

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

**IN THE MATTER OF THE APPLICATION OF
SANTA FE SNYDER CORPORATION FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 12449 (De Novo)
ORDER NO. R-11451**

OIL CONSERVATION DIV
RECEIVED
SEP 22 11:13

**BTA OIL PRODUCERS' MOTION TO
IMMEDIATELY STAY ORDER NO. R-11451 AND
MOTION TO RESCIND ORDER NO. R-11451 AND DISMISS
POOLING APPLICATION**

BTA Oil Producers ("BTA") hereby moves the Director of the Division to immediately enter the order attached hereto (Attachment A) to stay Oil Conservation Division Order No. R-11451, and hereby moves the Oil Conservation Commission to rescind Order No. R-11451 and dismiss Santa Fe Snyder Corporation's compulsory pooling application pending under Case No. 12449 (De Novo). In support of this motion, BTA states:

1. On September 5, 2000, the Division entered Order No. R-11451 in Case No. 12449 granting the application of Santa Fe Snyder Corporation to compulsory pool all uncommitted mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico to form a standard gas spacing and proration unit for Santa Fe Snyder's proposed Paloma Blanco "18" Federal Com Well No. 1 well to be located in the NE/4 of said Section 18.
2. At the Division's July 27, 2000, Examiner hearing, BTA appeared in opposition to the Santa Fe Snyder application and, as an interest owner adversely affected by Order No. R-11451,

BTA filed an Application For Hearing De Novo on September 6, 2000.

3. BTA is the leaseholder of record of all working interest in the S/2 of Section 18, which is comprised of two federal oil and gas leases.

4. On December 7, 1999, BTA filed an Application for Permit to Drill with the Bureau of Land Management for its Bell Lake, 7909 JV-P No. 2 Well at a standard location 660 feet from the South line and 1980 feet from the East line of Section 18, Township 23 South, Range 34 East, NMPM. This APD was approved on January 3, 2000, and is effective for one year following the approval date. *See* Attachment B (BLM Application for Permit to Drill).

5. On September 7, 2000, pursuant to the approved Application for Permit to Drill and as the owner of all working interest in the S/2 of Section 18, BTA spudded the Bell Lake, 7909 JV-P No. 2 Well in the SE/4 of Section 18 to develop the Morrow gas reserves underlying its acreage. *See* Attachment C (BLM Sundry Notice).

6. On September 14, 2000, the Bureau of Land Management approved the Communitization Agreement for the S/2 of Section 18 for BTA's Morrow gas well. *See* Attachment D (September 14, 2000, BLM letter).

7. As a result of these activities, the S/2 of Section 18 is no longer available for pooling and the SE/4 cannot be dedicated to Santa Fe Snyder's proposed well on an E/2 spacing unit.

8. As a result of these activities, an immediate stay of Order No. R-11451 is necessary to prevent Santa Fe Snyder from moving forward with the drilling of a well under an E/2 spacing unit and to protect BTA's correlative rights.

9. Since Santa Fe Snyder no longer has the right to dedicate the SE/4 of Section 18 to

its proposed well, Order No. R-11451 must be rescinded and Case No. 12449 (De Novo) should be dismissed.

10. BTA's development of the S/2 of Section 18 does not prevent Santa Fe Snyder from drilling a well in the NE/4 of Section 18 since a standard gas spacing and proration unit comprised of the N/2 of Section 18 is available for Santa Fe Snyder's well. The N/2 of Section 18 is a single fee tract of which Santa Fe Snyder controls 58.45%, Southwestern Energy Production Company controls 9.45%, and the balance of 32.10% is unleased and controlled by Sugarberry Oil & Gas Corporation.

WHEREFORE, BTA Oil Producers respectfully requests that the Director of the Division immediately issue the attached Order staying Order No. R-11451, and that the Oil Conservation Commission rescind Order No. R-11451 and dismiss Santa Fe Snyder's pooling application which is pending before it as Case No. 12449 (De Novo).

