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OIL CONSERVATION DIV.

99 SEP 28 AM 1:10
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September 28, 1999

HAND-DELIVERED

12270

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87503

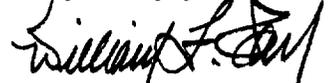
Re: Application of BTA Oil Producers, for rescission of Division Order
Nos. R-9009 and R-9009-A, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of BTA Oil Producers in the above-referenced case as well as a legal advertisement. BTA requests that this matter be placed on the docket for the October 21, 1999 Examiner hearings.

Since this application only involves the rescission of certain orders to permit BTA to develop the subject properties pursuant to the new statewide spacing rules, BTA requests that the case be advertised so that, in the absence of objection, the application be taken under advisement without a full hearing.

Very truly yours,


WILLIAM F. CARR

WFC

Enclosures

cc: Tom Williams (w/enclosures)
BTA Oil Producers

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

OIL CONSERVATION DIV.
53 SEP 28 AM 1:10

IN THE MATTER OF THE APPLICATION
OF BTA OIL PRODUCERS FOR RESCISSION
OF DIVISION ORDER NOS. R-9009 AND R-9009-A,
LEA COUNTY, NEW MEXICO.

CASE NO. 12270

APPLICATION

BTA OIL PRODUCERS ("BTA"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for rescission of Order Nos. R-9009 and R-9009-A to permit the Maxus "B" 8026 JV-P Well Nos. 1, 2 and 3 located in Section 34, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico to be produced in accordance with the General Rules and Regulations of Oil Conservation Division and in support of its application states:

1. BTA is developing the Antelope Ridge-Atoka Gas Pool underlying Section 34, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The W/2 of this Section is dedicated to BTA's Maxus "B" 8026 JV-P Well No. 1 located 660 feet from the South and East lines (Unit P); and the E/2 of this Section is dedicated to the Maxus "B" 8026 JV-P Well No. 2 located 990 feet from the South line and 1980 feet from the West line (Unit N). The Maxus "B" 8026 JV-P Well No. 3 located 660 feet from the North line and 1650 feet from the East line (Unit B) is not currently producing.

2. This section and the wells located thereon have been the subject of Division Orders R-9009, dated October 3, 1989, and R-9009-A, dated February 21, 1992.

3. Order No. R-9009 contains a provision whereby the Maxus "B" 8026 JV-P Well No. 2 was to be plugged and abandoned at such time as the Maxus "B" 8026 JV-P Well No. 3 was placed on production (Decretory Paragraph 3). However, the Division has placed this provision in "abeyance until further notice" (Order No. R-9009-A, Decretory paragraph 5).

4. In December 1991, BTA filed an application seeking an exception to Division Rule 104.C(2) to permit it to simultaneously dedicate the S/2 of said Section 34 to the Maxus "B" 8026 JV-P Well Nos 1 and 2 and to continuously and concurrently produce both wells.

5. On February 21, 1992, the Division entered Order No. R-9009-A which denied the application of BTA to continuously and concurrently produce the Maxus "B" 8026 Well Nos. 1 and 2 but authorized BTA to alternately produce these wells with one well shut-in while the other produces.

6. On November 18, 1992, the Division adopted Administrative Amendments to Division Order Nos. R-9009 and R-9009-A which, among other things, placed both Order Nos. R-9009 and R-9009-A in abeyance. A copy of the Division's November 18, 1992, Administrative Amendments to Division Order Nos. R-9009 and R-9009-A is attached to this application.

7. By Order No. R-11231 dated August 12, 1999, the Oil Conservation Commission amended Rule 104 to authorize a second well on each 320-acre spacing and proration unit as long as the wells are in different quarter sections

of the dedicated 320-acre unit. This amendment to the General Rules and Regulations of the Division do not override orders of the Division which apply to specific wells and pools.

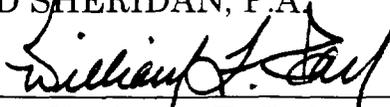
7. The Maxus "B" 8026 JV-P Well Nos 1, 2 and 3 meet the requirements of Division Rule 104 as amended by Order No. R-11231. However, for these wells to be able to produce pursuant to the General Rules and Regulations of the Oil Conservation Division, Order No. R-9009 and Order No. R-9009-A must be rescinded.

8. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, BTA Oil Producers requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 21, 1999, and, after notice and hearing as required by law, the Division rescind Order Nos. R-9009 and R-9009-A thereby authorizing the development of Section 34, Township 22 South, Range 34 East, NMPM, pursuant to the General Rules and Regulations of the Oil Conservation Division.

Respectfully submitted,

CAMPBELL, CARR, BERGE,
AND SHERIDAN, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR BTA OIL PRODUCERS



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 18, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-6900

BTA Oil Producers
104 South Pecos
Midland, TX 79701

Attention: Dorothy Houghton

*RE: Application for reorientation of dedicated acreage.
Antelope Ridge-Atoka/Antelope Ridge-Morrow Gas Pools,
Maxus "B" Lease, Section 34, Township 22 South, Range
34 East, NMPM, Lea County, New Mexico.*

*Administrative Amendments to Division
Order Nos. R-9009 and R-9009-A*

Dear Ms. Houghton:

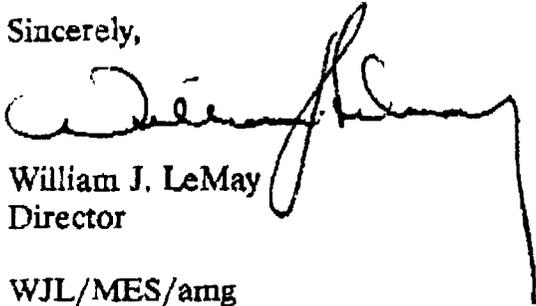
The aforementioned area is currently governed under the provisions of Division Order Nos. R-9009 and R-9009-A, which authorized the N/2 of the section to be dedicated in both the Atoka and Morrow intervals to the Maxus "B" Well No. 3 located in Unit B (currently said well is completed in the Atoka formation). Also, the Morrow interval in the S/2 of the section is dedicated to the Maxus "B" Well No. 1 located in Unit P. The Atoka interval in the S/2 of the section (under full authority of R-9009-A) is simultaneously dedicated, with certain conditions, to both the Maxus "B" Well No. 1 in Unit P and the Maxus "B" Well No. 2 in Unit N (the No. 1 well is currently dually completed and the No. 2 well is completed, but shut-in, in the Atoka zone only).

It is our understanding that the Maxus "B" Well No. 3 is to be shut-in at this time and the No. 2 well is to be "turned on." Such reorientation would essentially allow both spacing units in the Atoka, and if desired, the Morrow interval in the E/2 and W/2 to produce without interruption. Since this request promotes conservation measures and the applicant has notified all offset operators since all the wells have had unorthodox well location exceptions at one time or another, your request to rededicate the E/2 of said Section 34 to the Maxus "B" Well No. 1 and the W/2 of said Section 34 to the Maxus "B" Well No. 2 is hereby approved.

BTA Oil Producers
Attention: Dorothy Houghton
November 18, 1992
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If at any time the No. 3 well should be placed on production in either the Atoka or Morrow intervals, this office should also be contacted and any such approvals under the rules of the Division be applied. Further, Division Order Nos. R-9009 and R-9009-A shall be placed in abeyance until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

xc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
File: Case No. 9755
Case No. 10426
Maxus "B" Well Nos. 1, 2 and 3 (Santa Fe well files)

CASE 12270:

Application of BTA Oil Producers for rescission of Division Order Nos. R-9009 and R-9009-A, Lea County, New Mexico. Applicant in the above-styled cause seeks rescission of Division Order Nos. R-9009 and R-9009-A to enable it to operate the Maxus "B" 8026 JV-P Well Nos. 1, 2 and 3 located in Units P, N and B respectively of Section 34, Township 22 South, Range 34 East, NMPM, in accordance with the General Rules and Regulations of the Oil Conservation Division. Said area is located approximately __ miles ____ of _____, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

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OIL CONSERVATION DIV