

**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. 24488**

**PRE-HEARING STATEMENT**

BTA Oil Producers, LLC (“BTA” or “Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPLICANT**

BTA Oil Producers, LLC

**ATTORNEYS**

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**INTERESTED PARTIES**

None at this time.

**ATTORNEYS**

**STATEMENT OF THE CASE**

BTA seeks an order pooling all uncommitted mineral interests in the Bone Spring Formation underlying 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”). The Unit will be dedicated to the following proposed wells (“Wells”):

- **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

- **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.

BTA also requests approval of a non-standard spacing unit, which will allow it to consolidate surface facilities and will consequently prevent surface, environmental, and economic waste. As a result, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The Wells are located approximately 16.5 miles northwest of Eunice, New Mexico.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Adams Davenport	Landman	Affidavit	Approx. 5
Darin A. Dolezal	Geologist	Affidavit	Approx. 5

**PROCEDURAL MATTERS**

Applicant will present this case by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR LLP

*/s/ Dana S. Hardy*

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 351648

**QUESTIONS**

Operator: BTA OIL PRODUCERS, LLC 104 S Pecos Midland, TX 79701	OGRID: 260297
	Action Number: 351648
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>