

**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 GMT EXPLORATION COMPANY LLC  
FOR A NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**Case No. 15,659**

**APPLICATION OF GMT EXPLORATION COMPANY LLC  
FOR A NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**Case No. 15,660**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by BTA Oil Producers, LLC as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

GMT Exploration Company LLC

**APPLICANT'S ATTORNEY**

James Bruce

**OPPONENT**

Black Mountain Operating LLC

**OPPONENT'S ATTORNEY**

J. Scott Hall

Seth McMillan

**OTHER PARTY**

BTA Oil Producers, LLC  
104 South Pecos  
Midland, Texas 79701

**OTHER PARTY'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Kent Christensen  
(432) 682-3753

## STATEMENT OF THE CASE

### APPLICANT

Case No. 15659: GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the Pucker Rapid State Com. Well No. 1H, a horizontal well with a surface location in the SW/SW/4, and a terminus in the NW/4NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 15660: GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the Squeeze State Com. Well No. 1H, a horizontal well with a surface location in the SE/SW/4, and a terminus in the NE/4NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

### OPPONENT

### OTHER PARTY

BTA Oil Producers, LLC, an interest owner in this area, requests that the Division approve the above applications.

## PROPOSED EVIDENCE

### APPLICANT

WITNESSES

EST. TIME

EXHIBITS

### OPPONENT

WITNESSES

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES

Kent Christensen  
(landman)

EST. TIME

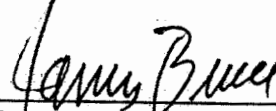
15 min.

EXHIBITS

Approx. 2

**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for bta Oil Producers, LLC