

2017 MAR 22 P 2:26

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

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

CASE NO. 15656

PRE-HEARING STATEMENT

Black Mountain Operating LLC ("Black Mountain provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

APPLICANT:

BLACK MOUNTAIN OPERATING LLC

BLACK MOUNTAIN OPERATING  
LLC'S ATTORNEY

J. Scott Hall, Esq.  
MONTGOMERY & ANDREWS, P.A.  
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OPPONENT/OTHER PARTIES

GMT EXPLORATION COMPANY LLC

OPPONENT'S ATTORNEY

James Bruce  
Post Office Box 1056  
Santa Fe, NM 87504  
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**STATEMENT OF THE CASE**

Black Mountain Operating LLC seeks an order (1) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, and the E/2W/2 of

Section 2, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico; and  
(2) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit,  
and approving an unorthodox well location.

**PROPOSED EVIDENCE**

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Luke Mildren, Land	20 min.	5
Michael McCracken, Petroleum Engineer	20 min.	5
<u>OPPONENT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>

**PROCEDURAL MATTERS**

The Application in this matter is opposed by GMT Exploration Company LLC. It should  
be consolidated for hearing with Case Nos. 15659 and 15660.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: J. Scott Hall

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*Attorneys for Black Mountain Operating LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on March 22, 2017:

James Bruce  
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J. Scott Hall