

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

JUL 05 2018 PM03:20

**AMENDED APPLICATION OF BTA OIL PRODUCERS, LLC FOR
A NON-STANDARD SPACING AND PRORATION UNIT, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 16024

**APPLICATION OF BTA OIL PRODUCERS, LLC FOR A NON-
STANDARD SPACING AND PRORATION UNIT, AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NOS. 16161 - 16162

**AMENDED APPLICATIONS OF MARATHON OIL PERMIAN
LLC FOR APPROVAL OF A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 16076-16077

**APPLICATION OF MARATHON OIL PERMIAN LLC FOR A
NON-STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 16300

BTA's PRE-HEARING STATEMENT

BTA Oil Producers, LLC ("BTA") submits this pre-hearing statement as required by the
Oil Conservation Division Rule 19.15.4.13.B.

APPEARANCES

APPLICANT

BTA Oil Producers, LLC

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OPPONENT

Marathon Oil Permian LLC

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BTA's STATEMENT OF CASE

These cases involve competing development plans for the Bone Spring and Wolfcamp formations underlying the W/2 of Section 29 and the NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. BTA owns 70.3% of the working interest in this acreage and initiated development by proposing in October of 2017 the **Ogden 20509 32-29 Fed Com #5H Well** and the **Ogden 20509 32-29 Fed Com #6H Well** in the Wolfcamp formation underlying the subject acreage. After Marathon represented for months that it would seek to trade acreage or participate in the BTA well proposals, Marathon sent to BTA competing well proposals in February of 2018 forcing BTA to file the initial pooling application on February 20, 2018 in

under Case No. 16024. Marathon subsequently filed competing pooling applications in Case Nos. 16076 and 16077 on March 23, 2018.

Since March, additional pooling applications have been filed, with Marathon recently filing amended pooling applications. As a result, the following matters are before the Division:

Wolfcamp Formation:

- **Case No. 16024:** BTA's Application seeks to pool a Wolfcamp spacing unit comprised of W/2 of Section 29 and the NW/4 of Section 32 for the proposed **Ogden 5H and 6H wells.**
- **Case No. 16076:** Under an amended Application, Marathon now seeks to pool a Wolfcamp spacing unit comprised of either the W/2 of Section 29 or, "alternatively," the W/2 of Section 29 and the NW/4 of Section 32 for the proposed **Zeus 12H, 17H, 16H, 11H, 14H, 18H and 20H wells.**

Bone Spring Formation:

- **Case No. 16161:** BTA's Application seeks to pool a Bone Spring spacing unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32 for the proposed **Ogden 9H well.**
- **Case No. 16161:** BTA's Application seeks to pool a Bone Spring spacing unit comprised of the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32 for the proposed **Ogden 10H well.**
- **Case No. 16077:** Marathon amended Application seeks to pool a Bone Spring spacing unit comprised of either the E/2 W/2 of Section 29 or, "alternatively," the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32 for the proposed **Zeus 15H and 19H wells.**

- **Case No. 16300:** Marathon’s recently filed Application seeks to pool a Bone Spring spacing unit comprised of either the W/2 W/2 of Section 29 or, “alternatively,” the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32 for the proposed **Zeus 13H** well.

With Marathon’s amended applications, there no longer appears to be any disputes over the orientation, length or targeted intervals for the initial horizontal wells. Since BTA’s initial development plans will not cause waste, involves acreage where BTA was the first to proposed development, and involves acreage where BTA owns over 70% of the working interest, BTA should be named operator of the proposed Wolfcamp and Bone Spring spacing units.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Willis Price and/or Ashley Beal, Landman	Approx. 20 minutes	Approx. 6
Rajendra Eti, Geology	Approx. 20 minutes	Approx. 5
Britton McQuien, Petroleum Engineer	Approx. 20 minutes	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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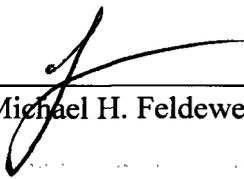
ATTORNEYS FOR BTA OIL PRODUCERS, LLC

CERTIFICATE OF SERVICE

I hereby certify that on July 5, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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