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

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

Case No. 21405

BTA OIL PRODUCERS, LLC'S HEARING EXHIBITS

Compulsory Pooling Checklist

| Exhibit A | | Self-Affirmed Statement of Kristeen Ramos | | |
|-----------|------|---|--|--|
| | A-1 | Application | | |
| | A-2 | Resume | | |
| | A-3 | Location Map | | |
| | A-4 | C-102s | | |
| | A-5 | Plat of Tracts and Ownership Interests | | |
| | A-6 | Unit Recapitulation | | |
| | A-7 | Tract Ownership | | |
| | A-8 | List of Pooled Parties | | |
| | A-9 | Well Proposal Letter | | |
| | A-10 | Summary of Communications | | |
| | A-11 | Unit Ownership | | |
| | A-12 | Proposed Notice of Hearing | | |
| | A-13 | Hearing Notice Letter and Return Receipts | | |
| | A-14 | Affidavit of Publication | | |
| | A-15 | Authorization for Expenditures | | |

| Exhibit B | Self-Affirmed Statement of Darin Dolezal |
|-----------|--|
| B-1 | General Location Map |
| B-2 | Structure Map |
| B-3 | Gross Isopach Map |
| B-4 | Gunbarrel Schematic |
| B-5 | Cross Section |

B-6

Producing Formation Map and Table

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 21405 | APPLICANT'S RESPONSE | | | | | |
|--|--|--|--|--|--|--|
| Date | September 8, 2020 | | | | | |
| Applicant | BTA Oil Producers, LLC | | | | | |
| Designated Operator & OGRID (affiliation if applicable) | 260297 | | | | | |
| Applicant's Counsel: | Dana S. Hardy | | | | | |
| Case Title: | Application of BTA Oil Producers, LLC for Compulsory Pooling, Lea County, New Mexico | | | | | |
| Entries of Appearance/Intervenors: | COG Operating, LLC; Devon Energy Production Company, LP | | | | | |
| Well Family | White Wing | | | | | |
| Formation/Pool | | | | | | |
| Formation Name(s) or Vertical Extent: | Bone Spring | | | | | |
| Primary Product (Oil or Gas): | Oil | | | | | |
| Pooling this vertical extent: | Third Bone Spring Sand, 10,596' MD to 11,416' MD | | | | | |
| Pool Name and Pool Code: | Antelope Ridge; West Pool, Code 2209 | | | | | |
| Well Location Setback Rules: | Horizontal Well Rules, NMAC 19.15.16.15 | | | | | |
| Spacing Unit Size: | 40 acres | | | | | |
| Spacing Unit | | | | | | |
| Type (Horizontal/Vertical) | Horizontal | | | | | |
| Size (Acres) | 640 acres | | | | | |
| Building Blocks: | 40-acre tracts | | | | | |
| Orientation: | South-North | | | | | |
| Description: TRS/County | E/2 of Sections 18 and 19, Township 23 South, Range 34 East | | | | | |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe | yes | | | | | |
| Other Situations | | | | | | |
| Depth Severance: Y/N. If yes, description | Yes - depths above 10,596' MD and below 11,416' MD, Exhibit A | | | | | |
| Proximity Tracts: If yes, description | n/a | | | | | |
| Proximity Defining Well: if yes, description | n/a | | | | | |
| Applicant's Ownership in Each Tract | Exhibit A-5 | | | | | |
| Well(s) | | | | | | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed | | | | | |

| Well #1 | White Wing 7909 18-19 Fed Com #3H: SHL 210' FNL and 1695 FEL in Section 18; BHL 50' FSL and 1980' FWL in Section 19, Standup, Standard |
|--|--|
| Well #2 | White Wing 7909 18-19 Fed Com #4H: SHL 210' FNL and 1665 FEL in Section 18; BHL 50' FSL and 600' FEL in Section 19, Standup, Standard |
| Horizontal Well First and Last Take Points | White Wing 7909 18-19 Fed Com #3H: FTP 100' FNL and 1,980' FEL in Section 18 and LTP 100' FSL and 1,980' FEL in Section 19. 'White Wing 7909 18-19 Fed Com #4H well: FTP 100' FNL and 600' FEL in Section 18 and LTP 100' FSL and 600' FEL in Section 19. |
| Completion Target (Formation, TVD and MD) | White Wing 7909 18-19 Fed Com #3H: TVD 11,355' and TMD 21,663' 'White Wing 7909 18-19 Fed Com #4H: TVD 11,355' and TMD 21,663' |
| AFE Capex and Operating Costs | |
| Drilling Supervision/Month \$ | \$8000, Exhibit A |
| Production Supervision/Month \$ | \$800, Exhibit A |
| Justification for Supervision Costs | Exhibit A |
| Requested Risk Charge | 200%, Exhibit A |
| Notice of Hearing | |
| Proposed Notice of Hearing | Exhibit A-12 |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit A-13 |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit A-14 |
| Ownership Determination | |
| Land Ownership Schematic of the Spacing Unit | Exhibit A-5 |
| Tract List (including lease numbers and owners) | Exhibit A-5 |
| Pooled Parties (including ownership type) | Exhibit A-8 |
| Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below) | None Exhibit A |
| Joinder | |
| Sample Copy of Proposal Letter | Exhibit A-9 |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit A-7 |

| Chronology of Contact with Non-Joined Working Interests | Exhibit A-10 |
|--|---|
| Overhead Rates In Proposal Letter | Exhibit A-9 |
| Cost Estimate to Drill and Complete | Exhibit A-15 |
| Cost Estimate to Equip Well | Exhibit A-15 |
| Cost Estimate for Production Facilities | Exhibit A-15 |
| Geology | |
| Summary (including special considerations) | Exhibit B |
| Spacing Unit Schematic | Exhibit B-1 |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit B-4 |
| Well Orientation (with rationale) | Exhibit B |
| Target Formation | Third Bone Spring Sand |
| HSU Cross Section | Exhibit B-5 |
| Depth Severance Discussion | Exhibit B |
| Forms, Figures and Tables | |
| C-102 | Exhibit A-4 |
| Tracts | Exhibit A-5 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit A-6 |
| General Location Map (including basin) | Exhibit A-3 |
| Well Bore Location Map | Exhibits B-2, B-3 |
| Structure Contour Map - Subsea Depth | Exhibit B-2 |
| Cross Section Location Map (including wells) | Exhibit B-2 |
| Cross Section (including Landing Zone) | Exhibit B-5 |
| Additional Information | |
| Special Provisions/Stipulations | None |
| CERTIFICATION: I hereby certify that the information pro | vided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative): | Dana S. Hardy |
| Signed Name (Attorney or Party Representative): | Jany L. Hawly |
| Date: | 9/8/2 |

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

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

Case No. 21405

SELF-AFFIRMED STATEMENT OF KRISTEEN RAMOS

- 1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
- 2. I am a landman for BTA Oil Producers, LLC ("BTA"). I have had direct involvement with BTA's development of the 640-acre, more or less, standard horizontal spacing unit ("HSU") that is the subject of BTA's application in this case. A copy of the application is attached as Exhibit A-1.
- 3. I have not previously testified before the Division. A copy of my resume is attached as Exhibit A-2.

A. Proposed Horizontal Spacing Unit

- 4. The proposed HSU is comprised of the E/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. A general location map depicting the proposed HSU is attached as Exhibit A-3.
- 5. BTA seeks to pool all uncommitted interests in the Bone Spring formation underlying the HSU from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827).

BTA OIL
Exhibit A

- 6. The HSU will be dedicated to the following wells:
 - (1) the White Wing 7909 18-19 Fed Com #3H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit O in Section 19. The first take point is 100' FNL and 1,980' FEL and the last take point is 100' FSL and 1,980' FEL. The TVD is 11,355' and the TMD is 21,663'.
 - (2) the White Wing 7909 18-19 Fed Com #4H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit P in Section 19. The first take point is 100' FNL and 600' FEL and the last take point is 100' FSL and 600' FEL. The TVD is 11,355' and the TMD is 21,663'.
- 7. The proposed wells will be completed from North to South, and the completed intervals of the wells will be orthodox.
- 8. The proposed wells are located in the Antelope Ridge; West Pool, Code 2209. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15. The primary product in the pool is oil. Spacing in this pool is based on quarter-quarter sections, and the HSU is constructed based on quarter-quarter sections.
 - 9. The C-102s for the proposed wells are attached as Exhibit A-4.

B. Ownership Determination

- 10. A plat of the tracts included in the HSU and the associated ownership interests is attached as Exhibit A-5, and a recapitulation is attached as Exhibit A-6.
 - 11. A list of the tract ownership is attached as Exhibit A-7.
 - 12. A list of the pooled parties is attached as Exhibit A-8.
 - 13. There are no unlocatable interests.

