

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

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

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

Case No. 15,394

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

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

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 22, Township 24 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) for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Romeo Fed. Com. Well No. 1H, a horizontal well with a surface location in the NW/NW/4, and a terminus in the SW/4SW/4, of Section 22. 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

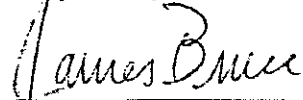
| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|---------------------------|------------------|-----------------|
| Phil Wood (landman) | 10 min. | Approx. 6 |
| Mike Dilli (geologist) | 10 min. | Approx. 4 |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
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PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for GMT Exploration Company
LLC