Respectfully submitted,

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

By: 

William F. Carr
Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

Attorneys for BTA Oil Producers

CERTIFICATE OF SERVICE

THIS WILL CERTIFY that a true and correct copy of the foregoing Motion to Rescind was hand-delivered this 22 day of September, 2000 to the following:

Marilyn Hebert
Legal Counsel
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

James Bruce (faxed + mailed)
Post Office Box 1056
Santa Fe, New Mexico 87504
Attorney for Southwestern Energy Production
Company

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, P.A.
Post Office Box 1986
Santa Fe, New Mexico 87504
Attorney for Santa Fe Snyder Corporation

Respectfully Submitted,

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

By: 

Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

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

**IN THE MATTER OF THE APPLICATION OF
SANTA FE SNYDER CORPORATION FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 12449 (De Novo)
ORDER NO. R-11451**

**ORDER OF THE DIVISION
STAYING ORDER NO. R-11451**

This matter having come before the Division upon the request of BTA Oil Producers ("BTA") for a stay of Division Order No. R-11451, and the Division Director having considered the request and being fully advised in the premises,

NOW this _____ day of _____, 2000, the Division Director:

FINDS THAT:

(1) On September 5, 2000, the Division entered Order No. R-11451 in Case No. 12449 granting the application of Santa Fe Snyder Corporation to compulsory pool all uncommitted mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 18, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico to form a standard gas spacing and proration unit for Santa Fe Snyder's proposed Paloma Blanco "18" Federal Com Well No. 1 well to be located in the NE/4 of said Section 18.

(2) At the Division's July 27, 2000, Examiner hearing, BTA appeared in opposition to the Santa Fe Snyder application and, as an interest owner adversely affected by Order No. R-11451, BTA filed an Application For Hearing De Novo on September 6, 2000.

(3) On September 21, 2000, BTA filed a Motion To Stay Order No. R-11451 and a Motion To Rescind Order No. R-11451 And To Dismiss Pooling Application stating, among other things, that BTA has spudded the Bell Lake, 7909 JV-P No. 2 Well in the SE/4 of said Section 18 pursuant to a Permit to Drill and Communitization Agreement for the S/2 of Section 18 issued by the Bureau of Land Management.

(4) In support of its position, BTA has attached to its Motion the Permit the Drill, the Sundry Notice and the Communitization Agreement for the Bell Lake, 7909 JV-P No. 2 Well in the SE/4 of said Section 18.

(5) It would appear from BTA's filing that the S/2 of said Section 18 is no longer

available for pooling and that the SE/4 of said Section 18 cannot be dedicated to Santa Fe Snyder's proposed well on an E/2 spacing unit.

(6) Granting the Stay until such time as the Commission rules on BTA's Motion to Rescind Order R-11451 or enters a final Order in Case No. 12449 (De Novo) will prevent waste and protect the correlative rights of all parties.

IT IS THEREFORE ORDERED THAT:

(1) Division Order R-11451 entered on September 5, 2000, is hereby stayed in its entirety until the Commission rules on BTA's Motion to Rescind Order R-11451 or enters a final Order in Case No. 12449 (De Novo).

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director

New Mexico Oil Conservation Division, District F

1625 N. French Drive

UNITED STATES Hobbs, NM 88240

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

Form 3100-3
(July 1992)SUBMIT IN TRIPlicate
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0138
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC NMNM1065194	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR BTA OIL PRODUCERS			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 104 South Pecos, Midland, TX 79701 915/882-3753			8. FARM OR LEASE NAME, WELL NO. Bell Lake, 7909 JV-P No. 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660 FSL & 1980' FEL SW/SE (U. Ir. O) At proposed prod. zone			9. API WELL NO. 30-025-34827	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 26 Miles west of Jal			10. FIELD AND POOL, OR WILDCAT Bell Lake, Morrow Mid	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Add to nearest line, not less, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 18, T23S, R34E	
16. NO. OF ACRES IN LEASE 660			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 315.62 (pooled)			13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. none			19. PROPOSED DEPTH 13,600	
20. ROTARY OR CABLE TOOLS Rotary			21. APPROX. DATE WORK WILL START 02/14/00	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3501 GR; 3521 RKB			22. APPROX. DATE WORK WILL START 02/14/00	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	K55, 13-3/8"	54.5#	700'	WITNESS 800 sx (sufficient to circulate)
12-1/4"	K55 - 9-5/8"	40#	5000'	1500 sx (Sufficient to Circulate)
8-1/2"	P110/S95; 7"	29#	11,800	Above 9-5/8" shoe
6-1/8"	P110; 5" liner	18#	11,400'-TD	Circ. around liner

I hereby certify that BTA OIL PRODUCERS is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with this application. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by BTA's Statewide Bond #1556199.