- 14. Depth severances in the HSU have been established by leases and assignments. The S/2 of Section 18 is covered by two federal leases and the N/2 is fee. A joint operating agreement ("JOA") governs all of Section 18 at depths from the top of the Bone Spring formation or 8,612' to the top of the Cisco formation or 12,104'. Some of the fee leases covered by this JOA have expired and are not subject to the JOA. Section 19 is covered by two federal leases, and a JOA governs the E/2 of Section 19 from 8,614' to the base of the Bone Spring formation. Various assignments of each of the federal leases also create depth severances. As a result of these depth severances, BTA seeks to pool uncommitted interests in the Bone Spring formation underlying the HSU from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827).
 - 15. BTA has the right to pool any overriding royalty owners in the HSU.

C. Joinder

- 16. I sent well proposal letters to the uncommitted interests on June 22, 2020. I subsequently had follow-up communications with them. My well proposal letter is attached as Exhibit A-9. A summary of my follow-up contacts with the uncommitted interests is attached as Exhibit A-10.
 - 17. A list of interest owners is attached as Exhibit A-11.
 - 18. 39.889819% of the working interests are committed to the proposed well.
- 19. In my opinion, BTA has made a good faith effort to obtain the voluntary joinder of uncommitted interests in the proposed wells.

D. Notice of Hearing

20. BTA's proposed notice of hearing is attached as Exhibit A-12.

- 21. At my direction, notice of BTA's application and the Division hearing was provided to the uncommitted interests at least 20 days prior to the hearing date. The notice letter and associated receipts are attached as Exhibit A-13.
- 22. Notice of BTA's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavits of publication are attached as Exhibit A-14.
- 23. BTA conducted a diligent, good-faith effort to identify the correct addresses of persons entitled to notice and has complied with the Division's notice requirements.

E. Drilling and Operating Costs

- 24. The AFEs for the proposed wells are attached as Exhibit A-15. The estimated cost of the well is fair and reasonable and is comparable to the cost of other wells of similar depth and length drilled in Lea County.
- 25. BTA requests overhead and administrative rates of \$8,000 per month while the well is being drilled and \$800 per month while the well is producing. These rates are fair and are comparable to the rates charged by BTA and by other operators in the vicinity. They are also the rates set forth in the Joint Operating Agreement for the HSU. BTA further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.
 - 26. BTA requests that it be designated the operator of the well.
- 27. BTA also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.
- 28. The attached exhibits attached were either prepared by me or under my supervision, or were compiled from company business records.
- 29. In my opinion, the granting of BTA's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

30. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 29 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Kristeen Ramos

9/4/20 Date

Case No. 21405 BTA OIL **Exhibit A-1**

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

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

Case No. 21405

APPLICATION

Pursuant to NMSA § 70-2-17, BTA Oil Producers, LLC ("BTA") applies for an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. In support of its application, BTA states:

- 1. BTA (OGRID No. 260297) is a working interest owner in the subject lands and has the right to drill wells thereon.
 - 2. The proposed horizontal spacing unit will be dedicated to the following wells:
 - the White Wing 7909 18-19 Fed Com #3H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit O in Section 19; and
 - the White Wing 7909 18-19 Fed Com #4H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit P in Section 19.
 - 3. The completed intervals for the wells will be orthodox.
- 4. BTA has undertaken diligent, good-faith efforts to obtain voluntary agreements from the mineral interest owners in the proposed horizontal spacing unit to participate in the wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.

- 5. The pooling of all uncommitted mineral interests in the Bone Spring formation, as set forth above, underlying the E/2 of Sections 18 and 19 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 6. In order to allow BTA to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, BTA requests that this application be set for hearing on September 10, 2020 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation, as set forth above, underlying the E/2 of Sections 18 and 19, Township 23 South, Range 34 East;
- B. Designating BTA as the operator of the White Wing 7909 18-19 Fed Com #3H and #4H wells;
- C. Authorizing BTA to recover its costs of drilling, equipping, and completing the wells and allocating the costs among the working interest owners;
- D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Imposing a 200% penalty for the risk assumed by BTA in drilling and completing the White Wing 7909 18-19 Fed Com #3H and #4H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
Dioscorro "Andy" Blanco
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Faccimile: (505) 982-8623

Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com dblanco@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC

KRISTEEN RAMOS, RPL

4403 Westminister Midland, Texas 79707 Cell – (432) 634-1939

E-mail: krstnram@sbcglobal.net

PROFESSIONAL WORK EXPERIENCE

2007 - Current

BTA Oil Producers, LLC

Midland, TX

Landman (2011 - Current)

- Review, negotiate, and prepare land agreements, including Oil and Gas Leases, Operating Agreements, Farmout Agreements, Assignments, Surface Agreements, and various Letter Agreements, etc.
- Establish and maintain strong relationships with working interest parties, mineral owners, and surface owner
- Analyze and evaluate title and tile opinions and perform curative work
- Calculate oil and gas interest ownership, including working interests, net revenue interest, and royalty interest
- Communicate effectively with a multi-disciplined team including attorneys, geologists and engineers to prepare properties for drilling, recompletions, reworks, and P&As
- Assist with property sales and acquisitions

Administrative Landman (2007 - 2011)

- Review and process transfers of ownership
- Communicate with interest owners on documentation needed to transfer ownership
- Review Title Opinions to produce revenue and pay decks
- Create and distribute Division Orders
- Process changes of address

EDUCATION

1993-1998 Midland College

Midland, TX

PERSONAL DATA

- Registered Professional Landman
- Member of American Association of Professional Landmen
- Member of Permian Basin Landman Association
- Notary Public

Case No. 21405

BTA OIL

Exhibit A-2

- Proficient computer skills with ability to use Microsoft Office, Word, and Excel
- Excellent written and verbal communication skills

LEGEND:



Horizontal Spacing Units



BTA Oil Producers, LLC

WHITE WING 7909 PROPOSED HORIZONTAL SPACING UNIT LOCATION MAP

Lea County, New Mexico

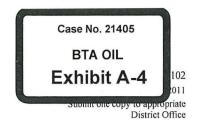
Case No. 21405

BTA OIL
Exhibit A-3

| T22S- | -R33E | | | | | T22S- | R34E | |
|-------|------------|--|---------|----------------|-----------|--|-------------|----|
| 28 | 27 | 26 | 25 | 30 | 29 | 28 | 27 | 26 |
| 33 | 34 | 35 | 36 | 31 | 32 | 33 | 34 | 35 |
| 4 | 3 | 2 | 1 | 6 | 5 | 4 | 3 | 2 |
| 9 | 10 | 11 | WHITE V | 7 WING 7909 | » P LEASE | 9 | 10 | 11 |
| 16 | 15 | 14 | 13 | 18 | 17 | 16 | 15 | 14 |
| | -R33E | 23 | 24 | 19 | 20 | T23S- | R34E | 23 |
| 28 | Lots 1, 2, | Case No. 21404 623.24ac , 3, and 4 and the ons 18 and 19, T2. | E/2 W/2 | 30 | | se No. 21405 640ac ns 18 and 19, T2: | 3S-R34E | 26 |
| 33 | 34 | 35 | 36 | 31 | 32 | 33 | 34 | 35 |
| 4 | 3 | 2 | 1 | 6 | 5 | 4 | 3 | 2 |
| 9 | 10 | 11 | 12 | 7 6000 | 8 | 9 | 10 | 11 |
| T24S | -R33E | | | FEET | 1 | T24S- | R34E | |

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe. New Mexico 87505

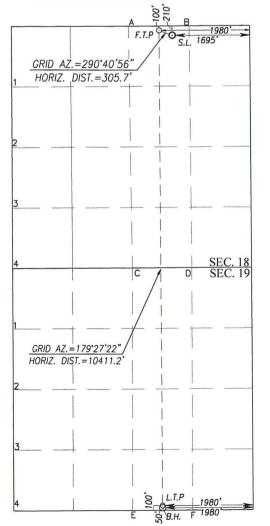


□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | | | | Pool Code | | Pool Name | | | | | |
|-----------------|----------|----------|---|------------|---------------------|-------------------|---------------|----------------|-------------------|--|--|
| Property C | ode | | Property Name WHITE WING 7909 18-19 FED COM | | | | | | Well Number 3H | | |
| OGRID 1 | No. | | Operator Name BTA OIL PRODUCERS, LLC | | | | | | Elevation 3488' | | |
| | | | | | Surface Locati | on | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | | |
| В | 18 | 23-S | 34-E | | 210 | NORTH | 1695 | EAST | EAST LEA | | |
| | | | | Bottom Hol | e Location If Diffe | rent From Surface | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | | |
| O | 19 | 23-S | 34-E | | 50 | SOUTH | 1980 | EAST | EAST LEA | | |
| Dedicated Acres | Joint or | Infill C | Consolidation Co | ode Ord | ler 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



| COME | 1" 2000 |
|--------|----------|
| SCALE: | 1''=2000 |

GEODETIC COORDINATES GEODETIC COORDINATES NAD 27 NME NAD 83 NME SURFACE LOCATION SURFACE LOCATION Y = 477910.5 NY = 477970.2 NX= 796883.6 E X = 755700.3 ELAT.=32.311302° N IAT = 32 311178° N LONG. = 103.505685° W LONG. = 103.506165° W FIRST TAKE POINT FIRST TAKE POINT NAD 27 NME NAD 83 NME Y= 478018.5 N Y= 478078.2 N X= 755414.4 E X= 796597.7 E LAT.=32.311481° N LAT.=32.311605° N LONG. = 103.506607° W LONG. = 103.507087° W

