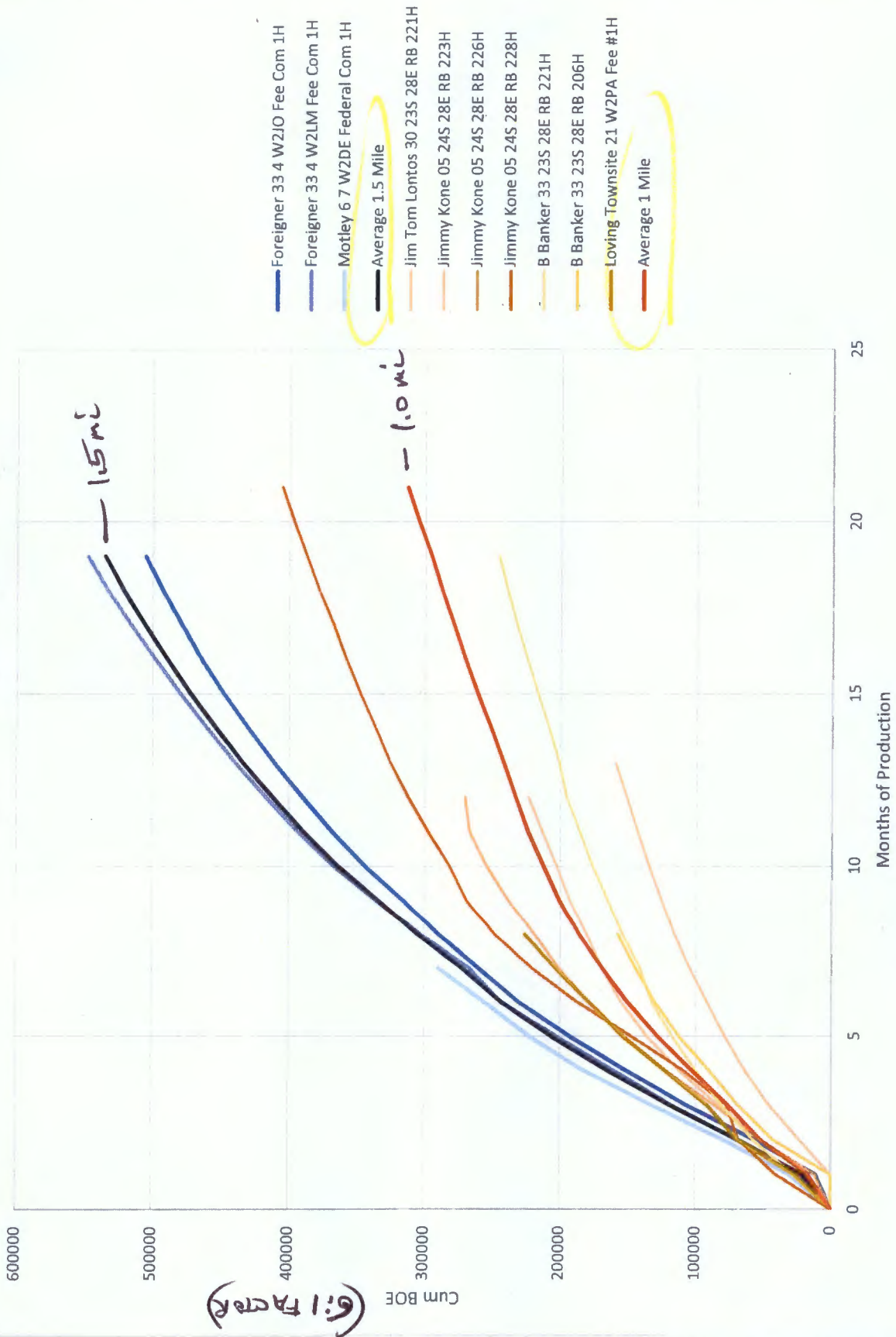


BTA Oil Producers, LLC
Loving, New Mexico Area
Wolfcamp D Completions
WELL SYMBOLS Gas Well
REMARKS Proposed ~480 acre unit shown in yellow.
By: BMM

PETRA 4/19/2018 8:17:33 AM

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. 15
 Submitted by: **BTA OIL PRODUCERS**
 Special Hearing Date: April 24, 2018

