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

2017 2011 15 15 15 28

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

APPLICATION OF BLACK MOUNTAIN OPERATING LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,655

APPLICATION OF BLACK MOUNTAIN OPERATING LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 15,656

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by GMT Exploration Company LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Black Mountain Operating LLC

APPLICANT'S ATTORNEY

J. Scott Hall

Seth McMillan

OPPONENT

GMT Exploration Company LLC

Suite 2000

1560 Broadway

Denver, Colorado 80202

OPPONENT'S ATTORNEY

James Bruce

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Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Philip G. Wood

(432) 682-3715

STATEMENT OF THE CASE

APPLICANT

Case No. 15655: Black Mountain Operating LLC seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2SW/4 of Section 35, Township 21 South, Range 34 East, NMPM and 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).

Case No. 15656: Black Mountain Operating LLC seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2SW/4 of Section 35, Township 21 South, Range 34 East, NMPM and 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).

OPPONENT

GMT Exploration Company LLC opposes the granting of the above applications.

PROPOSED EVIDENCE

APPLICANT

(geologist)

WITNESSES EST. TIME EXHIBITS

OPPONENT

WITNESSES EST. TIME EXHIBITS

Mike Dilli 10 min. Approx. 4

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Attorney for GMT Exploration Company LLC