CORNER COORDINATES TABLE NAD 27 NME

A - Y = 478113.6 N. X =754744.2 E B - Y= 478123.2 N, X= 756068.6 E - Y= 472834.6 N, X= 754802.9 E - Y= 472843.6 N, X= 756123.1 E - Y= 467555.5 N, X= 754852.8 E - Y= 467564.5 N, X= 756172.9 E

CORNER COORDINATES TABLE NAD 83 NMF

A - Y= 478173.2 N, X= 795927.5 E B - Y= 478182.9 N, X= 797251.9 E C - Y= 472894.1 N, X= 795986.3 E D - Y = 472903.2 N, X = 797306.5 E- Y= 467614.9 N, X= 796036.4 E - Y= 467623.9 N, X= 797356.5 E

LAST TAKE POINT LAST TAKE POINT NAD 83 NME Y= 467719.3 N Y= 467660.0 N X= 796696.1 E X = 755512.5 ELAT.=32.283007° N LAT. = 32.283131° N LONG.=103.506548° W LONG. = 103.507027° W

BOTTOM HOLE LOCATION NAD 83 NME Y= 467669.4 N X= 796696.5 E LAT.=32.282994° N

LONG. = 103.507027° W

BOTTOM HOLE LOCATION NAD 27 NME Y= 467610.0 N X= 755513.0 E LAT.=32.282870° N LONG. = 103.506548' W

NAD 27 NME

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 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 | Date |
|----------------|------|
| Printed Name | |
| 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.

APRIL 12, 2017 Date of Survey D J. E/D W ME+C GIS

Gary O. Eidson Ronald J. Eidson 12641 Rel. W.O.: 17.11.0355 JWSC W.O.: 20.11.0268 DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 DISTRICT II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

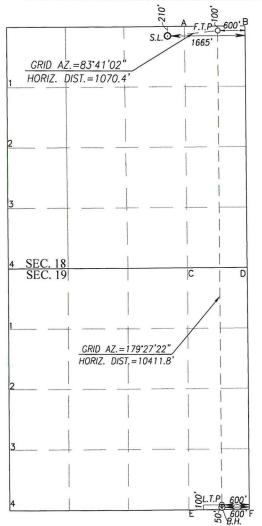
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | | | | Pool Code | | Pool Name | | | | | |
|-----------------|----------|----------|---|------------|---------------------|--------------------|---------------|--------|-----------|--------------------|--|
| Property C | ode | | Property Name WHITE WING 7909 18-19 FED COM | | | | | | | Well Number 4H | |
| OGRID N | 10. | | Operator Name Elevat | | | | | | | Elevation 3489' | |
| | | | | | Surface Locat | ion | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/V | West line | County | |
| В | 18 | 23-S | 34-E | | 210 | NORTH | 1665 | EA | EAST LEA | | |
| | | | | Bottom Hol | e Location If Diffe | erent From Surface | | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/V | West line | County | |
| P | 19 | 23-S | 34-E | | 50 | SOUTH | 600 | EA | EAST LI | | |
| Dedicated Acres | Joint or | Infill C | onsolidation C | ode Ord | er 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 GEODETIC COORDINATES NAD 83 NME NAD 27 NME SURFACE LOCATION SURFACE LOCATION Y= 477910.8 N Y= 477970.5 N X= 796913.7 E X= 755730.3 E LAT.=32.311179° N IAT = 32.311302° N LONG. = 103.505587° W LONG. = 103.506067° W FIRST TAKE POINT FIRST TAKE POINT NAD 27 NME NAD 83 NME Y= 478028.6 N Y= 478088.2 N X= 756794.1 E X= 797977.4 E IAT = 32 311480° N LAT.=32.311604° N LONG. = 103.502142° W LONG. = 103.502622° W

CORNER COORDINATES TABLE NAD 27 NME

A - Y = 478123.2 N, X =756068.6 E - Y= 478132.9 N, X= 757393.0 E - Y= 472843.6 N, X= 756123.1 E - Y= 472852.7 N. X= 757443.3 E - Y= 467564.5 N, X= 756172.9 E - Y= 467573.5 N, X= 757493.1 E

CORNER COORDINATES TABLE NAD 83 NME

- Y= 478182.9 N, X= 797251.9 E B - Y= 478192.6 N, X= 798576.3 E - Y= 472903.2 N, X= 797306.5 E D - Y= 472912.3 N, X= 798626.7 E - Y= 467623.9 N, X= 797356.5 E F - Y= 467632.8 N, X= 798676.6 E

LAST TAKE POINT NAD 83 NME Y= 467728.7 N X= 798075.8 E LAT.=32.283127° N LONG. = 103.502563° W

BOTTOM HOLE LOCATION NAD 83 NME Y= 467678.7 N X= 798076.3 E LAT.=32.282990° N

LONG. = 103.502563° W

BOTTOM HOLE LOCATION NAD 27 NME Y= 467619.4 N X= 756892.7 E IAT = 32.282866° N LONG. = 103.502084° W

LAST TAKE POINT

NAD 27 NME

Y= 467669.4 N

X= 756892.2 E

LAT. = 32.283004° N

LONG. = 103.502084° 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 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 | Date | |
|----------------|------|--|
| Printed Name | | |
| 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.

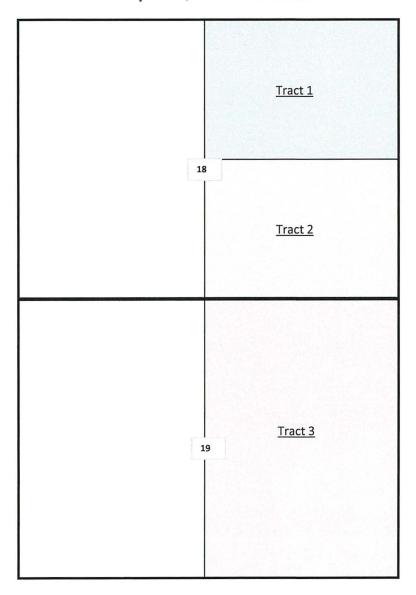
APRIL 12, 2017



Rel. W.O.: 17.11.0356 JWSC W.O.: 20.11.0269 LSL

SECTION PLAT

East Half of Section 18 and East Half of Section 19, Township 23 South, Range 34 East, County of Lea, State of New Mexico



Tract 1: NE/4 of Section 18 (160.00 acres) - Fee

BTA Oil Producers, LLC Chevron U.S.A. Inc. COG Operating LLC MRC Permian Company Ray Westall 18.758321% WI 21.160414% WI 15.193762% WI 43.75000% WI 1.137503% WI

Case No. 21405

BTA OIL

Exhibit A-5

Total: 100.000000% WI

Tract 2: SE/4 of Section 18 (160.00 acres) - USA Lease No. NMLC 065194

| BTA Oil Producers, LLC | 33.348126% WI |
|------------------------|---------------|
| Chevron U.S.A. Inc. | 37.618514% WI |
| COG Operating LLC | 27.011133% WI |
| Ray Westall | 2.022227% WI |

Total: 100.000000% WI

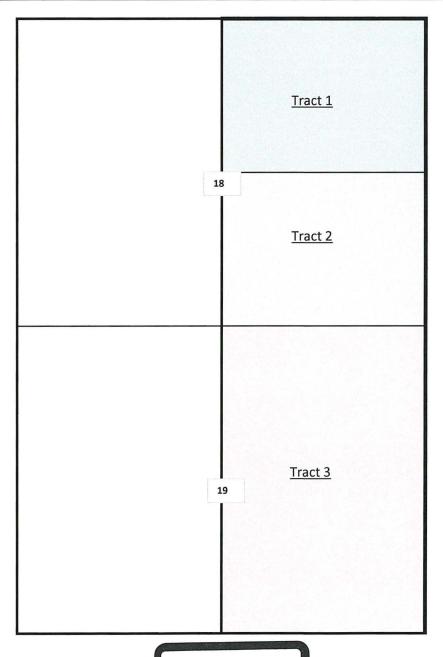
Tract 3: E/2 of Section 19 (320.00 acres) - USA Lease No. NMNM 068820

| Chevron U.S.A. Inc. | 22.750000% WI |
|------------------------------------|---------------|
| Devon Energy Production Co., L. P. | 25.000000% WI |
| COG Operating LLC | 52.250000% WI |