Lower Wolfcamp Cum BOE vs Time



BEFORE THE OIL CONSERVATION DIVISION

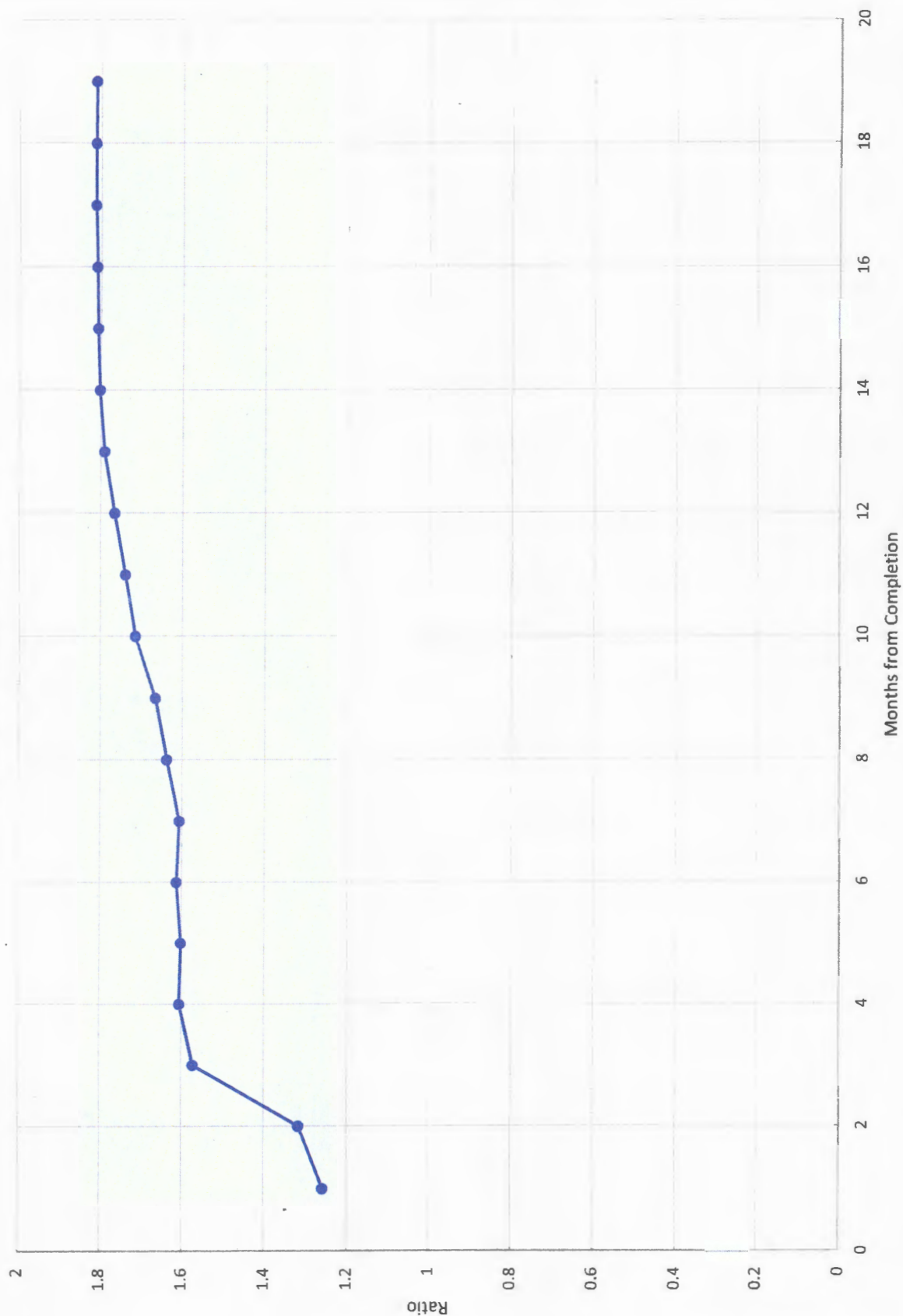
Santa Fe, New Mexico

Exhibit No. 16

Submitted by: BTA OIL PRODUCERS

Special Hearing Date: April 24, 2018

Ratio of 1.5 Mile Cum to 1 Mile Cum



OIL & GAS LEASE

THIS LEASE AGREEMENT (the "Lease") is made this 11th day of January, 2016, but effective August 24, 2016, (the "Effective Date"), between Pardue Limited Company, whose mailing address is P.O. Box 2018, Carlsbad, N.M. 88221, the "Lessor" (whether one or more), and Featherstone Development Corporation, whose mailing address is P.O. Box 429, Roswell, N.M. 88202-0429, the "Lessee".

