

**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**

Pursuant to NMSA 1978, Section 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: (1) establishing a 640-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 of Sections 26 and 23, Township 20 South, Range 35 East, Lea County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the Bone Spring formation underlying the 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. **Lost Mine 22302 26-23 Fed Com 5H** and **Lost Mine 22302 26-23 Fed Com 6H**, to be drilled from surface hole locations in the SW/4 SW/4 (Unit M) of Section 26 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 23; and
  - b. **Lost Mine 22302 26-23 Fed Com 8H**, to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 26 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23.
3. The completed intervals of the Wells will be orthodox.

4. 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.

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

6. Approval of a non-standard horizontal spacing unit is necessary to 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 interests 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 June 13, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving a non-standard horizontal spacing unit;
- 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 charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated 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,

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