Total: 100.000000% WI

RECAPITULATION

| | | Percentage of |
|--------------|---------------------------|---------------|
| Tract Number | Number of Acres Committed | Interest in |
| 1 | 160.00 | 25.000000% |
| 2 | 160.00 | 25.000000% |
| 3 | 320.00 | 50.000000% |
| TOTAL | 640.00 | 100.000000% |



Case No. 21405

BTA OIL
Exhibit A-6

White Wing 7909 - E/2 of Sections 18 and 19, T23S, R34E Unit Ownership

| Total | 100.000000% WI |
|---|----------------|
| Ray Westall 132447 Lovington Highway, Loco Hills, New Mexico 88255 | .790030% WI |
| MRC Permian Company One Lincoln Centre, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240 | 10.932646% WI |
| Devon Energy Production Co., L. P. 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102 | 12.500000% WI |
| COG Operating LLC 600 West Illinois Avenue, Midland, Texas 79701 | 36.677535% WI |
| Chevron U.S.A. Inc. 6301 Deauville Boulevard, Midland, Texas 79706 | 26.071558% WI |
| BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 | 13.028231% WI |

Case No. 21405
BTA OIL
Exhibit A-7

Tract Ownership

| <u>Tract 1</u> - NE/4 of Section 18 (160.00 acres): BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 | 18.758321% WI |
|---|--------------------------------|
| Chevron U.S.A. Inc. 6301 Deauville Boulevard, Midland, Texas 79706 | 21.160414% WI |
| COG Operating LLC 600 West Illinois Avenue, Midland, Texas 79701 | 15.193762% WI |
| MRC Permian Company One Lincoln Centre, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240 | 43.750000% WI |
| Ray Westall 132447 Lovington Highway, Loco Hills, New Mexico 88255 | 1.137503% WI |
| | |
| Total | 100.000000% WI |
| Tract 2 - SE/4 of Section 18 (160.00 acres): BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 | 100.00000% WI 33.348126% WI |
| <u>Tract 2</u> - SE/4 of Section 18 (160.00 acres): BTA Oil Producers, LLC | |
| Tract 2 - SE/4 of Section 18 (160.00 acres): BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 Chevron U.S.A. Inc. | 33.348126% WI |
| Tract 2 - SE/4 of Section 18 (160.00 acres): BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 Chevron U.S.A. Inc. 6301 Deauville Boulevard, Midland, Texas 79706 COG Operating LLC | 33.348126% WI 37.618514% WI |

White Wing 7909 - E/2 of Sections 18 and 19, T23S, R34E Pooled Parties

Leasehold Interest:

COG Operating LLC 600 West Illinois Avenue Midland, Texas 79701

Devon Energy Production Co., L. P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102

MRC Permian Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240

Case No. 21405
BTA OIL
Exhibit A-8



BTA OIL PRODUCERS, LLC

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

104 SOUTH PECOS STREET MIDLAND, TEXAS 79701-5021 432-682-2753 FAX 432-683-0311 GULF COAST DISTRICT TOTAL PLAZA 1201 LOUISIANA STREET, STE 570 HOUSTON, TEXAS 77002 713-658-0077 FAX 713-655-0346

ROCKY MOUNTAIN DISTRICT 600 17TH STREET, STE. 2230 SOUTH DENVER, COLORADO 80202 303-534-4404 FAX 303-534-4661

June 22, 2020

FEDERAL EXPRESS OVERNIGHT DELIVERY

In re: Well Proposals

BTA White Wing 7909 18-19 Fed Com #1H (B3DM) BTA White Wing 7909 18-19 Fed Com #2H (B3CN) BTA White Wing 7909 18-19 Fed Com #3H (B3DM) BTA White Wing 7909 18-19 Fed Com #4H (B3AP)

Sections 18 and 19, T-23-S, R-34-E,

Lea County, New Mexico

Gentlemen:

BTA Oil Producers, LLC ("BTA") proposes to drill the following wells ("the Wells"):

- BTA White Wing 7909 18-19 Fed Com #1H (B3DM) ("the White Wing #1H"): The proposed well will be drilled as a horizontal well with a surface hole location at 530' FNL 1,340' FWL of Section 18, T23S, R34E, and a bottom hole location at 50' FSL 600' FWL of Section 19, T23S, R34E. The subject well will be drilled to a TVD of approximately 11,400' and a MD of approximately 21,708' to test the Bone Spring formation. The anticipated spud date of the White Wing #1H is in the first quarter of 2021
- BTA White Wing 7909 18-19 Fed Com #2H (B3CN) ("the White Wing #2H"): The proposed well will be drilled as a horizontal well with a surface hole location at 530' FNL 1,370' FWL of Section 18, T23S, R34E, and a bottom hole location at 50' FSL 1,980' FWL of Section 19, T23S, R34E. The subject well will be drilled to a TVD of approximately 11,400' and a MD of approximately 21,708' to test the Bone Spring formation. The anticipated spud date of the White Wing #2H is in the first quarter of 2021.
- BTA White Wing 7909 18-19 Fed Com #3H (B3BO) ("the White Wing #3H"): The proposed well will be drilled as a horizontal well with a surface hole location at 210' FNL 1,695' FEL of Section 18, T23S, R34E, and a bottom hole location at 50' FSL 1,980' FEL of Section 19, T23S, R34E. The subject well will be drilled to a TVD of approximately 11,355' and a MD of approximately 21,663' to test the Bone Spring formation. The anticipated spud date of the White Wing #3H is in the first quarter of 2021.

Case No. 21405 BTA OIL Exhibit A-9 • BTA White Wing 7909 18-19 Fed Com #4H (B3AP) ("the White Wing #4H"): The proposed well will be drilled as a horizontal well with a surface hole location at 210' FNL 1,665' FEL of Section 18, T23S, R34E, and a bottom hole location at 50' FSL 600' FEL of Section 19, T23S, R34E. The subject well will be drilled to a TVD of approximately 11,355' and a MD of approximately 21,663' to test the Bone Spring formation. The anticipated spud date of the White Wing #4H is in the first quarter of 2021.

I am enclosing Authority for Expenditures ("AFEs") for each of the Wells. These AFEs itemize the estimated cost of drilling, testing, completing, and equipping each well.

BTA is proposing to drill the Wells under the terms of the attached modified 1989 A.A.P.L form of Operating Agreement dated June 15, 2020, by and between BTA Oil Producers, LLC, as Operator and COG Operating LLC, et al, as Non-Operators covering all of Section 18 and all of Section 19, Township 23 South, Range 34 East, Lea County, New Mexico, and has the following general provisions:

- 100/300/300 Non-consent penalty
- \$8,000.00/\$800 Drilling Well Rate/Producing Well Rate
- BTA Oil Producers, LLC named as Operator

Should you elect to participate in the drilling of the Wells, please so indicate in the spaces provided below and return a signed copy of this letter, the signed AFEs, and the executed Operating Agreement within 30 days of receipt. In the event that no election is received, BTA will submit an application for a Compulsory Pooling Order with the New Mexico Oil Conservation Division.

BTA reserves the right to modify the locations and drilling plans described above and will advise you should any modifications occur.

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

Sincerely,

Kristeen Ramos

Landman

| Chevron U.S | S.A. Inc. |
|--|--|
| | Elects to Participate for its proportionate share of costs to drill, test, compete, and equip the BTA White Wing 7909 18-19 Fed Com #1H (B3DM) well. |
| The same of the sa | Elects not to participate in the BTA White Wing 7909 18-19 Fed Com #1H (B3DM) well. |
| | Elects to Participate for its proportionate share of costs to drill, test, compete, and equip the BTA White Wing 7909 18-19 Fed Com #2H (B3CN) well. |
| | Elects not to participate in the BTA White Wing 7909 18-19 Fed Com #2H (B3CN) well. |
| | Elects to Participate for its proportionate share of costs to drill, test, compete, and equip the BTA White Wing 7909 18-19 Fed Com #3H (B3BO) well. |
| | Elects not to participate in the BTA White Wing 7909 18-19 Fed Com #3H (B3BO) well. |
| , | Elects to Participate for its proportionate share of costs to drill, test, compete, and equip the BTA White Wing 7909 18-19 Fed Com #4H (B3AP) well. |
| | Elects not to participate in the BTA White Wing 7909 18-19 Fed Com #4H (B3AP) well. |
| Chevron U | S.A. Inc. |
| Ву: | |
| Title: | |
| Date: | |

Summary of Communications

Devon Energy Production Co., L. P.

- 6/22/2020 Emailed and sent via Federal Express Overnight service the well proposals and proposed Operating Agreement to Andy Bennett
- 6/23/2020 Email correspondence with Andy Bennett discussing Devon's WI/NRI in the White Wing development
- 6/24/2020 Email correspondence with Andy Bennett regarding Devon's NRI in the White Wing development
- 6/30/2020 Email correspondence with Andy Bennett regarding Devon's NRI and the possibility of moving forward with pooling hearing
- 5) 6/30/2020 -Britton McQuien and Kristeen Ramos had a telephone meeting with Andy Bennett to discuss the intented target and timing
- 6) 7/16/20 Mailed a replacement Exhibit A to the JOA and discussed the Exhibit A by telephone with Andy Bennett
- 7) 8/6/2020 -Discussed our plans to file pooling applications with Andy Bennett via email
- 8) 8/27/20 -Emailed Andy Bennett a copy of the JOA that BTA and Chevron agreed upon
- 9) 8/27/2020 Emailed Andy Bennett to discuss timing and well permits
- 10) 8/31/20 -Telephone and email correspondence with Andy Bennett regarding Devon's proposed letter agreement exempting Devon from the cash call requirement in the potential pooling order in exchange for exempting Devon from cash call requirement
- 11) 9/3/20 Willis Price and Kristeen Ramos had a telephone conference with Andy Bennett and Jill Lee to discuss pre pooling letter agreement, proposed JOA, Devon's interest in the White Wing development, and the upcoming hearing

COG Operating LLC

- 1) 6/22/2020 Emailed and sent via Federal Express Overnight service the well proposals and proposed Operating Agreement to Maggie McDaniel
- 2) 7/9/2020 Email correspondence with Maggie discussing COG's interest in the White Wing development, BTA's plan for development, and responses from other parties in the JOA
- 7/13/2020 Email correspondence with Maggie offering a proposal to carry COG in the development
- 4) 7/16/20 -Mailed a replacement Exhibit A to the JOA and discussed with Maggie via email
- 8/27/20 Email correspondence with Maggie providing spreadsheets and calculations for COG's interest in the development
- 6) 8/27/2020 Emailed Maggie McDaniel to discuss timing and well permits
- 7) 9/1/20 -Email correspondence with Maggie regarding leases covered by proposed JOA
- 8) 9/4/20 -COG emailed BTA a proposed letter agreement
- 9) 9/8/20 Emailed Maggie BTA's proposed amendment to letter agreement and received COG's approval. BTA executed and returned the letter agreement
- 10) 9/8/2020 -Emailed Maggie McDaniel the final version of the JOA that was agreed upon with Chevron

MRC Permian Company

- 1) 6/22/2020 Emailed and sent via Federal Express Overnight service the well proposals and proposed Operating Agreement to Chris Carleton
- 7/8/2020 Willis Price and Kristeen Ramos had a telephone conference with Chris Carleton and David Johns at MRC regarding BTA's timing, target, and proposed JOA
- 3) 7/16/20 -Mailed a replacement Exhibit A to the JOA
- 4) 8/10/20 -Email correspondence with Chris Carlenton discussing BTA's drilling plans and timing
- 5) 8/12/20 -Email correspondence with David Johns regarding frac design and geology
- 6) 8/27/2020 Emailed Chris Carleton to discuss timing and well permits
- 7) 9/2/2020 -Emailed Chris Carleton and Nick Weeks the final version of the JOA that was agreed upon with Chevron

BTA OIL

Exhibit A-10

White Wing 7909 – E/2 of Sections 18 and 19, T23S, R34E Unit Ownership

| Total | 100.000000% WI |
|---|----------------|
| Ray Westall 132447 Lovington Highway, Loco Hills, New Mexico 88255 | 0.790030% WI |
| MRC Permian Company One Lincoln Centre, 5400 LBJ Freeway, Suite 1500, Dallas, TX 75240 | 10.932646% WI |
| Devon Energy Production Co., L. P. 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102 | 12.500000% WI |
| COG Operating LLC 600 West Illinois Avenue, Midland, Texas 79701 | 36.677535% WI |
| Chevron U.S.A. Inc. 6301 Deauville Boulevard, Midland, Texas 79706 | 26.071558% WI |
| BTA Oil Producers, LLC 104 S. Pecos, Midland, Texas 79701 | 13.028231% WI |

Case No. 21405
BTA OIL
Exhibit A-11

Application of BTA Oil Producers, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) White Wing 7909 18-19 Fed Com #3H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit O in Section 19; and (2) White Wing 7909 18-19 Fed Com #4H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit P in Section 19. The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of BTA Oil Producers LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the well. The wells are located approximately 26 miles northwest of Jal, New Mexico.

Case No. 21405

BTA OIL

Exhibit A-12



HINKLE SHANOR LLP

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

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

Case No. 21405

BTA OIL

Exhibit A-13

August 18, 2020

VIA CERTIFIED MAIL

Chevron U.S.A. Inc. 6301 Deauville Blvd Midland, TX 79706 Attn: Kristen Hunter

Re: BTA Oil Producers, LLC NMOCD Application

Dear Ms. Hunter:

Enclosed are copies of two applications for compulsory pooling that BTA Oil Producers, LLC ("BTA") has filed with the New Mexico Oil Conservation Division ("the Division").

In Case No. 21404, BTA seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 623.24-acre, more or less, standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 and the E/2 W/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) White Wing 7909 18-19 Fed Com #1H well, which has a surface location in Unit C in Section 18 and a bottom hole location in Lot 4 in Section 19; and (2) White Wing 7909 18-19 Fed Com #2H well, which has a surface location in Unit C in Section 18 and a bottom hole location in Lot 4 in Section 19.

In Case No. 21405, BTA seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) White Wing 7909 18-19 Fed Com #3H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit B in Section 18 and a bottom hole location in Unit B in Section 18 and a bottom hole location in Unit B in Section 18 and a bottom hole location in Unit P in Section 19.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on September 10, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. Chevron U.S.A. Inc. ("Chevron") is not required to attend the hearing, but as an owner of an interest that may be affected by BTA's

application, it may appear at the hearing and present testimony. If Chevron does not appear at that time and become a party of record, it will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, September 3, 2020. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

Thank you for your attention to this matter.

Dana S. Hardy

Enclosure









PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

City, State, ZIP+4



Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated August 23, 2020 and ending with the issue dated August 23, 2020.

Sworn and subscribed to before me this 23rd day of August 2020.

Business Manager

My commission expires

OFFICIAL SEAL **GUSSIE BLACK** Notary Public State of New Mexico My Commission Expires

This newspaper is duly qualified to publish meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE August 23, 2020

This is to notify all interested parties, including This is to notify all interested parties, including Chevron U.S.A. Inc., Devon Energy Production Co., L.P., COG Operating LLC, MRC Permian Company, ConocoPhillips Company, Ray Westall, TLW Investments, LLC, and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by BTA Oil Producers, LLC (Case No. 21405). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on September 10, 2020 beginning at 8:15 a.m. To participate in the beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html. http://www.emnrd.state.nm.us/OCD/hearings.html.
Applicant seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 640-acre, more or less standard horizontal spacing unit more or less, standard horizontal spacing unit comprised of the E/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the following wells: (1) White Wing 7909 18-19 Fed Com #3H well, which has a surface location in Unit B in Section 18 and a bottom hole location in Unit O'in Section 19; and (2) White Wing 7909 18-19 Fed Com #4H well, which has a surface location in Unit B in Section 18; and a bottom hale location in Unit B in Section 18 and a bottom hole location in Unit P in Section 19.The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of BTA Oil Producers LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the well. The wells are located approximately 26 miles northwest of Jal, New Mexico.
#35754 considered will be the costs of drilling and

02107475

00245635

HINKLE, HENSLEY, SHANOR & MARTIN, LLP PO BOX 2068 SANTA FE. NM 87504

Case No. 21405

BTA OIL Exhibit A-14

BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name.

White Wing 7909 18-19 Fed Com #3H (B3BO) SHL: 210 FNL 1695 FEL sec 18, 23S, 34E BHL: 50 FSL 1980 FEL sec 19

Total Depth:

