New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



July19, 2011

BTA Oil Producers, LLC Attn: Ms. Pam Inskeep 104 South Pecos Street Midland, TX 79701-5021

Administrative Order NSL-6426 Administrative Application Reference No. pWVJ11-18654065

BTA Oil Producers, LLC OGRID 260297 Pardue, 8808 JV-P Well No. 1 API No. 30-015-25964

Proposed Location:					
Footages	Unit	Section	Township	Range	County
2310 FSL & 660 FWL	L	11	23-S	28-E	Eddy
Proposed Unit:					
Description	<u>Acres</u>	<u>_Pool</u>			Pool Code
N/2 SW/4 Section 11	80	South Culebra Bluff; Bone Spring			15011

Reference is made to your application received on July 5, 2011.

You have requested to re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. Spacing in this pool is governed by the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, as adopted by Order R-6139 issued on October 12, 1979, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section. This location is more than 150 feet from the center of a quarter/quarter section.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location in order to utilize an existing wellbore.

It is also understood that you have given due notice of this application to all owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches, and all such owners have waived their right to object.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

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Jami Bailey Director

JB/db

cc: New Mexico Oil Conservation Division - Artesia