OPER. OGRID NO. 3002
PROPERTY NO. 2296
POOL CODE 72000
EFF. DATE 1-5-2000
API NO. 30-025-34827

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM. If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Regulatory Administrator DATE 12/07/99
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE Assistant Field Office Manager. DATE JAN 03 2000
Acting Lands and Minerals

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001 makes 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.

ATTACHMENT B

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0718

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87419

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 71920	Pool Name Bell Lake, Morrow Mid
Property Code	Property Name 7909 JV-P BELL LAKE	Well Number 2
OGUID No. 003002	Operator Name BTA OIL PRODUCERS	Elevation 3501

Surface Location

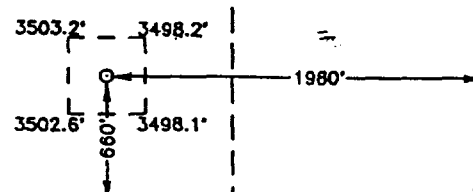
UL or lot No. 0	Section 18	Township 23 S	Range 34 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 315.62	Joint or Infill	Consolidation Code	Order No.
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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

				OPERATOR CERTIFICATION	
				<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Dorothy Houghton</i> Signature DOROTHY HOUGHTON Printed Name REGULATORY ADMINISTRATOR Title December 7, 1999 Date</p>	
				SURVEYOR CERTIFICATION	
				<p>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.</p> <p>DECEMBER 2, 1999 Date Surveyed JLP</p> <p><i>Donald J. Eidson</i> Signature & Seal of Professional Surveyor 3239 Q. Num. 99-121052 Certified by: DONALD J. EIDSON, 3239 DONALD J. EIDSON, 12641 DONALD J. EIDSON, 12185</p>	
					

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 19935. Lease Designation and Serial No.
LC1065194

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Bell Lake, 7909 JV-P No. 2

9. API Well No.

30-025-34827

10. Field and Pool, or Exploratory Area

Bell Lake, Morrow Mid

11. County or Parish, State

Lea Co., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil ☒ Gas ☐ Well ☐ Other

2. Name of Operator

BTA OIL PRODUCERS

3. Address and Telephone No.

104 South Pecos, Midland, TX 79701

915/682-3753

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 1980' FEL SW/SE (U. Hr. O)
Sec. 18, T23S, R34E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Spud☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded 26" conductor hole with rathole machine (Auger Air Drilling) at 12:30 PM (CDT) 9/7/00.

(ORIG. SGD.) GARY GOURLEY

ACCEPTED FOR RECORD

SEP 14 2000

ELM

RECEIVED
2000 SEP 11 P 3:37
BUREAU OF LAND MGMT.
HOBBS, NEW MEXICO

14. I hereby certify that the foregoing is true and correct

Signed

Gary Gourley

Title Regulatory Administrator

Date 09/07/00

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

Title 18 U.S.C. Section 1001, makes 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.

*See instruction on Reverse Side

ATTACHMENT C



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

IN REPLY REFER
NMNM104029
3105.2 (06300)

SEP 14 2000

BTA Oil Producers
Attention: Bob Crawford
104 South Pecos
Midland, TX 79701

Gentlemen:

Enclosed is one approved copy of Communitization Agreement NMNM104029, involving 160.00 acres of land in Federal lease LC-065194 and 155.62 acres of land in Federal lease LC-068387 in Lea County, New Mexico, comprising a 315.62 acre well spacing unit.

The agreement communitizes all rights as natural gas and associated liquid hydrocarbons producible from the Morrow formation in lots 3,4, E1/2SW1/4, SE1/4 (S1/2) section 18, T. 23 S., R. 34 E., NMPM, and is effective July 31, 2000.

Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

If this well is producing, this approval requires the submission of a Payor Information Form MMS-4025 to the Minerals Management Service (MMS) within 30 days (30 CFR 210.51). Please notify the designated payor or payors (purchasers, working interest owners, or others) as soon as possible regarding this requirement. Any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54). If you need assistance or clarification, please contact the Minerals Management Service at 1-800-525-9167 or 303-231-3504.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Larry D. Bray
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

ATTACHMENT D

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering lots 3,4, E1/2SW1/4, SE1/4 (S1/2) section 18, T. 23 S, R. 34 E., NMPM, Lea County, New Mexico, as to natural gas and associated liquid hydrocarbons producible from the Morrow formation. This approval will become invalid if the public interest requirements under section 3105.2-3(a) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: September 14, 2000



Authorized Officer

Effective: July 31, 2000

Contract No.: Com. Agr. NMNM104029