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

IN THE MATTER OF THE APPLICATION OF BTA OIL PRODUCERS, LLC FOR APPROVAL OF A SALT WATER DISPOSAL WELL, EDDY COUNTY, NEW MEXICO.

CASE 14559

PRE-HEARING STATEMENT OF THE OIL CONSERVATION DIVISION

The Oil Conservation Division (OCD) submits this pre-hearing statement pursuant to 19.15.4.13(B) NMAC.

APPEARANCES

<u>APPLICANT</u> BTA Oil Producers LLC

<u>RESPONDENT</u> Oil Conservation Division

APPLICANT'S ATTORNEY William F. Carr Holland & Hart LLP P.O. Box 2208 Santa Fe, NM 87504-2208 (505) 988-4421 FAX: 983-6043 Wcarr@hollandhart.com

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STATEMENT OF CASE

BTA Oil Producers LLC (BTA) seeks approval to use the Owl 20504 JV-P Well No. 5 (API NO. 30-015-34535) for produced water disposal. The Oil Conservation Division (OCD) enters its appearance in this matter to alert the examiner to the fact that BTA did not comply with the requirements of its prior injection permit for the Owl 20504 JV-P Well No. 5, and to request

that the examiners ensure that BTA has complied with any prerequisites <u>before</u> granting BTA an order in this case allowing injection.

OCD'S PROPOSED EVIDENCE

WITNESS:Daniel Sanchez, OCD Compliance and Enforcement ManagerESTIMATED TIME:10 minutes

PROCEDURAL MATTERS

At the hearing, the OCD plans to ask Mr. Sanchez to adopt his pre-filed written testimony, and

identify the exhibits referenced in that testimony, and will move to admit the testimony and exhibits. The testimony and exhibits are attached.

Respectfully submitted this <u>5</u> day of October 2010 by

Gail MacQuesten Sonny Swazo Oil Conservation Division Energy, Minerals and Natural Resources Department 1220 S. St. Francis Drive Santa Fe, NM 87505 (505) 476-3451

Attorney for the Oil Conservation Division

Certificate of Service

I certify that I mailed and faxed a copy of this pleading, with Mr. Sanchez' pre-filed written testimony and exhibits, to Mr. William Carr, attorney for BTA, at the address and fax number shown above this \leq 44 day of October 2010.

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Gail MacQuesten