1. Lessor, in consideration of TEN DOLLARS and other consideration, the receipt of which is acknowledged, and of the royalties and agreements of the Lessee provided for in this Lease, grants, leases and lets exclusively to Lessee for the purpose of investigating, by geological, geophysical, seismic and other means, exploring, prospecting, drilling, and operating for and producing oil and gas, injecting gas, waters, other fluids, and air into subsurface strata, laying pipelines, storing oil, building tanks, roadways, telephone lines, and other structures and things to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Eddy County, New Mexico.

Township-23-South, Range-28-East, N.M.P.M.

Section 29: SE/4NW/4, E/2SW/4, SW/4SW/4

*Whether listed above or not, this Oil & Gas Lease covers All of Lessor's minerals in Section 29 of Township-23-South, Range-28-East, N.M.P.M.

The land is estimated to comprise 160.0 acres, whether it actually comprises more or less, and are referred to as the "land" or the "lease premises."

2. Subject to the other provisions herein contained, this Lease shall remain in force for a term of Three (3) years from the Effective Date (the "primary term"), and as long thereafter as oil or gas is produced from the land or from land with which the land is pooled.

3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from the land, the same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from the land and used off the lease premises or used in the manufacture of gasoline or other products, the market value at the well of 1/4 of the gas used, provided that on gas sold on or off the lease premises, the royalties shall be 1/4 of the amount realized from the sale; (c) and at any time when this Lease is not validated by other provisions and there is a gas and/or condensate well on the land, or land pooled with the land, is not being sold or used and the well is shut in, either before or after production, then on or before 90 days after the well is shut in, and thereafter at annual intervals, Lessee may pay or tender an advance shut-in royalty equal to \$1.00 per net acre of Lessor's gas acreage then held under this Lease by the party making the payment or tender, and so long as the shut-in royalty is paid or tendered this Lease shall not terminate and it shall be considered under its terms that gas is being produced from the leased premises in paying quantities. Each payment shall be paid or tendered to the party or parties who at the time of the payment would be entitled to receive the royalties which would be paid under this Lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this Lease in the same manner as though a proper payment had been made if Lessee shall correct the error within 30 days after Lessee has received written notice by certified mail from the party or parties entitled to receive payment together with the written instruments (or certified copies) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the lease premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for the term and under the conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in the contract or regulatory orders.

4. This is a Paid-Up Lease and Lessee shall not be obligated during the primary term to commence or continue any operations of any character or to make any payments in order to maintain this Lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligation to pay royalties on actual production pursuant to the provision of paragraph 3 above.

5. Lessee is granted the right and power, from time to time, to pool or combine this Lease, the land covered by it, or any part, subsurface depth, or horizon of the land with any other land, leases or mineral estates, for the production of oil or gas. Units pooled by the terms of this Lease shall not exceed the standard proration unit fixed by law or by the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which the land is situated, plus a tolerance of ten percent. Lessee shall file written unit designations

FEATHERSTONE DEVELOPMENT CORP
P O BOX 429
ROSWELL, NM 88202-0429

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 18

Submitted by: BTA OIL PRODUCERS
Special Hearing Date: April 24, 2018

18

in the county in which the lease premises are located and the units may be designated from time to time and either before or after the completion of wells. Drilling operations on or production from any part of any unit shall be considered for all purposes, except the payment of royalty, as operations conducted on or production from the land subject to this Lease. There shall be allocated to the land covered by this Lease included in any unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in Lease or unit operations, which the net oil or gas acreage in the land covered by this Lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of the land covered by this Lease and included in a unit in the same manner as though produced from the land under the terms of this Lease. Any pooled unit designated by Lessee, may be dissolved by Lessee by recording an appropriate instrument in the county where the land is situated at any time.

