

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

OIL CONSERVATION DIVISION
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TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*
KAREN AUBREY†

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW
†ALSO ADMITTED IN ARIZONA

JASON KELLAHIN (RETIRED 1991)

August 7, 1992

William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: NMOCD Case 10533
Application of BTA Oil Producers
for an Unorthodox Gas Well Location
and Directional Drilling
Indian 9201 JV-P Well #1
Sec 20, T22S, R23E
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Marathon Oil Company, please enter our appearance in the referenced case. Marathon Oil Company is an offsetting operator and working interest owner and will be adversely affected if this application is granted. Marathon will appear at the hearing now set for August 20, 1992 in opposition to the applicant.

We would appreciate being notified if this matter is continued.

Very truly yours,



W. Thomas Kellahin

WTK/kkl
1trt807.92

cc: Marathon Oil Company
Attn: Mr. Thomas C. Lowry, Esq.

cc: William F. Carr, Esq.
Attorney for BTA Oil Producers

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. 10533

APPLICATION OF BTA OIL PRODUCERS,
FOR DIRECTIONAL DRILLING AND AN
UNORTHODOX BOTTOMHOLE GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO

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OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MARATHON OIL COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT
(name, address, phone
and contact person)

ATTORNEY

BTA Oil Producers

William F. Carr
CAMPBELL, CARR, BERGE ET AL
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY
(name, address, phone
and contact person)

ATTORNEY

Marathon Oil Company
P.O. Box 552
Midland, TX 79702
ATTN: Thomas C. Lowry

W. Thomas Kellahin
KELLAHIN, KELLAHIN & AUBREY
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

Pre-hearing Statement
NMOCD Case No. 10533
Page 2

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

SEE APPLICANT FILING

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Marathon Oil Company seeks either the denial of the applicant's request for an unorthodox well location or in the alternative a 75% production penalty on the applicant's well resulting from a combination of encroachment and non-productive acreage.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

SEE APPLICANT FILING

OPPOSITION

WITNESSES
(name and expertise)

EST. TIME

EXHIBITS

Craig Kent
Petroleum Engineer

45 Minutes

5 Exhibits

Eric Carlsen
Geologist

45 Minutes

5 Exhibits

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to the hearing)

None at this time.

KELLAHIN and KELLAHIN

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

**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. 10533

APPLICATION OF BTA OIL PRODUCERS
FOR DIRECTIONAL DRILLING AND AN
UNORTHODOX BOTTOMHOLE GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

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AUG 18 1992

OIL CONSERVATION DIVISION

PRE-HEARING STATEMENT

This prehearing statement is submitted by William F. Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

BTA Oil Producers _____
105 South Pecos _____
Midland, Texas 79701 _____
Attn: Keith Logan _____

(915) 682-3753 _____

name, address, phone and
contact person

ATTORNEY

William F. Carr _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____

(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

Marathon Oil Company _____

name, address, phone and
contact person

ATTORNEY

W. Thomas Kellahin, Esq. _____
Kellahin and Kellahin _____
Post Office Box 2265 _____
Santa Fe, New Mexico 87504 _____

(505) 982-4285 _____

STATEMENT OF CASE

APPLICANT

BTA Oil Producers, applicant in the above-captioned cause, seeks authority to deviate from its existing Indian 9201 JV-P Well No. 1 located 1650 feet from the North and East lines (Unit G) of Section 20, Township 22 South, Range 23 East, and recompleat said well in the Indian Basin-Upper Pennsylvanian Gas Pool at a new unorthodox bottomhole location within 50 feet of a point 1300 feet from the North and East lines of said Section 20.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

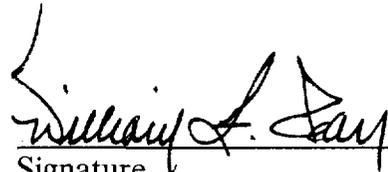
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Keith Logan, Petroleum Engineer	15 Min.	Approximately 6

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

None.


Signature