

**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. _____

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

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

dblanc@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC