

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

2017 JUN 15 10 30 AM

**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**

**ANMENDED PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

GMT Exploration Company LLC  
Suite 2000  
1560 Broadway  
Denver, Colorado 80202

Attention: Philip G. Wood  
(432) 682-3715

**APPLICANT'S ATTORNEY**

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

**OPPONENT**

Black Mountain Operating LLC

**OPPONENT'S ATTORNEY**

J. Scott Hall  
Seth McMillan

## 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

## PROPOSED EVIDENCE

### APPLICANT

#### WITNESSES

Mike Dilli  
(geologist)

#### EST. TIME

10 min.

#### EXHIBITS

Approx. 4

### OPPONENT


#### WITNESSES

#### EST. TIME

#### EXHIBITS

## PROCEDURAL MATTERS

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for GMT Exploration Company  
LLC