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

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

CASE NO. 15660

PRE-HEARING STATEMENT

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

APPEARANCES

BLACK MOUNTAIN OPERATING LLC BLACK MOUNTAIN OPERATING
LLC'S ATTORNEY

J. Scott Hall, Esq.
MONTGOMERY & ANDREWS, P.A.
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APPLICANT

GMT EXPLORATION COMPANY LLC

APPLICANT'S ATTORNEY

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Santa Fe, NM 87504
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STATEMENT OF THE CASE

Applicant GMT Exploration Company LLC seeks an order (1) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E½W½ of

Section 2, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico; and
(2) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit.

Black Mountain Operating LLC opposes this Application. The proposed well and project area are in conflict with the well and non-standard spacing unit previously proposed by Black Mountain Operating LLC affecting the subject lands.

PROPOSED EVIDENCE

<u>OPPONENT:</u> BLACK MOUNTAIN OPERATING LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

Luke Mildren, Land	20 min.	5
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Michael McCracken, Petroleum Engineer	20 min.	5
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<u>APPLICANT:</u> GMT EXPLORATION COMPANY LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

PROCEDURAL MATTERS

This matter should be consolidated for hearing with Case Nos. 15655 and 15656.

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 the following counsel of record by electronic mail on March 22, 2017:

James Bruce
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J. Scott Hall