

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 12565  
ORDER NO. R-11528

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

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 25, 2001, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 2nd day of February, 2001, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

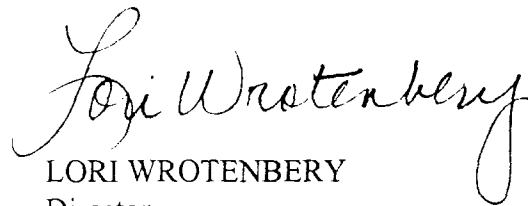
Case No. 12565 is hereby dismissed.

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



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
LORI WROTENBERY  
Director

**MILLER, STRATVERT & TORGERSON, P.A.**

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\* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN NATURAL RESOURCES - OIL & GAS LAW  
\*\* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

January 19, 2001

Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87501

Re: NMOCD Case No. 12565; Application of BTA Oil Producers for Compulsory Pooling, Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of the Applicant, BTA Oil Producers, we request that the above-referenced matter be dismissed. It is my understanding that Nearburg Exploration Company, the Applicant under the competing pooling application in Case No. 12574 will dismiss that case as well.

Very Truly Yours,

MILLER, STRATVERT & TORGERSON, P.A.



J. Scott Hall

JSH:ao

cc: Bob Crawford, BTA Oil Producers  
Michael Stogner, NMOCD  
Paul Owen, Esq., Montgomery & Andrews

Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

**CASE 12536:** <sup>13</sup>/<sub>26</sub> Continued from November 16, 2000, Examiner Hearing.

Cont to  
2-5-01

**Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 32, Township 18 South, Range 24 East, and in the following manner: The S $\frac{1}{2}$  to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Antelope Sink-Morrow Gas Pool; and the SW $\frac{1}{4}$  to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 10 $\frac{1}{2}$  miles southeast of Hope, New Mexico.

**CASE 12548:** <sup>14</sup>/<sub>26</sub> Continued from December 7, 2000, Examiner Hearing.

Pis

**Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations and pools developed on 320-acre spacing in the S $\frac{1}{2}$  and for all formations and pools developed on 160-acre spacing in the SW $\frac{1}{4}$  of Section 5, Township 22 South, Range 26 East. Said units are to be dedicated to its Rifleman "5" Com Well No. 1 to be drilled as a wildcat well at a standard location 660 feet from the South and West lines of said Section 5 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles West of Carlsbad, New Mexico.

**CASE 12565:** <sup>15</sup>/<sub>26</sub> Continued from January 11, 2001 Examiner Hearing.

Pis

**Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 21 South, Range 34 East, and in the following manner: The S $\frac{1}{2}$  to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Wilson-Morrow Gas Pool; the SE $\frac{1}{4}$  to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NW $\frac{1}{4}$  SE $\frac{1}{4}$  to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's 20005 JV-P State "23" Com. Well No. 1, to be drilled at a location 1650 feet from the South line and 1980 feet from the East line of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 21 miles southeast of Halfway, New Mexico.

**MILLER, STRATVERT & TORGERSON, P.A.**  
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\*\* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN REAL ESTATE LAW

January 10, 2001

**BY FACSIMILE TRANSMISSION: 827-7131**

Lori Wrotenbery, Director  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87501

Re: NMOCD Case No. 12565; Application of BTA Oil Producers for Compulsory  
Pooling, Lea County, New Mexico

Dear Ms. Wrotenbery:

On behalf of the Applicant, BTA Oil Producers, we respectfully request the above-referenced case be continued to the January 25, 2001 examiner hearing docket.

Very Truly Yours,

MILLER, STRATVERT &amp; TORGERSON, P.A.



J. Scott Hall

JSH:ao

cc: Bob Crawford, BTA  
David Catanach, NMOCD  
Paul Owen, Esq.

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 11, 2001**

**8:15 A.M. - 2040 South Pacheco**

**Santa Fe, New Mexico**

Dockets Nos. 2-01 and 3-01 are tentatively set for January 25, 2001 and February 8, 2001. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 12539:** (REOPENED AND READVERTISED) Application of Maynard Oil Company for simultaneous Dedication in the Wilson-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks authorization to simultaneously dedicate its existing Wilson Deep Unit Well No. 1 (located 2080 feet from the North and West lines - Unit F) and its proposed Wilson Unit Well No. 2 (to be located at a standard location 660 feet from the North and West lines - Unit D) to a standard 320-acre gas spacing unit comprised of the W/2 of Section 13, Township 21 South, Range 34 East. This location is approximately 16 miles west-northwest of Eunice, New Mexico.