6. If at the expiration of the primary term there is no well on the land capable of producing oil or gas, but Lessee has commenced operations for drilling or reworking, this Lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether the operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from the land. If, after the expiration of the primary term, all wells on the land should become incapable of producing for any cause, this Lease shall not terminate if Lessee commences operations for additional drilling or reworking within 60 days. If any drilling, additional drilling, or reworking operations result in production, then this Lease shall remain in full force so long thereafter as oil or gas is produced.

7. Lessee shall have free use of oil, gas and water from the land, except water from Lessor's wells and tanks, for all operations under this Lease, and the royalty shall be computed after deducting any so used. Lessee shall have the right at any time during or after the expiration of this Lease to remove all property and fixtures placed by Lessee on the land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury all pipelines on cultivated lands below ordinary plow depth, and no well shall be drilled within two hundred feet (200 ft.) of any residence or barn now on the land without Lessor's consent.

8. The rights of Lessor or Lessee to this Lease may be assigned in whole or in part and the provisions of this Lease shall extend to their respective heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut in royalties, however accomplished shall operate to enlarge the obligations or diminish the rights of Lessee; and no change or division shall be binding on Lessee for any purpose until 30 days after Lessee has been furnished by certified mail at Lessee's principal place of business with acceptable instruments or certified copies of them constituting the chain of title from the original Lessor. If any such change in ownership occurs through death of an owner, Lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to the deceased's estate or heirs, executor, or administrator until the time Lessee has been furnished with evidence satisfactory to Lessee as to the persons entitled to the sums. An assignment of this Lease in whole or in part shall, to the extent of the assignment, relieve and discharge Lessee of any obligations under this Lease and, if Lessee or an assignee of a part or parts of this Lease shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from the Lessee or an assignee or fail to comply with any of the provisions of this Lease, the default shall not affect this Lease insofar as it covers a part of the lands on which Lessee or any assignee shall properly comply or make the payments.

9. Should Lessee be prevented from complying with any express or implied covenant of this Lease, or from conducting drilling or reworking operations on this Lease, or from producing oil or gas by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's duties under this Lease shall be suspended, and Lessee duly shall not be liable for failure to comply with the terms of this Lease; and, this Lease shall be extended while and so long as Lessee is prevented by any cause from conducting drilling or reworking operations or from producing oil or gas; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding.

10. Lessor warrants and agrees to defend the title to the land and agrees that Lessee at its option may discharge any tax, mortgage or other lien on the land. In the event Lessee does so, it shall be subrogated to the lien with the right to enforce same and to apply royalties and shut-in royalties payable under the terms of this Lease toward satisfying same. Without impairment of Lessee's rights under the warranty, if this Lease covers a lesser interest in the oil or gas in all or any part of the land than the entire and undivided fee simple estate (whether Lessor's interest is specified or not) then the royalties, shut-in royalty, and other payments, if any, accruing from any part as to which this Lease covers less than the full interest, shall be paid only in the proportion which the interest, if any, covered by this Lease, bears to the whole and undivided fee simple estate in the land. Should any one or more of the parties named above as Lessors fail to execute this Lease, it shall nevertheless be binding on the party or parties executing the Lease.

11. Lessee and Lessee's successors, heirs and assigns, shall have the right at any time to surrender this Lease, in whole or in part, to Lessor or Lessor's heirs, successors, and assigns by delivering or mailing a release to the Lessor, or by placing a release of record in the county in which the land is situated. Then, Lessee shall be relieved from all obligations, expressed or implied of this Lease as to acreage surrendered, and then the shut-in royalty payable under the terms of this Lease shall be reduced in the proportion that the acreage covered by this Lease is reduced by the release or releases.

12. It is understood and agreed that this Oil & Gas Lease is expressly subordinate and subject to that certain existing Paid-Up Oil & Gas Lease ("Existing Lease") effective August 24, 2013, as recorded in Book 946, Page 96, in the Official Public Records of Eddy County, New Mexico, by and between Pardue Limited Company, as Lessor, and Featherstone Development Corporation as Lessee, insofar as said Existing Lease covers lands described herein, but only to the extent that said Existing Lease is currently a valid and enforceable Oil & Gas Lease. This Lease shall in no event interfere with said Existing Lease and Lessee shall have no right of entry or possession for the purpose of exercising Lessee's rights hereunder during such time and only as long as such Existing Lease remains valid and subsisting under its own terms (but not any renewal or extension thereof) as to any lands covered hereby. It is expressly agreed that this Lease shall be for a primary term of three (3) years from the Effective Date hereof. The Effective Date of this Lease shall be the day following the expiration or termination of the Existing Lease for any reason whatsoever, but in no event later than August 24, 2016. Lessor represents and warrants that Lessor has not entered into, and will not enter into, any renewal or agreement to renew said Existing Lease or amend said Existing Lease so as to extend the primary term thereof as set forth or recorded therein. Lessor also warrants there are no other top leases on any of the lease premises and agrees that no other top leases covering all or any part of the lease premises will be executed by Lessor. Lessor further warrants that they will not extend or amend the existing lease.

