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:

CASE NO. 12748

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

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by Holland & Hart LLP as required by Oil Conservation Division Rule 1208.B.

APPEARANCES OF PARTIES

APPLICANT: ATTORNEY:

BTA Oil Producers, Inc. Attention: Jim Broten 104 South Pecos Midland, Texas 79701 (915) 682.3753 William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988.4421

STATEMENT OF CASE

Applicant 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: 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.

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PROPOSED EVIDENCE

WITNESS: ESTIMATED TIME: EXHIBITS:

Jim Broten (Geologist) Approx. 15 min. Approximately 6

PROCEDURAL MATTERS

BTA Oil Producers, Inc. has none at this time.

Villiam F. Carr

ATTORNEY FOR BTA OIL PRODUCERS,

INC.