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**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. 15655

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.
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OPPONENT/OTHER PARTIES

GMT EXPLORATION COMPANY LLC

OPPONENT'S ATTORNEY

James Bruce
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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 W/2SW/4 of Section 35, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, and the W/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.

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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