SEE ATTACHED EXHIBIT "A" FOR ADDITIONAL PROVISIONS

This Lease is executed by the Lessor as of the date of the acknowledgment below, but shall be deemed effective as of the Effective Date stated above.

Lessor:

Pardue Limited Company

By: Lawrence G. Pardue

Lawrence G. Pardue, Co-Manager

ACKNOWLEDGEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §

This instrument was acknowledged before me this 13th day of January, 2016, by Lawrence G. Pardue, Co-Manager of Pardue Limited Company.

9-29-2019

My commission expires:

Mike Hyden
Notary Public

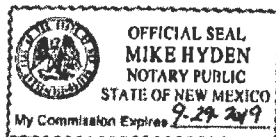


EXHIBIT "A"

Exhibit "A" being attached to and made a part of that certain Oil & Gas Lease dated 11th day of January, 2016, but effective August 24, 2016, by and between Pardue Limited Company ("Lessor"), and Featherstone Development Corporation, ("Lessee").

13. Notwithstanding anything contained herein to the contrary, Lessee shall not be allowed after the end of the primary term to maintain this lease in force and effect as to any portion of the leased premises by payment of shut-in gas well royalty payments for any period longer than two (2) in aggregate years, at which time this Lease shall automatically terminate.

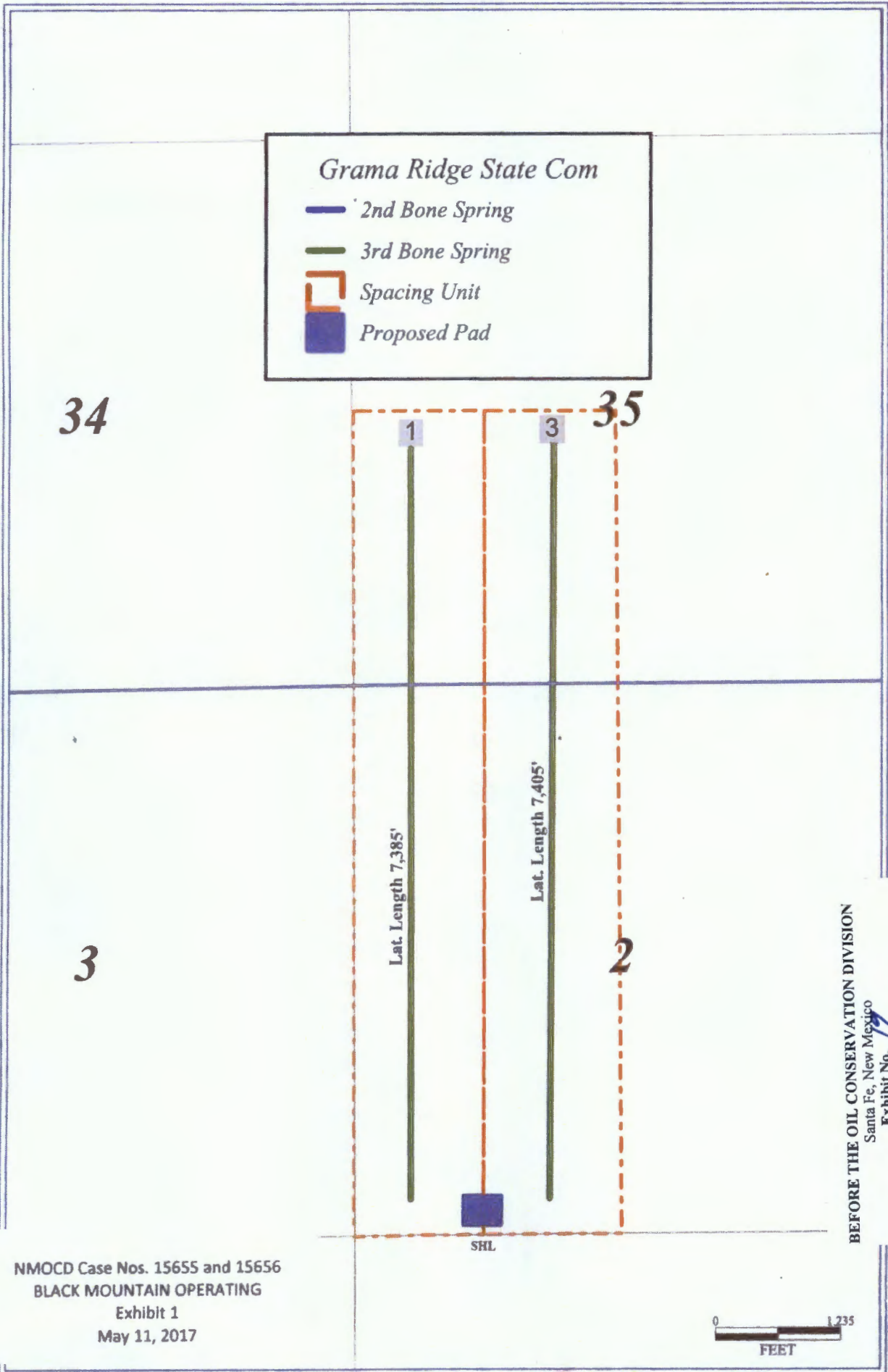
14. Notwithstanding anything contained herein to the contrary, at the expiration of the primary term hereof, this lease shall terminate as to all lands which are not included within a lawful proration unit established by the New Mexico Oil Conservation Division for wells producing in paying quantities, unless Lessee is then engaged in drilling operations and completes a well, either as a dry hole or a producer, within one hundred twenty(120) days from the expiration date of the primary term. If Lessee is, at the expiration of the primary term, then engaged in actual drilling operations and Lessee completes a well within one hundred twenty(120) days from the expiration date of the primary term, either as a dry hole or a producer, this lease shall remain in full force and effect as to all lands and depths covered hereby for so long as diligent operations shall continue