

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

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

Case No. 21404

**BTA OIL PRODUCERS LLC'S
PRE-HEARING STATEMENT**

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

APPEARANCES

BTA is the applicant in this case and is represented by the undersigned counsel.

STATEMENT OF THE CASE

BTA requests an order pooling all uncommitted mineral interests in the Bone Spring formation (from the stratigraphic equivalent of 10,596' MD to 11,416' MD as observed on the Baker Hughes Compensated Z-Densilog/Compensated Neutron Log run on 12/3/2003 in the 7909 JV-P Bell Lake #2 wellbore (API No. 30-025-34827)) in a 623.24-acre, more or less, standard horizontal spacing unit comprised of Lots 1, 2, 3, and 4 and the E/2 W/2 of Sections 18 and 19, Township 23 South, Range 34 East in Lea County, New Mexico. The proposed horizontal spacing unit will be dedicated to the following wells: (1) the White Wing 7909 18-19 Fed Com #1H well, which has a surface location in Unit C in Section 18 and a bottom hole location in Lot 4 in Section 19; and (2) the White Wing 7909 18-19 Fed Com #2H well, which has a surface location in Unit C in Section 18 and a bottom hole location in Lot 4 in Section 19. The completed intervals of 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 as the operator of the wells, and a 200%

charge for the risk involved in drilling and completing the wells. The granting of BTA's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

PROPOSED EVIDENCE

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Kristeen Ramos (Landman)	10 minutes	Approx. 12
Darin Dolezal (Geologist)	10 minutes	Approx. 5
Tom Tracey (Engineer)	10 minutes	Approx. 5

BTA reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

BTA is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, BTA will present its case by affidavit.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy
Dioscoro "Andy" Blanco
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
dblanc@hinklelawfirm.com

Counsel for BTA Oil Producers, LLC