~11,355' TVD ~21,663' MD

Lea County, NM Formation: 3rd Bone Date Prepared: 6/4/2020 Prepared By: COMPLETION CASED HOLE TOTAL COSTS INTANGIBLE COSTS FORMATION EVALUATION CODE \$ \$ Logs
Cores
DST
LOCATION & ACCESS
Survey & Stake
Damages
Road & Location
Other Location
DRILLING RIG
Mabilitation 2203 2204 2205 8.000 20 000 28,000 2211 2212 2213 2214 5,000 30,000 55,000 135,000 5,000 30,000 67,000 135,000 12,000 Mobilization
Daywork
Footage
Turnkey
DRILLING SUPPLIES
Bits
BHA 2223 2225 80,000 555,000 80.000 481,000 74,000 2226 2227 2232 2233 2234 2236 55,000 65,000 94,380 55,000 130,000 108,900 BHA
Fuel
Other Supplies
MUD RELATED
Mud Purchase
Mud Rental
Fresh Water
Brine
Solids Control
Mud Mornitor
Mud Related Other
DRILLING SERVICES
BOP Related
Casing Related
Wolding
Trucking
Rental Equipment
Other Services
(IC 65,000 14,520 2241 2242 2244 2245 2246 2247 2249 115,000 5,000 120,000 35,000 35,000 31,200 28,000 936,000 35,000 36,000 28,000 1,000 900,000 (Closed Loop) 4,800 8,000 8,000 15,000 31,000 8,000 15,000 95,000 234,000 2252 2253 2254 2255 2256 2257 4,000 25,000 2,000 10,000 8,000 19,000 56,000 10,000 79,000 54,000 310,000 413,000 234,000 (Direction/GR Services) 2261 Casing Cementing 115 000 45,000 160,000

| 2262 | Other Cementing CONTRACT SERVICES | | | 150,000 | 150,000 |
|------|---|--------------|------------|--------------|--------------|
| 2266 | Engineering | 8,000 | | | 8,000 |
| 2267 | Geological | 22,000 | | | 22,000 |
| 2268 | Roustabout | 6,000 | | 15.000 | 21,000 |
| 2269 | Wellsite Supervision | 70,200 | 10,800 | 60,000 | 141,000 |
| 2270 | Other Contract Services | 25,000 | 10,000 | 55,555 | 25,000 |
| | COMPLETION SERVICES | 20,000 | | | 20,000 |
| 2272 | Pulling Unit | | | 40,000 | 40,000 |
| 2273 | Drilling Rig | | | 40,000 | 40,000 |
| 2276 | Perforate | | | 350,000 | 350,000 |
| 2277 | Stimulation | | | 2,600,000 | 2,600,000 |
| 2278 | Other Compl. Services | | | 220,000 | 220,000 |
| 2.0 | OVERHEAD | | | 220,000 | 220,000 |
| 2280 | Drilling & Administrative | 10,000 | | 10,000 | 20,000 |
| | TOTAL INTANGIBLE COSTS | \$ 1,914,780 | \$ 204,120 | \$ 4,805,000 | \$ 6,924,900 |
| | TANGIBLE COSTS | | | | |
| CODE | TUBULARS | | | | |
| 2311 | Surface Casing (13 3/8" @ 1130') | 40,000 | | | 40,000 |
| 2312 | Intermediate Casing (9 5/8" @ 5,000") | 122,000 | | | 122,000 |
| 2313 | Drlg Liner & Hanger | | | | |
| 2314 | Production Casing (7" @ 11,600) | 251,000 | | | 251,000 |
| 2315 | Production Liner & Hanger (11,000 - TD) | | 109,000 | | 109,000 |
| 2316 | Other Tubulars | | | | |
| | WELL EQUIPMENT | | | | |
| 2321 | Well Head | 22,000 | 10,000 | 85,000 | 117,000 |
| 2322 | Flowline | | | 50,000 | 50,000 |
| 2325 | Tubing | | | 60,000 | 60,000 |
| 2326 | Rods | | | | |
| 2327 | Pumps | | | | |
| 2328 | Pumping Unit | | | | |
| 2329 | Subsurface Equipment | | | 25,000 | 25,000 |
| 2331 | Other Well Equipment | | 65,000 | 30,000 | 95,000 |
| | LEASE EQUIPMENT | | | | |
| 2361 | Tanks | | | | |
| 2362 | Separators | | | | |
| 2363 | Heater Treater | | | | |
| 2364 | Pumps | | | | |
| 2365 | Electrical System | | | 5,000 | 5,000 |
| 2366 | Meters | | | | |
| 2367 | Connectors | | | | |
| 2368 | Lact Equipment | | | | |
| 2369 | Other Lease Equipment | | | 450,000 | 450,000 |
| | SUBTOTAL - TANGIBLES | 435,000 | 184,000 | 705,000 | 1,324,000 |
| | SYSTEMS | | | | |
| 2353 | Gas Line Tangibles | | | | |
| 2353 | Gas Line Intangibles | | | | |
| 2381 | Compresssor | | | | |
| 2382 | Gas Plant Tangibles | | | | |
| 2382 | Gas Plant Intangibles | | | | |
| 2384 | Dehydrator | | | | |
| | | | | | |

Initial Routing Date: NE RTW BMM SB. CR. LJH. RMD. SEB. BBJ Land Approval Block:

184,000

23,287

411,407

\$ 2,902,174

705,000

330,660

\$ 5,841,660

\$ 8,743,834

435,000

140,987

\$ 2,490,767

\$ 2,490,767

APPROVED BY: COMPANY:

C:\Users\KRamos\Desktop\LAND FOLDER\t7909 Belt Lake\White Wing\White Wing #3H AFE xlsx

Gas Plant Intangibles Dehydrator SUBTOTAL - SYSTEMS TOTAL TANGIBLE COSTS

TOTALS BY PHASE

DATE:

CUMULATIVE WELL COSTS

GENERAL CONTINGENCIES

Case No. 21405

1,324,000

494,934 8.743,834

> **BTA OIL** Exhibit A-15

BTA OIL PRODUCERS WELL COST ESTIMATE & AUTHORITY FOR EXPENDITURE

Well Name. Location:

2203 2204 2205

2211

2213

2214

2232

2233

2234

2236

2249

2256 2257

2261

2269 2270

2280

2315

2326 2327

2328 2329

2331

2366

2367

2368

2353 2353

2381 2382

> COMPANY: __ DATE:

White Wing 7909 18-19 Fed Com #4H (B3AP) SHL: 210 FNL 1665 FEL sec 18, 23S, 34E BHL: 50 FSL 600 FEL sec 19

Total Depth:

~11,355' TVD ~21,663' MD

Lea County, NM 3rd Bone Date Prepared: 6/4/2020 Prepared By: CASED HOLE COMPLETION TOTAL COSTS INTANGIBLE COSTS
FORMATION EVALUATION \$ \$ \$ 8,000 28,000 DST LOCATION & ACCESS Survey & Stake Damages Road & Location 5,000 5.000 30,000 55,000 135,000 30,000 12,000 Other Location Other Location
DRILLING RIG
Mobilization
Daywork
Footage
Turnkey
DRILLING SUPPLIES 80,000 481,000 80,000 555,000 74,000 55.000 Bits BHA 55 000 65.000 94,380 14,520 Fuel Other Supplies MUD RELATED Mud Purchase Mud Rental Fresh Water 115,000 5,000 120,000 35,000 1,000 900,000 936,000 35,000 Brine Solids Control 35.000 (Closed Loop) 31,200 4,800 36 000 Mud Monitor 28,000 28,000 Mud Monitor
Mud Related Other
DRILLING SERVICES
BOP Related
Casing Related
Welding
Trucking 8,000 15,000 31,000 8,000 15,000 95,000 19,000 56,000 10,000 79,000 413,000 4,000 25,000 2,000 10,000 54,000 310,000 Rental Equipment Other Services CEMENT 8,000 (Direction/GR Services) 234,000 234,000 Casing Cementing
Other Cementing
CONTRACT SERVICES 160,000 150,000 115,000 45,000 150,000 Engineering Geological Roustabout 8,000 22,000 6,000 22,000 21,000 141,000 15,000 60,000 Wellsite Supervision 70,200 10,800 Wellsto Supervision
Other Contract Services
COMPLETION SERVICES
Pulling Unit
Uniting Rig
Perforate
Stimulation
Other Compl. Services
OVERHEAD
Drilling & Administrative 25,000 40,000 40,000 350,000 2,600,000 220,000 350,000 2,600,000 220,000 10,000 20,000 1.914.780 204.120 4.806.000 6.924.900 TANGIBLE COSTS
TUBULARS
Surface Casing (15 3/8" @ 1130')
Intermediate Casing (9 5/8" @ 5,000')
Drig Liner & Hanger 40,000 122,000 40,000 122,000 Production Liner & Hanger (11,600)
Production Liner & Hanger (11,000 - TD) 251.000 251,000 109.000 Production Liner & H.
Other Tubulars
WELL EQUIPMENT
Well Head
Flowline
Tubing 85,000 50,000 60,000 117,000 50,000 60,000 22,000 10,000 Rods Pumps Pumps
Pumping Unit
Subsurface Equipment
Other Well Equipment
LEASE EQUIPMENT
Tanks
Separators
Heater Treater
Pumps 25,000 25,000 65,000 Pumps Electrical System 5,000 5,000 Meters Connectors Lact Equipment Other Lease Equipment 450.000 450.000 SUBTOTAL - TANGIBLES 435,000 184.000 705.000 1 324 000 SYSTEMS Gas Line Tangibles Gas Line Intangibles Compresssor
Gas Plant Tangibles
Gas Plant Intangibles SUBTOTAL - SYSTEMS 435,000 705,000 1,324,000 TOTAL TANGIBLE COSTS 184,000 GENERAL CONTINGENCIES 23,287 330,660 494,934 140,987 8,743,834 411,407 5.841.660 TOTALS BY PHASE 5 2,490,767 5 S \$ 2,490,767 2,902,174 S 8,743,834 CUMULATIVE WELL COSTS Initial Routing Date: RTW BMM SB, CR, LJH, RMD, SEB, BBJ Land Approval Block: APPROVED BY: _

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

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

Case No. 21405

SELF-AFFIRMED STATEMENT OF DARIN A. DOLEZAL

- 1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
- 2. I am a geologist with BTA Oil Producers, LLC ("BTA"). I am familiar with the geological matters that pertain to BTA's application.
- 3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted.
- 4. A general location map of the proposed horizontal spacing unit ("HSU") is attached as Exhibit B-1.
- 5. A subsea TVD structure map of the Wolfcamp top (base of 3rd Bone Spring Sand) is attached as Exhibit B-2. The map shows that the structure is gently plunging to the south on the HSU. It also shows a line of cross section and the HSU for the proposed White Wing 7909 18-19 Fed Com #3H and #4H wells.
- 6. Attached as Exhibit B-3 is a gross sand isopach map of the 3rd Bone Spring Sand formation, which is the target zone for the proposed wells. It shows that the sand interval across the HSU is stratigraphically similar.
 - 7. A gunbarrel schematic is attached as Exhibit B-4.

