

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

**APPLICATION OF BTA OIL PRODUCERS, LLC
FOR COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

In accordance with NMSA § 70-2-17 and NMAC 19.15.16.15(B)(5), BTA Oil Producers, LLC (OGRID No. 260297) (“BTA” or “Applicant”) applies for an order pooling all uncommitted interests in the Pennsylvanian Shale formation underlying a 640 acre, more or less, non-standard horizontal spacing unit comprised of the W/2 SW/4 of Section 12, W/2 W/2 of Section 13, W/2 NW/4 of Section 24, E/2 SE/4 of Section 11, E/2 E/2 of Section 14, and the E/2 NE/4 of Section 23, Township 17 South, Range 35 East, Lea County, New Mexico (“Unit”). In support of this application, BTA states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
 - a. **Box Elder 22115 24-13-12 State Com #3H**, which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 24 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 12; and
 - b. **Box Elder 22115 23-14-11 State Com #4H**, which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 24 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 11.
3. The completed intervals of the Wells will be orthodox.
4. Approval of a non-standard horizontal spacing unit is necessary to prevent waste

and protect correlative rights.

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interest in the Unit should be pooled and Applicant should be designated as operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- B. Pooling all uncommitted interests in the Unit;
- C. Approving the Wells in the Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescascas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvillescascas@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC