

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 22811, 22812

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

For BTA Oil Producers, LLC:

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EXHIBITS

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1 HEARING OFFICER BRANCARD: With that we're
2 now on Items 58 and 59, Cases 22811, 22812, BTA Oil
3 Producers.

4 MS. McLEAN: Again, Jackie McLean with
5 Hinkle Shanor on behalf of BTA Oil Producers.

6 HEARING OFFICER BRANCARD: Thank you.

7 Are there any other interested persons for
8 Cases 22811, 22812?

9 Hearing none, you may proceed, Ms. McLean.

10 MS. McLEAN: Thank you.

11 In Case Number 22811 BTA seeks an order
12 pooling all uncommitted interest in the Upper Penn
13 Pool, Code 9833 in the Pennsylvania Shale formation
14 underlying a 240-acre, more or less, standard
15 horizontal spacing unit comprised of the east
16 half-west half of Section 18, Township 17 South,
17 Range 36 East, and the east half-northwest quarter
18 of Section 19, Township 17 south, Range 36 East, Lea
19 County, New Mexico.

20 In Case Number 22812, BTA seeks an order
21 pooling all uncommitted interest in the Upper Penn
22 Pool in the Pennsylvania Shale formation underlying
23 a 223.1-acre, more or less, standard horizontal
24 spacing unit comprised of Lots 1, 2, 3, and 4, which
25 is the west half-west half equivalent of irregular

1 Sections 18 and Lots 1 and 2, which is the west
2 half-northwest quarter equivalent of irregular
3 Section 19, Township 17 South, Range 36 East, Lea
4 County, New Mexico.

5 And BTA will dedicate these units to their
6 Bluebell 22115 19-18 State Com No. 1 and No. 2H
7 wells.

8 And the exhibit packets submitted to the
9 Division for Cases 22811 and 22812 contain the
10 compulsory pool checklist.

11 Exhibit A, which is the land
12 professional's testimony and related exhibits.

13 Exhibit B, geologist testimony, which we
14 did also include the resume of David Childers who
15 has now been qualified as an expert in geology, and
16 his related geology exhibits.

17 And then finally Exhibit C, which is the
18 notice affidavit. It includes the notice letter, a
19 chart that shows when the notice was sent and return
20 receipt as well as an affidavit of publication for
21 May 12, 2022.

22 And with that, I ask Exhibits A, B, and C
23 for Cases 22811 and 22812 be admitted into the
24 record and that the cases be taken under advisement.

25 HEARING OFFICER BRANCARD: Thank you.

1 Mr. Garcia, any questions?

2 TECHNICAL HEARING OFFICER GARCIA: Just
3 the statement as the last two cases, if you can
4 address the acreage to the south.

5 MS. McLEAN: Yes, we'll submit an
6 affidavit on the stranded acreage, if there is any,
7 for these cases as well.

8 TECHNICAL HEARING OFFICER GARCIA: Thank
9 you.

10 HEARING OFFICER BRANCARD: Thank you.

11 Ms. McLean, I'm looking at Page 14 of your
12 documents. It's the unit interest recapitulation.

13 MS. McLEAN: Okay.

14 HEARING OFFICER BRANCARD: I thought it
15 was kind of odd that Maverick had 37.5 acres
16 attributed to it under Tract 4, but when I got to
17 the total it lost some of that and ended up with
18 37.485.

19 MS. McLEAN: I see what you're saying. I
20 don't know where -- you know, I was told there would
21 be no math when I became a lawyer. But we can
22 address that as well when we submit that
23 affidavit --

24 HEARING OFFICER BRANCARD: Okay.

25 MS. McLEAN: -- in these two cases.

1 HEARING OFFICER BRANCARD: All right. And
2 I may have missed this in your presentation, but
3 Maverick is listed as the only working interest
4 owner that you're pooling, correct?

5 MS. McLEAN: That's correct.

6 HEARING OFFICER BRANCARD: We get to
7 notice you noticed two other parties.

8 MS. McLEAN: I believe that those were --
9 let me just doublecheck here. I'm going to my
10 chart. So I believe that out of an abundance of
11 caution we noticed that override as well in this
12 case, but the only working interest owner is
13 Maverick.

14 HEARING OFFICER BRANCARD: Thank you.

15 MS. McLEAN: I'm sorry, they reached an
16 agreement with those -- with Dolly Works and with
17 (audio cut out).

18 HEARING OFFICER BRANCARD: Okay.

19 MS. McLEAN: We're just seeking to pool
20 Maverick.

21 HEARING OFFICER BRANCARD: Thank you.

22 All right. With that, are there any other
23 interested persons for Cases 22811, 22812?

24 Hearing none, the exhibits will be
25 admitted into the record and these cases will be

1 taken under advisement and there will be a submittal
2 discussing issues of stranded acreage and clarifying
3 the unit interest ownership numbers.

4 (Matter concluded.)

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REPORTER'S CERTIFICATE

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I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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