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September 15, 2008

*Case 14196*

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of GMT Exploration Company LLC, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the October 16, 2008 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for GMT Exploration Company LLC

Parties Being Pooled

Patrick H. Admire and John P. Ritchie,  
Trustees of the R.E. Harding, Jr. Residuary Trust

Joan Fontaine

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF GMT EXPLORATION  
COMPANY LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

Case No. 14196

**APPLICATION**

GMT Exploration Company LLC applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E½ of Section 28, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 28, and has the right to drill a well thereon.
2. Applicant proposes to drill its NW Raptor 43-28 State Com. Well No. 1, at an orthodox gas well location in the NE¼SE¼ of Section 28, to a depth sufficient to test the Morrow formation, and seeks to dedicate the E½ of Section 28 to the well to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated La Rica-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 28 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 28, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 28, as set forth above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E½ of Section 28, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in dark 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

PROPOSED ADVERTISEMENT

**Case No. 14196: Application of GMT Exploration Company LLC for compulsory pooling, Lea County, New Mexico:** GMT Exploration Company LLC seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 28, Township 18 South, Range 34 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated La Rica-Morrow Gas Pool. The unit is to be designated to the NW Raptor 43-28 State Com. Well No. 1, to be drilled at an orthodox gas well location in the NE/4SE/4 of Section 28. 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. The unit is located approximately 15 miles southeast of Maljamar, New Mexico.