Case No. 21405 BTA OIL Exhibit B

- 8. Attached as Exhibit B-5 is a structural cross section. The well logs on the cross section provide a representative sample of the 3rd Bone Spring Sand formation in the area. The target zone for the proposed well is continuous across the HSU.
- 9. Attached as Exhibit B-6 is a table containing production data from other 3rd Bone Spring Sand wells drilled in the vicinity. The preference is for laydown wells north to south or south to north), and the completed wells in the area (recent completions) apparently are commercial.
- 10. There are no depth severances in the 3rd Bone Spring formation in the proposed HSU.
 - 11. Based on the information discussed above, I am able to conclude that:
 - a) The HSU is justified from a geologic standpoint;
- b) There is no faulting or other geologic impediment that could adversely affect the drilling of the proposed wells; and
- c) Each quarter-quarter section in the HSU will contribute more or less equally to production.
- 12. In my opinion, the granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 13. Exhibits B-1 through B-6 were either prepared by me or compiled from company records.
- 14. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 13 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

9/2/2020 Date

LEGEND:



Horizontal Spacing Units

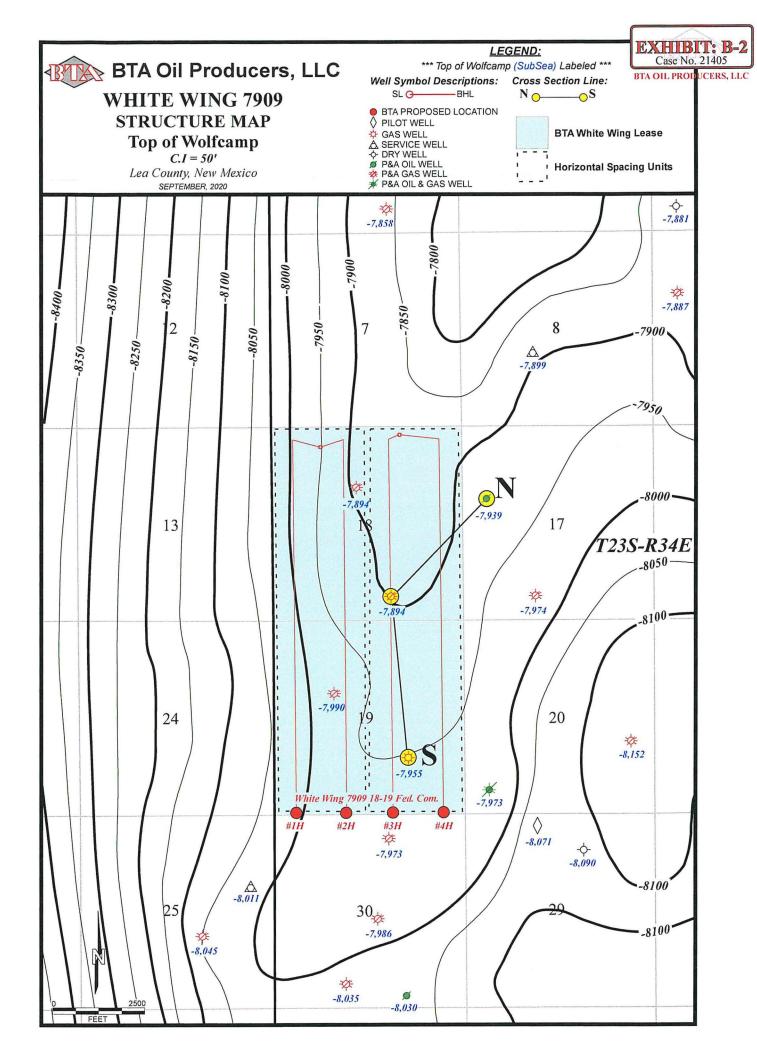


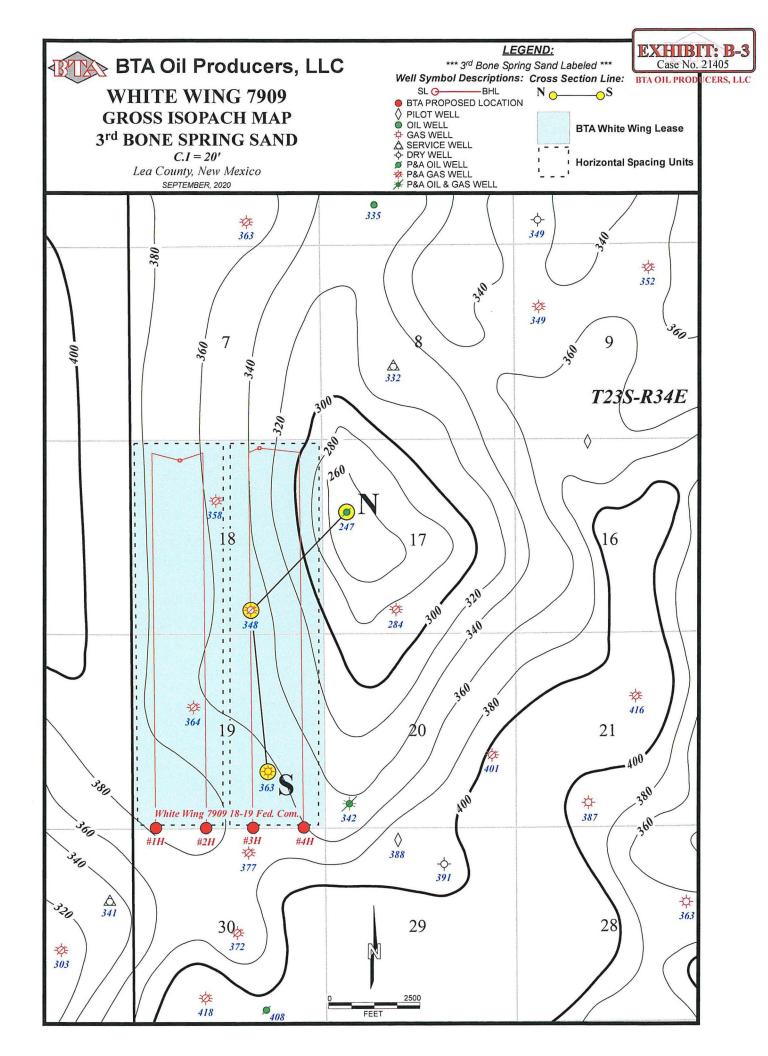


WHITE WING 7909 PROPOSED HORIZONTAL SPACING UNIT LOCATION MAP

Lea County, New Mexico

| Lea County, New Mexico | | | | | | | | | | |
|------------------------|---------------------|--|---------|---------------|---------|---|--------------------|----|--|--|
| T22S-R33E | | | | | | T22S-R34E | | | | |
| 28 | 27 | 26 | 25 | 30 | 29 | 28 | 27 | 26 | | |
| 33 | 34 | 35 | 36 | 31 | 32 | 33 | 34 | 35 | | |
| 4 | 3 | 2 | 1 | 6 | 5 | 4 | 3 | 2 | | |
| 9 | 10 | 11 | WHITE Y | 7 WING 790 | 9 LEASE | 9 | 10 | 11 | | |
| 16 | 15 D 2 2 E | 14 | 13 | 1,8 | 17 | ¹⁶ | 15 D24 F | 14 | | |
| 21 | - R33E 22 | 23 | 24 | 19 | 20 | 1 233- | R34 L 22 | 23 | | |
| 28 | Lots 1, 2 | Case No. 21404 623.24ac 2, 3, and 4 and the ons 18 and 19, T2 | E/2 W/2 | 30 | | ase No. 21405 640ac ns 18 and 19, T2. | 3S-R34E | 26 | | |
| 33 | 34 | 35 | 36 | 31 | 32 | 33 | 34 | 35 | | |
| 4 | 3 | 2 | 1 | 6 | 5 | 4 | 3 | 2 | | |
| 9 T24S- | 10 - R33E | 11 | 12 | 7 6000 | 8 | 9 T24S - | 10 R34E | 11 | | |







