

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

**APPLICATION OF BTA OIL PRODUCERS, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. 20589

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APPLICATION

Pursuant to NMSA § 70-2-17, BTA Oil Producers, LLC ("BTA") applies for an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 480-acre standard horizontal spacing unit comprised of the E/2 of Section 29 and the NE/4 of Section 32, Township 23 South, Range 28 East in Eddy County, New Mexico. In support of its application, BTA states:

1. BTA (OGRID No. 260297) is a working interest owner in the E/2 of Section 29 and the NE/4 of Section 32 and has the right to drill wells thereon.
2. The proposed horizontal spacing unit will be dedicated to the following wells:
 - the Ogden 20509 29-32 Fed Com #1H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit H in Section 32;
 - the Ogden 20509 29-32 Fed Com #2H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit H in Section 32;
 - the Ogden 20509 29-32 Fed Com #3H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit G in Section 32; and
 - the Ogden 20509 29-32 Fed Com #4H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit G in Section 32.
3. The completed intervals for the wells will be orthodox.

4. BTA has undertaken diligent, good-faith efforts to obtain voluntary agreements from the mineral interest owners in the proposed horizontal spacing unit to participate in the wells, but has been unable to obtain voluntary agreements from all of the mineral interest owners.

5. The pooling of all uncommitted mineral interests in the Wolfcamp formation underlying the E/2 of Section 29 and the NE/4 of Section 32 will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow BTA to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled.

WHEREFORE, BTA requests that this application be set for hearing on July 11, 2019 and that, after notice and hearing, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the E/2 of Section 29 and the NE/4 of Section 32;

B. Designating BTA as the operator of the Ogden 20509 29-32 Fed Com #1H, #2H, #3H, and #4H wells;

C. Authorizing BTA to recover its costs of drilling, equipping, and completing the wells and allocating the costs among the working interest owners;

D. Approving the actual operating charges and costs of supervision during drilling and after completion, together with a provision for adjusting the rates pursuant to the COPAS accounting procedure; and

E. Imposing a 200% penalty for the risk assumed by BTA in drilling and completing the Ogden 20509 29-32 Fed Com #1H, #2H, #3H, and #4H wells against any mineral interest owner who does not voluntarily participate in the drilling of the wells.

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PROPOSED NOTICE

Case No. _____: Application of BTA Oil Producers, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 480-acre standard horizontal spacing unit comprised of the E/2 of Section 29 and the NE/4 of Section 32, Township 23 South, Range 28 East, in Eddy County. The horizontal spacing unit will be dedicated to: (1) the Ogden 20509 29-32 Fed Com #1 H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit H in Section 32; (2) the Ogden 20509 29-32 Fed Com #2H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit H Section 32; (3) the Ogden 20509 29-32 Fed Com #3H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit G in Section 32; and (4) the Ogden 20509 29-32 Fed Com #4H well, which has a surface location in Unit B in Section 29 and a bottom hole location in Unit G in Section 32. The completed intervals for the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of BTA Oil Producers, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the well. The well locations are one-half mile southwest of Loving, New Mexico.