

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

STATE OF NEW MEXICO DEPT. OF ENERGY, MINERALS AND NATURAL RESOURCES
OCT 14 2010 10:12

**IN THE MATTER OF THE APPLICATION OF
BTA OIL PRODUCERS FOR SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.**

CASE NO. 12748

APPLICATION

BTA OIL PRODUCERS ("BTA"), through its undersigned attorneys, hereby makes application for an order authorizing the simultaneous dedication of the following wells located in the NW/4 of Section 35, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico to the 320-acre spacing and proration unit in the Antelope Ridge-Atoka Gas Pool comprised of the N/2 of said Section 35:

- A. Maddox Federal "B" Well No. 1 (**API No. 30-025-27941**) located in Unit F at a standard gas well location 1980 feet from the North and West lines, and
- B. Maddox Federal "B" Well No. 2 (**API No. 30-025-30128**) located in Unit E at a standard gas well location 1980 feet from the North line and 660 feet from the West line.

In support of its application, BTA states:

1. The Atoka formation in the Antelope Ridge-Atoka Gas Pool consists of multiple pay intervals (the A, B, and C zones) which are separate from and not in communication with other pay intervals in the Atoka formation.

2. BTA is the operator of a standard 320-acre spacing and proration of the N/2 of Section 35, Township 22 South, Range 34 East, NMPM, Lea County New Mexico. This spacing

unit is currently dedicated in the Maddox Federal “B” Well No.2 which produces from the Atoka A and C zones.

3. The Special Pool Rules and Regulations for the Antelope Ridge-Atoka Gas Pool (Order No. R-3050) provide that the pool is governed by the acreage and well location requirements of Division Rule 104.C.(2) which provides, in part:

- (a) the initial well on a 320-acre unit shall be located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and
- (b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section on the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

4. BTA seeks an exception to Rule 104.C.(2)(b) to permit it to re-complete the Maddox Federal “B” Well No. 1 from the Morrow formation, Antelope Ridge-Morrow Gas Pool, to the Atoka B zone of the Antelope Ridge-Atoka Gas Pool. This location will be in the same quarter section containing the initial Atoka well on this spacing unit.

5. Approval of the re-completion of the Maddox Federal “B” Well No. 1 and the simultaneous dedication of the Maddox Federal “B” Well Nos. 1 and 2 to the Atoka spacing unit comprised of the N/2 of Section 35 will protect correlative rights by affording BTA the opportunity to produce the reserves in the separate and distinct Atoka pay zones under this spacing unit which cannot currently be produced by the Maddox Federal “B” Well No. 2.

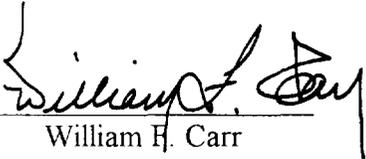
6. The names and addresses of the persons to whom notice of this application will be provided in accordance with Oil Conservation Division Rules and Regulations is attached hereto as Exhibit A.

7. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, BTA Oil Producers requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 1, 2001 and after notice and hearing as required by law, the Division enter its order granting an exception to Division Rule 104.C.(2)(b) and approving the simultaneous dedication of the N/2 of Section 35 to the BTA Maddox Federal "B" Well No 1 to be recompleted from the Morrow formation at a location 1980 feet from the North and West lines of Section 35 to be produced from the B zone of the Atoka formation; and the BTA Maddox Federal "B" Well No. 2 located at a standard gas well location 1980 feet from the North line and 660 feet from the West line to be produced from the A and C zones of the Atoka formation

Respectfully submitted,

HOLLAND & HART LLP
AND
CAMPBELL & CARR

By: 
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Santa Fe, New Mexico 87504
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ATTORNEYS FOR BTA OIL PRODUCERS.

EXHIBIT A
APPLICATION OF BTA OIL PRODUCERS
FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

NOTICE LIST

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Joe J. Reynolds
2124 Broadway
Lubbock, Texas 79401

RSE Partners - I,L.P.
C/o Ricks Exploration, Inc.
210 Park Avenue, Suite 3000
Oklahoma City, Oklahoma 73102-5621

Samson Hydrocarbons Company
Two West Second Street
Tulsa, Oklahoma 74103-3123

Samson Resources Company
Two West Second Street
Tulsa, Oklahoma 74103

Southwestern Energy Production Company
2350 North Sam Houston Parkway East,
Suite 300
Houston, Texas 77032

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

CASE 12748:

Application of BTA Oil Producers for simultaneous dedication, Lea County, New Mexico. Applicant in the above-styled cause seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to a 320-acre spacing and proration unit in the Atoka formation comprised of the N/2 of Section 35, Township 22 South, Range 34 East, NMPM: the Maddox Federal "B" Well No 1 to be recompleted from the Morrow formation at a location 1980 feet from the North and West lines and the Maddox Federal "B" Well No. 2 located at a standard gas well location 1980 feet from the North line and 660 feet from the West line of said Section 14 in the Antelope Ridge-Atoka Gas Pool. Said wells are located approximately 28 miles southwest of Eunice, New Mexico.

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CLERK OF COURT