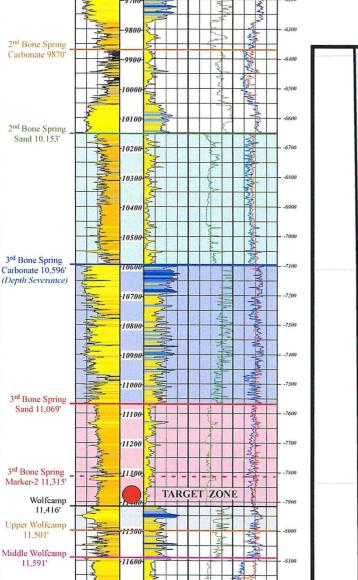
BTA Oil Producers, LLC



WHITE WING 7909

Development Spacing Pattern

All of Sec. 18 and 19, T23S-R34E Lea County, New Mexico



* Type Log *
7909 JV-P Bell Lake #2

150

1st Bone Spring Sand 9586' 0.3 -0.1

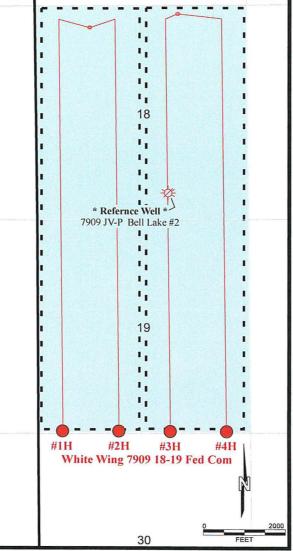
2000 0.3

DPHI

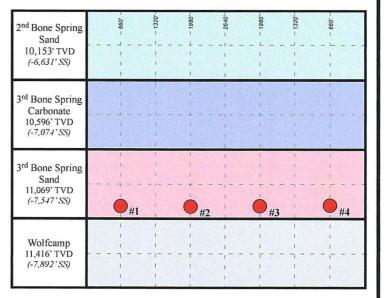
-0.1

Subsea

Depth(ft)



* Reference Well / Type Log *
BTA Oil Producers
7909 JV-P Bell Lake #2
API #: 30025348270000
660'FNL & 1980'FEL
Sec 18, T23S-R34E, Lea County, New Mexico



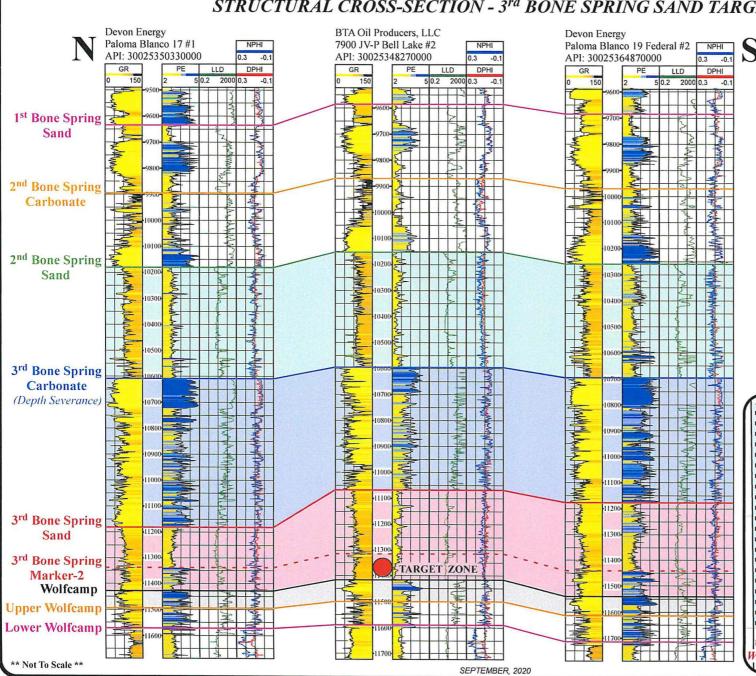


BTA Oil Producers, LLC

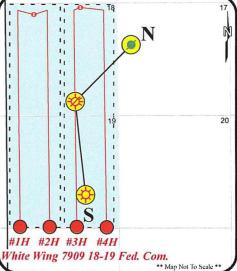
EXHIBIT: B-5 Case No. 21405 BTA OIL PRODUCERS, LLC

WHITE WING 7909

STRUCTURAL CROSS-SECTION - 3rd BONE SPRING SAND TARGET



BTA White Wing Acreage All Sec. 18 and 19, T23S-R34E & Lea County, New Mexico



BTA Oil Producers, LLC LEGEND: *** Only Horizontal 3rd Bone Spring Completions Shown on the Map *** EXHIBIT: B-6 Case No. 21405 WHITE WING 7909 BTA OIL PRODUCERS, LLC Well Symbol Descriptions: 3rd Bone Spring Development **BTA White Wing Lease** SL O-BTA Proposed Locations **Producing Formation Map and Table** 1 Horizontal Spacing Units 3rd Bone Spring Completion Lea County, New Mexico 3rd Bone Spring Production SEPTEMBER, 2020 PAGE 1 of 2 Well Summary Area 3 12 11 12 13 T22S-R34& T22S-R33E 23 35 32 35 36 2 11 12 White Wing 7909 18-19 Fed. Com. 18 13 14 T23S-R33E R9PE24 22 23 #1H#2H#3H#4H 26 25 32 34 35 12 13 17 T24S-\(\frac{1}{2}\)34E T24S-R33E

22

25

23

MILE

20



| Summary of 3rd Bone Spring Production | | | | | | | | | | |
|---------------------------------------|-----------------------|---------------------------|-------------|---------|----------|-------|------------------------|---------|---------------|--|
| <u>API</u> | <u>Operator</u> | Well Name | Well Number | Section | Township | Range | Completion Date | CUMOIL | CUMGAS | |
| 30025446930000 | KAISER-FRANCIS OIL | NORTH BELL LAKE UNIT | 401H | 1 | 235 | 33E | 3/30/2019 | 192,772 | 407,963 | |
| 30025426510000 | MEWBOURNE OIL COMPANY | ANTELOPE 9 B3PA STATE | 1H | 9 | 235 | 34E | 9/24/2015 | 246,023 | 321,171 | |
| 30025445850000 | MEWBOURNE OIL CO | IBEX 10 B3MD FEDERAL COM | 1H | 15 | 235 | 34E | 1/16/2019 | 228,116 | 276,227 | |
| 30025441590000 | COG OPERATING LLC | GETTYSBURG STATE COM | 11H | 16 | 23S | 34E | 11/21/2018 | 432,750 | 935,653 | |
| 30025441600000 | COG OPERATING LLC | GETTYSBURG STATE COM | 12H | 16 | 235 | 34E | 11/24/2018 | 408,048 | 630,242 | |
| 30025442300000 | COG OPERATING LLC | GETTYSBURG STATE COM | 13H | 16 | 23S | 34E | 11/6/2018 | 287,216 | 415,620 | |
| 30025442310000 | COG OPERATING LLC | GETTYSBURG STATE COM | 14H | 16 | 23S | 34E | 11/10/2018 | 285,580 | 426,954 | |
| 30025442320000 | COG OPERATING LLC | GETTYSBURG STATE COM | 15H | 16 | 23S | 34E | 11/13/2018 | 376,629 | 597,108 | |
| 30025429540000 | COG OPERATING LLC | BROADCASTER 29 FEDERAL | 4H | 20 | 23S | 34E | 6/9/2017 | 324,551 | 620,965 | |
| 30025412610000 | MEWBOURNE OIL COMPANY | WILDCAT 21 LI FEDERAL COM | 1H | 21 | 23S | 34E | 10/13/2013 | 94,279 | 111,997 | |
| 30025415360000 | CAZA OPERATING LLC | COPPERLINE WEST 29 COM | 3H | 29 | 23S | 34E | 3/10/2014 | 138,686 | 189,207 | |
| 30025418020000 | CAZA OPERATING LLC | COPPERLINE WEST 29 COM | 4H | 29 | 23S | 34E | 7/15/2014 | 194,017 | 302,232 | |
| 30025419090000 | COG OPERATING LLC | BROADCASTER 29 FEDERAL | 3H | 29 | 23S | 34E | 9/17/2014 | 308,035 | 555,862 | |
| 30025440210000 | KAISER-FRANCIS OIL | SOUTH BELL LAKE UNIT | 319H | 1 | 24S | 33E | 9/19/2018 | 295,308 | 563,415 | |
| 30025455210000 | KAISER-FRANCIS OIL | SOUTH BELL LAKE UNIT | 401H | 1 | 24S | 33E | 8/12/2019 | 302,041 | 611,044 | |
| 30025446180100 | KAISER-FRANCIS OIL | BELL LAKE SOUTH UNIT | 330H | 6 | 24S | 34E | 11/16/2018 | 327,103 | 765,162 | |