to completion or abandonment of each well, and for so long thereafter as operations for drilling continue to be conducted with no more than one hundred twenty(120) days elapsing between the completion or abandonment of one well and the commencement of actual drilling operations of the next well. After the expiration of the primary term or the continuous drilling program, whichever occurs last, Lessee shall thereupon within thirty (30) days record a written Release in the records of Eddy County, New Mexico, of all acreage not dedicated to a producing proration unit for wells producing in paying quantities, together with all depths and horizons which are one hundred feet (100') below the stratigraphic equivalent of the deepest producing depth by Lessee for each well capable of producing in paying quantities. In the event Lessee fails to so record such Release, then following Lessee's failure to do so within thirty (30) days from the date of written demand for such Release is mailed from Lessor to Lessee, Lessor may thereafter proceed to execute and file such Release in the county records which shall have the same effect as if filed by Lessee and Lessee irrevocably appoints Lessor as its agent to so execute and file the Release in accordance with the terms of this paragraph. "Producing in paying quantities" shall be construed to mean production of oil or gas in sufficient quantities as to yield a profit in excess of operating costs calculated on a monthly basis. A well shall be determined to be completed on the day Lessee releases the drilling rig used to drill such well, or the date such rig is moved off the location, whichever date occurs first, and a well shall be determined to be commenced when such well is spudded.

15. Notwithstanding anything contained herein to the contrary, it is expressly agreed that all royalty to be paid under this Lease shall be delivered to Lessor free and without charge of all costs of transportation, compression, processing, treatment, purification, dehydration, separation, stabilization, manufacturing, measuring, or marketing the oil, gas, or other hydrocarbons covered by this Lease.

