

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

**APPLICATION OF BTA OIL PRODUCERS FOR APPROVAL
OF A LEASE WATER FLOOD PROJECT IN THE LOWER
BRUSHY CANYON INTERVAL OF THE DELAWARE
FORMATION AND FOR QUALIFICATION OF SAID
PROJECT FOR THE RECOVERED OIL TAX RATE
PURSUANT TO THE ENHANCED OIL RECOVERY ACT,
LEA COUNTY, NEW MEXICO.**

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CASE NO. 14385

BTA'S PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by the applicant as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

BTA Oil Producers

ATTORNEY

Michael H. Feldewert
Holland & Hart LLP
110 N. Guadalupe St. Suite 1
Santa Fe, NM 87501
(505) 988-4421
(505) 983-6043 Facsimile

OPPONENTS

None

ATTORNEYS

STATEMENT OF CASE

Applicant has served and filed a C-108 Application that seeks approval to utilize its 8808 JV-P Pardue D Well #2 (API No. 30-015-26406) for a water flood project covering 80 acres in the NW/4 of Section 11, T-23-S, R-28-E, NMPM, Eddy County, NM. After testing injectivity and waterflood response in the upper Brushy Canyon (4722-4750' and 4762-4779'), Applicant proposes to inject up to 1500 barrels of water per day from the Brushy Canyon zone into the

Lower Brushy Canyon interval of the Delaware formation at a maximum surface pressure of 930 psi and at an approximate depth of 4,722 feet to 6,134 feet. Applicant also seeks to qualify this project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act.

PROPOSED EVIDENCE

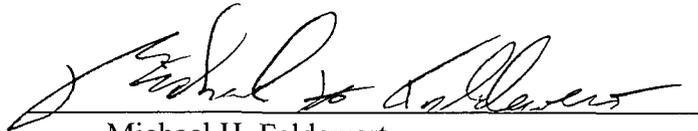
| <u>WITNESSES</u> | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|--|------------------------------|------------------------|
| Thomas J. Williams, Production Engineer | 20 minutes | Approx. 4 |
| Britton McQuien, Exploration Manager | 10 minutes | Approx. 2 |

PROCEDURAL MATTERS

None.

Respectfully,

HOLLAND & HART, LLP



Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

ATTORNEYS FOR BTA OIL PRODUCERS