

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-8178 Fax:(505) 334-8170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3482

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 234130

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address GMT EXPLORATION COMPANY LLC 1560 Broadway Denver, CO 80202		2. OGRID Number 260511
4. Property Code 317581		3. API Number 30-025-43731
5. Property Name SOURSOP 9 STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	9	22S	35E	D	200	N	330	W	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	9	22S	35E	M	200	S	330	W	Lea

**9. Pool Information**

WC-025 G-07 S223505N;BONE SPRING	98136
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3620
16. Multiple N	17. Proposed Depth 15000	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 5/1/2017
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1910	1272	0
Int1	12.25	8.625	32	5500	1865	0
Prod	7.875	5.5	20	15000	1315	4500

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Marissa Walters	Approved By: Paul Kautz
Title: Pertotech	Title: Geologist
Email Address: mwalters@gmtexploration.com	Approved Date: 4/5/2017      Expiration Date: 4/5/2019
Date: 4/3/2017      Phone: 303-586-9275	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 234130

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-43731	2. Pool Code 98136	3. Pool Name WC-025 G-07 S223505N;BONE SPRING
4. Property Code 317581	5. Property Name SOURSOP 9 STATE	6. Well No. 001H
7. OGRID No. 260511	8. Operator Name GMT EXPLORATION COMPANY LLC	9. Elevation 3620

**10. Surface Location**

UL - Lot D	Section 9	Township 22S	Range 35E	Lot Idn D	Feet From 200	N/S Line N	Feet From 330	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 9	Township 22S	Range 35E	Lot Idn M	Feet From 200	N/S Line S	Feet From 330	E/W Line W	County Lea
12. Dedicated Acres 160.00	13. Joint or Infill		14. Consolidation Code N/A				15. Order No.		

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By:        Marissa Walters Title:                Pertotech Date:                 4/3/2017</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Surveyed By:        Gary Jones Date of Survey:     3/7/2017 Certificate Number: 7977</p>
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Form APD Comments

Permit 234130

**PERMIT COMMENTS**

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202	API Number: 30-025-43731
	Well: SOURSOP 9 STATE #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 234130

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202	API Number: 30-025-43731
	Well: SOURSOP 9 STATE #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Will require a administrative order for non-standard location prior to placing the well on production.
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	1)- The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Submit Gas Capture Plan form prior to spud