END OF EXHIBIT "A"

RECEPTION NO: 1603421 STATE OF
NEW MEXICO, COUNTY OF EDDY
RECORDED 04/04/2016 11:46 AM
BOOK 1063 PAGE 0575
ROBIN VANNATTA, COUNTY CLERK





NMOCD Case Nos. 15655 and 15656
 BLACK MOUNTAIN OPERATING
 Exhibit 1
 May 11, 2017

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 19

Submitted by: BTA OIL PRODUCERS
 Special Hearing Date: April 24, 2018

19

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF BLACK MOUNTAIN CASE NO. 15655
OPERATING, LLC FOR A NONSTANDARD
OIL SPACING AND PRORATION UNIT,
COMPULSORY POOLING AND AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO.

Consolidated with

APPLICATION OF BLACK MOUNTAIN CASE NO. 15656
OPERATING, LLC FOR A NONSTANDARD
OIL SPACING AND PRORATION UNIT,
COMPULSORY POOLING AND AN UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO.

Consolidated with

APPLICATION OF GMT EXPLORATION CASE NO. 15659
COMPANY, LLC FOR A NONSTANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Consolidated with

APPLICATION OF GMT EXPLORATION CASE NO. 15660
COMPANY, LCC FOR A NONSTANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 20, 2017

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
WILLIAM V. JONES, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 2
Submitted by: BTA OIL PRODUCERS
Special Hearing Date: April 24, 2018

1 This matter came on for hearing before the
2 New Mexico Oil Conservation Division, Michael McMillan,
3 Chief Examiner, William V. Jones, Technical Examiner,
4 and David K. Brooks, Legal Examiner, on Thursday,
5 July 20, 2017, at the New Mexico Energy, Minerals and
6 Natural Resources Department, Wendell Chino Building,
7 1220 South St. Francis Drive, Porter Hall, Room 102,
8 Santa Fe, New Mexico.
9
10
11
12
13
14
15
16
17
18
19
20
21

22 REPORTED BY: Mary C. Hankins, CCR, RPR
23 New Mexico CCR #20
24 Paul Baca Professional Court Reporters
25 500 4th Street, Northwest, Suite 105
 Albuquerque, New Mexico 87102
 (505) 843-9241

APPEARANCES

FOR APPLICANT MARATHON OIL PERMIAN, LLC:

J. SCOTT HALL, ESQ.
MONTGOMERY & ANDREWS LAW FIRM
325 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-3873
shall@montand.com

FOR GMT EXPLORATION COMPANY, LLC and BTA OIL PRODUCERS,
LLC and DEVON ENERGY PRODUCTION COMPANY:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

1	INDEX	
2		PAGE
3	Case Numbers 15655, 15656, 15659 and 15660 Called	5
4	Opening Statement/Remarks by Mr. Bruce	8
5	Opening Statement/Remarks by Mr. Hall	12
6	GMT Exploration Company, LLC; BTA Oil Producers, LLC; and Devon Energy Production Company's Case-in-Chief:	
7	Witnesses:	
8	Mike Dilli:	
9	Direct Examination by Mr. Bruce	13
10	Cross-Examination by Examiner Jones	28, 44
	Cross-Examination by Mr. Hall	29
11	Cross-Examination by Examiner McMillan	48
	Recross Examination by Examiner Jones	51, 52
12	Recross Examination by Examiner McMillan	51, 52
	Redirect Examination by Mr. Bruce	53
13	Recross Examination by Mr. Hall	54
14	Kent Christensen:	
15	Direct Examination by Mr. Bruce	59
	Cross-Examination by Mr. Hall	65
16	Cross-Examination by Examiner Brooks	67, 71
	Cross-Examination by Examiner Jones	70
17	Recross Examination by Mr. Hall	72
	Recross Examination by Mr. Brooks	73
18	Redirect Examination by Mr. Bruce	73
19		
20	Marathon Oil Permian, LLC'S Case-in-Chief:	
21	Witnesses:	
22	Ryan Gyllenband:	
23	Direct Examination by Mr. Hall	75
	Cross-Examination by Mr. Bruce	85
24	Cross-Examination by Examiner McMillan	86
25		

