



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



September 15, 2011

BTA Oil Producers, LLC
Attn: Ms. Pam Inskeep

Administrative Order NSL-6469
Administrative Application Reference No. pTWG11-22854059

BTA Oil Producers, LLC
OGRID 260297
Pardue C 8808 JV-P Well No. 5
API No. 30-015-38999

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	560 FSL & 380 FWL	M	11	23S	28E	Eddy
Terminus	990 FSL & 330 FWL	M	11	23S	28E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
S/2 SW/4 Section 11	80	South Culebra Bluff Bone Spring	15011

Reference is made to your application received on August 16, 2011.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, as adopted by Order R-6139 issued on October 12, 1979, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section.

This location is unorthodox because the proposed bottom hole location is more than 150 feet from the center of either quarter-quarter section within the proposed project area.



Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for geological reasons, in order to intercept the target zone at the most prospective location.

It is also understood that notice to offsetting owners or operators is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia