

**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.**

APR 17 2018 PM02:52

CASE NO. 16024

**APPLICATION OF MARATHON OIL
PERMIAN LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 16076

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

CASE NO. 16077

PRE-HEARING STATEMENT

BTA Oil Producers, LLC ("BTA") submits this pre-hearing statement as required by the
Oil Conservation Division Rule 19.15.4.13.B.

APPEARANCES

APPLICANT

BTA Oil Producers, LLC

ATTORNEY

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OPPONENT

Marathon Oil Permian LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In Case No. 16024, BTA Oil Producers, LLC ("BTA") 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. BTA proposes to dedicate the above-referenced spacing and proration unit as the project area for two proposed initial wells, to be drilled from a shared pad in the SE/4 NW/4 (Unit F) 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** will have 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 well will remain within the 330-foot standard offset required by the Special Rule for the Purple Sage Wolfcamp Gas Pool (Pool Code 98220).

Marathon Oil Permian LLC (“Marathon”) has objected to BTA’s wells and has proposed a competing well development plan for the W/2 of Section 29 in Case Nos. 16076 and 16077. It proposes to drill three horizontal Wolfcamp wells, the Zeus Fee 23 28 29 WXY 12H, Zeus Fee 23 28 29 WXY 17H, and the Zeus Fee 23 28 29 WD 16H, and one third Bone Spring well, the Zeus Fee 23 28 29 TB 15H well. Marathon’s proposals are limited to one-mile laterals and the W/2 of Section 29.

Marathon’s one-mile development plan is contrary to the interests of conservation, will result in waste, and will impair BTA’s correlative rights. Marathon’s plan is less efficient than and conflicts with BTA’s more fulsome proposal for complete development of the Wolfcamp and Bone Spring formations using 1.5-mile laterals in the area. BTA recently proposed two 1.5-mile Bone Spring wells, one in the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, and another in the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32. It also proposed two additional wells targeting the same Wolfcamp intervals proposed by Marathon. BTA’s competing well proposals and complete plan of development using mile-and-a-half laterals will more efficiently and economically produce the reserves underlying the N/2 of Section 32 and all of Section 29 in both the Wolfcamp and Bone Spring formations.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Willis Price and/or Ashley Beal, Landman	Approx. 20 minutes	Approx. 6
Rajendra Eti, Geology	Approx. 20 minutes	Approx. 5
Britton McQuien, Petroleum Engineer	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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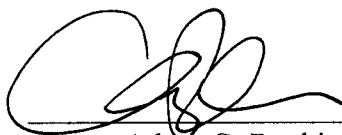
ATTORNEYS FOR BTA OIL PRODUCERS, LLC

CERTIFICATE OF SERVICE

I hereby certify that on April 17, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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