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July 28, 1992

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

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OIL CONSERVATION DIVISION

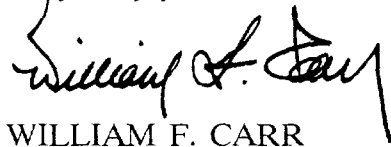
10533

**Re: In the Matter of the Application of BTA Oil Producers for an Unorthodox Location
and Directional Drilling, Eddy County, New Mexico**

Dear Mr. LeMay:

Enclosed in triplicate is the Application of BTA Oil Producers in the above-referenced case. BTA Oil Producers respectfully requests that this matter be placed on the docket for the August 20, 1992 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:sg
Enclosures

cc w/enclosure: Mr. Keith Logan
BTA Oil Producers
104 S. Pecos
Midland, Texas 79701

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JUL 28 1992

OIL CONSERVATION DIVISION

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF BTA OIL PRODUCERS FOR AN UNORTHODOX
LOCATION AND DIRECTIONAL DRILLING, EDDY
COUNTY, NEW MEXICO.

CASE NO. 10533

APPLICATION

BTA OIL PRODUCERS, by its undersigned attorneys, hereby make application to the New Mexico Oil Conservation Division for approval of an unorthodox oil well location, and for directional drilling, and in support of this application states:

1. Applicant is the operator of Section 20, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico which is a standard spacing or proration unit in the Indian Basin-Upper Penn Gas Pool dedicated to the BTA 9201 JVP Indian No. 1-Y Well at a surface location 1650 feet from the North and East Lines of said Section 20.
2. The BTA 9201 JVP Indian No. 1-Y Well is not a commercial success and Applicant proposes to utilize the existing wellbore to directionally drill this well to a new unorthodox bottomhole location within 50 feet of a point 1300 feet from the North and East lines of said Section 20 in the Indian Basin-Upper Penn Gas Pool.
3. Applicant seeks an exception to Rule 4 of the Special Pool Rules and Regulations for the Indian Basin-Upper Penn Gas Pool to permit the drilling of this well to the above described bottomhole location.
4. Applicant also seeks an exception to Division General Rule 111 to permit

it to directionally drill this well to the proposed bottomhole location.

5. Approval of this location will afford Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying this spacing unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division of August 20, 1992, and that after notice and hearing as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE &
SHERIDAN, P.A.

By: 

WILLIAM F. CARR

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ATTORNEYS FOR BTA OIL
PRODUCERS