1	INDEX (Cont'd)	
2		PAGE
3	Marathon Oil Permian, LLC'S Case-in-Chief (Cont'd):	
4	Witnesses:	
5	Ryan Gyllenband (Cont'd):	
6	Cross-Examination by Examiner Jones	88
7	Roy H. Wilty, Jr.:	
8	Direct Examination by Mr. Hall	90
	Cross-Examination by Mr. Bruce	100
9	Redirect Examination by Mr. Hall	106
	Cross-Examination by Examiner McMillan	107
10		
11	GMT Exploration Company, LLC; BTA Oil Producers, LLC;	
12	and Devon Energy Production Company's Rebuttal	
	Case-in-Chief:	
13	Witnesses:	
14	Mike Dilli:	
15	Direct Examination by Mr. Bruce	110
	Cross-Examination by Examiner McMillan	111
16	Cross-Examination by Mr. Hall	116
	Cross-Examination by Examiner Jones	118
17	Cross-Examination by Examiner McMillan	118
	Recross Examination by Examiner Jones	119
18		
	Proceedings Conclude	121
19		
	Certificate of Court Reporter	122
20		
21	EXHIBITS OFFERED AND ADMITTED	
22	GMT Exploration Company Exhibit Letters A and B	28
23	BTA Oil Producers, LLC Exhibit Letters A and B	65
24	Marathon Oil Company Exhibit Numbers	
	15 through 17 and 16 through 18	85, 89
25		

1 A. Yes.

2 Q. Marathon's not exactly a new entrant into
3 New Mexico, correct?

4 A. Correct. Marathon's operated and has had
5 operated and nonoperated positions in New Mexico for the
6 past several decades. We're also very active in three
7 other shale plays in the U.S. We're currently running
8 three rigs in the Permian at this time and have plans to
9 potentially add some more next year. And we also have
10 plans to -- as you can see on Exhibit 17, to continue to
11 develop this area in Section 25 and 36 as well.

12 Q. All right. Is Marathon looking at the Wolfcamp
13 as well?

14 A. Yes, sir.

15 Q. In your opinion, would the granting of Black
16 Mountain's and Marathon's application be in the interest
17 of conservation and the prevention of waste and the
18 protection of correlative rights?

19 A. Yes. It would allow for the development of 330
20 feet on either side of 35 and 2 that otherwise would not
21 be reached.

22 Q. And were Exhibits 15 through 17 prepared by you
23 or derived from company records maintained in the
24 ordinary course?

25 A. Yes.

1 and landing zone uncertainty, as we saw with the Devon
2 example -- just some slight variation in the landing
3 zone along the lateral could vastly affect what your
4 well performance and EUR is. So I think the 1 percent
5 porosity -- I think we're getting hung up on a -- not
6 hung up. I mean, it is an important issue, but we're
7 talking about one part of what ultimately contributes to
8 a well's EUR. And that 1 percent change in how we
9 determine a net -- or net reservoir cutoff, I don't
10 believe would -- should vastly change that, not by 12
11 percent.

12 Q. All right. Do you have an opinion whether
13 developing Section 2 with one-mile laterals as opposed
14 to developing Sections 2 and 35 with mile-and-a-half
15 laterals would result in waste?

16 A. Sure. I think the first scenario of one-mile
17 laterals would result in waste.

18 Q. All right. And if you develop these wells
19 respecting the 330 setback for one-mile laterals on
20 either side of the section line, are you leaving 660
21 feet of reservoir unrecovered?

22 A. You would be.

23 Q. And would that result in waste?

24 A. Yes.

25 Q. Anything further to add?

1 A. No.

2 MR. HALL: That concludes my direct of
3 Mr. Wilty.

4 EXAMINER McMILLAN: Please proceed.

5 MR. BRUCE: Well, Mr. Examiner, I could
6 spend a lot of time requesting or with your permission,
7 after Mr. Wilty is done, I can put Mr. Dilli up and ask
8 him three questions and get that out of the way rather
9 than cross-examining this witness.

10 MR. HALL: My understanding is he was
11 offered for rebuttal.

12 EXAMINER BROOKS: Explain what's going on
13 here.

14 MR. BRUCE: Okay. Well, I'll just --
15 there's nothing secret about this. I'll ask Mr. Wilty a
16 couple of questions.

17 The one thing I want that Mr. Dilli can
18 state -- Mr. Wilty said, Well, he's saying basically all
19 of the southwest quarter of Section 35 is 20 feet of 8
20 percent porosity, he said. And then his next statement
21 was, Well, unless there is regional mapping or points
22 outside of the plat submitted, that can have an effect
23 on these trends. And he didn't really say it that way,
24 but Mr. Dilli, he's -- as he stated, he mapped,
25 basically, all of the Bone Spring, and he has a lot of