**CASE 12536:** Continued from November 16, 2000, Examiner Hearing.

Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 32, Township 18 South, Range 24 East, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Antelope Sink-Morrow Gas Pool; and the SW¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 10½ miles southeast of Hope, New Mexico.

**CASE 12548:** Continued from December 7, 2000, Examiner Hearing.

Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations and pools developed on 320-acre spacing in the S/2 and for all formations and pools developed on 160-acre spacing in the SW/4 of Section 5, Township 22 South, Range 26 East. Said units are to be dedicated to its Rifleman "5" Com Well No. 1 to be drilled as a wildcat well at a standard location 660 feet from the South and West lines of said Section 5 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles West of Carlsbad, New Mexico.

**CASE 12565:** Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 21 South, Range 34 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Wilson-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing

within that vertical extent; and the NW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's 20005 JV-P State "23" Com. Well No. 1, to be drilled at a location 1650 feet from the South line and 1980 feet from the East line of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 21 miles southeast of Halfway, New Mexico.

**CASE 12566:**     **Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NE/4 of Section 24, Township 18 South, Range 30 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated North Shugart-Bone Spring Pool. The unit will be dedicated to applicant's Shugart West Fed. 24 Well No. G-2, to be drilled at an orthodox location in the SW/4 NE/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico.

**CASE 12535:**     **Continued from December 7, 2000, Examiner Hearing.**

**Application of Ocean Energy Resources, Inc. for compulsory pooling and four non-standard oil and gas spacing and proration units, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-8 of irregular Section 3, Township 16 South, Range 35 East, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well No. 10, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles west-northwest of Lovington, New Mexico.

**CASE 12567:**     **Application of Ocean Energy Resources, Inc. for compulsory pooling and four non-standard oil and gas spacing and proration units, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-8 of irregular Section 3, Township 16 South, Range 35 East, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas

**JAMES BRUCE**  
ATTORNEY AT LAW

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December 18, 2000

**Hand Delivered**

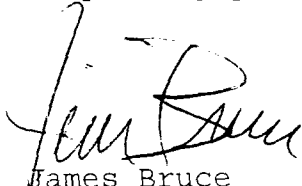
Florene Davidson  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with proposed advertisement, filed on behalf of BTA Oil Producers. Please set this case for the January 11, 2001 Examiner hearing. Thank you.

The application and proposed advertisement are also on the enclosed disk under "BTA."

Very truly yours,



James Bruce

Attorney for BTA Oil Producers

OIL CONSERVATION DIV.

00 DEC 18 AM 3:14

*Case 12565*

21 SOUTH 34 EAST  
BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

00 DEC 18 AM 3:14

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

No. 12565

APPLICATION

BTA Oil Producers applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$  of Section 23, Township 21 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the S $\frac{1}{2}$  of Section 23, and has the right to drill a well thereon.

2. Applicant proposes to drill its 20005 JV-P State "23" Com. Well No. 1, at an orthodox gas well location 1650 feet from the south line and 1980 feet from the East line of Section 23, and seeks to dedicate the following acreage to the well:

(a) The NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 23 for all pools or formations developed on 40-acre spacing;

(b) The SE $\frac{1}{4}$  of Section 23 for all pools or formations developed on 160-acre spacing; and

(c) The S $\frac{1}{2}$  of Section 23 for all pools or formations developed on 320-acre spacing, including the Undesignated Wilson-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$  of Section 23 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the



drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the S½ of Section \_\_, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 23, as set forth above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the S½ of Section 23, from the surface to the base of the Morrow formation, for the well units described above;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates as provided in the COPAS accounting procedure;
- E. Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well; and
- F. Granting such further relief as the Division deems proper.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Applicant

## PROPOSED ADVERTISEMENT

Case 12565: Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 21 South, Range 34 East, NMPM, and in the following manner: The S $\frac{1}{2}$  to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Wilson-Morrow Gas Pool; the SE $\frac{1}{4}$  to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NW $\frac{1}{4}$ SE $\frac{1}{4}$  to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's 20005 JV-P State "23" Com. Well No. 1, to be drilled at a location 1650 feet from the south line and 1980 feet from the and east line of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 21 miles southeast of Halfway, New Mexico.

OL CONVEYANCE DIV  
OCEC 13 AM 3:14