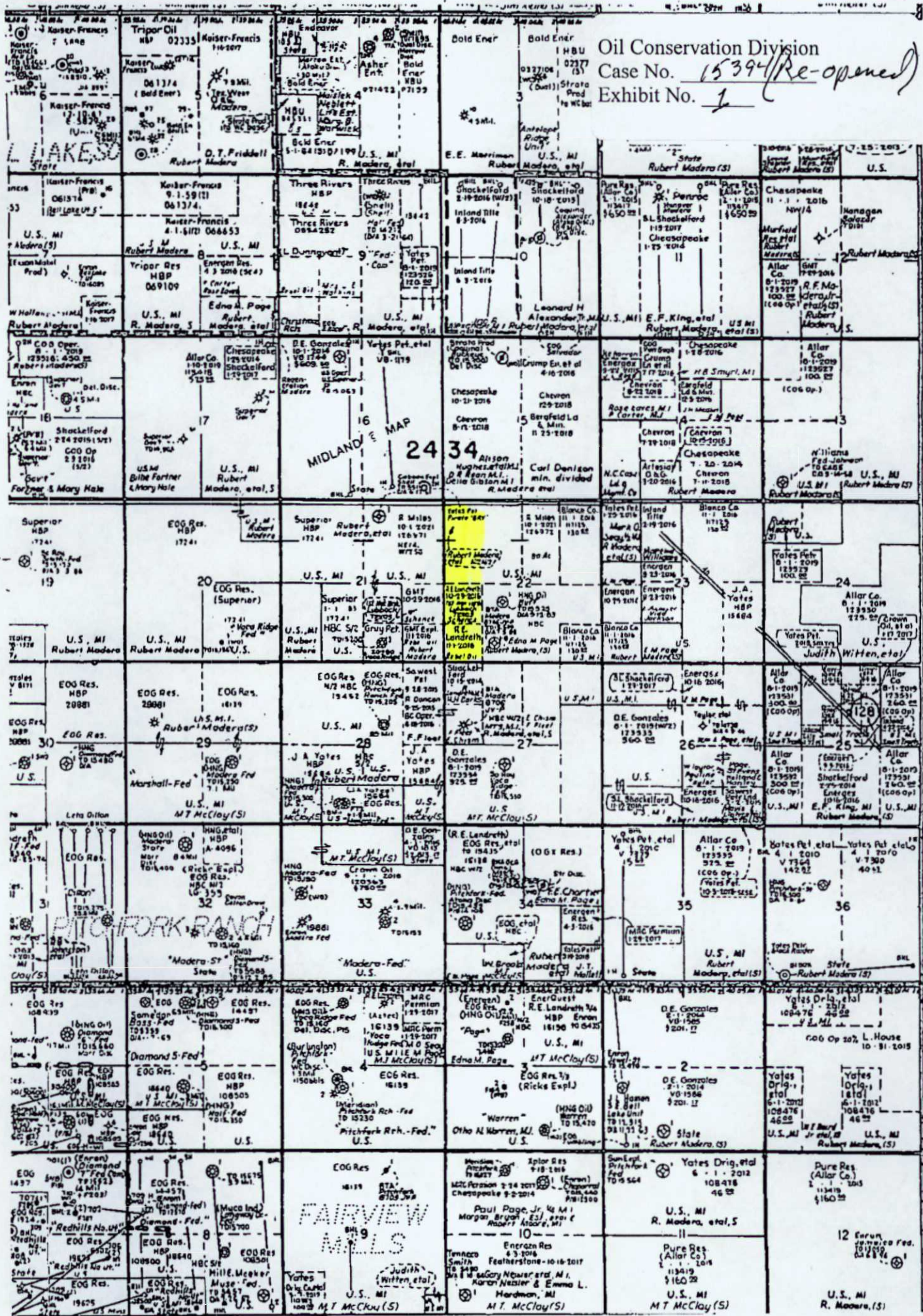


Case No. 15394/Re-opened
Exhibit No. 1

Case No. 15394/Re-opened
Exhibit No. 1

Exhibit No. 1



DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone (505) 746-1289 Fax: (505) 746-8720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 834-8178 Fax: (505) 834-8170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3456 Fax: (505) 476-3452State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name ROMEO FEDERAL COM	Well Number 1H
GRID No.	Operator Name GMT EXPLORATION COMPANY LLC	Elevation 3534

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	22	24 S	34 E		400	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	22	24 S	34 E		330	SOUTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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

N: 441319.2
E: 809477.2

(NAD83) 330' 330' 400' 660' S.L. SURFACE LOCATION Lat - N 32°12'33.09" Long - W 103°27'51.24" NMSPCE- N 440924.5 E 810139.5 (NAD-83) PENETRATION POINT Lat - N 32°12'33.78" Long - W 103°27'55.07" NMSPCE- N 440991.9 E 809809.1 (NAD-83) Oil Conservation Division Case No. _____ Exhibit No. <u>2</u> PROPOSED BOTTOM HOLE LOCATION Lat - N 32°11'48.11" Long - W 103°27'55.10" NMSPCE- N 436376.6 E 809843.9 (NAD-83) 330' 330' B.H. N: 436044.1 E: 809517.0 (NAD83)	N: 441340.3 E: 812119.3 (NAD83) N: 441381.3 E: 814761.4 (NAD83) N: 436083.2 E: 814803.1 (NAD83)	OPERATOR CERTIFICATION 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 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. Signature _____ Date _____ Printed Name _____ Email Address _____ SURVEYOR CERTIFICATION 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. Date Surveyed _____ Signature _____ of Professional Surveyor Certificate No. 7977 Scale: 1" = 1000' WO Num.: 30453
---	--	--

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (505) 393-8181 Fax: (505) 393-9720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720
DISTRICT III
1000 Rio Brasos 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) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name ROMEO FEDERAL COM	Well Number 1H
GRID No.	Operator Name GMT EXPLORATION COMPANY LLC	Elevation 3534

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	22	24 S	34 E		400	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

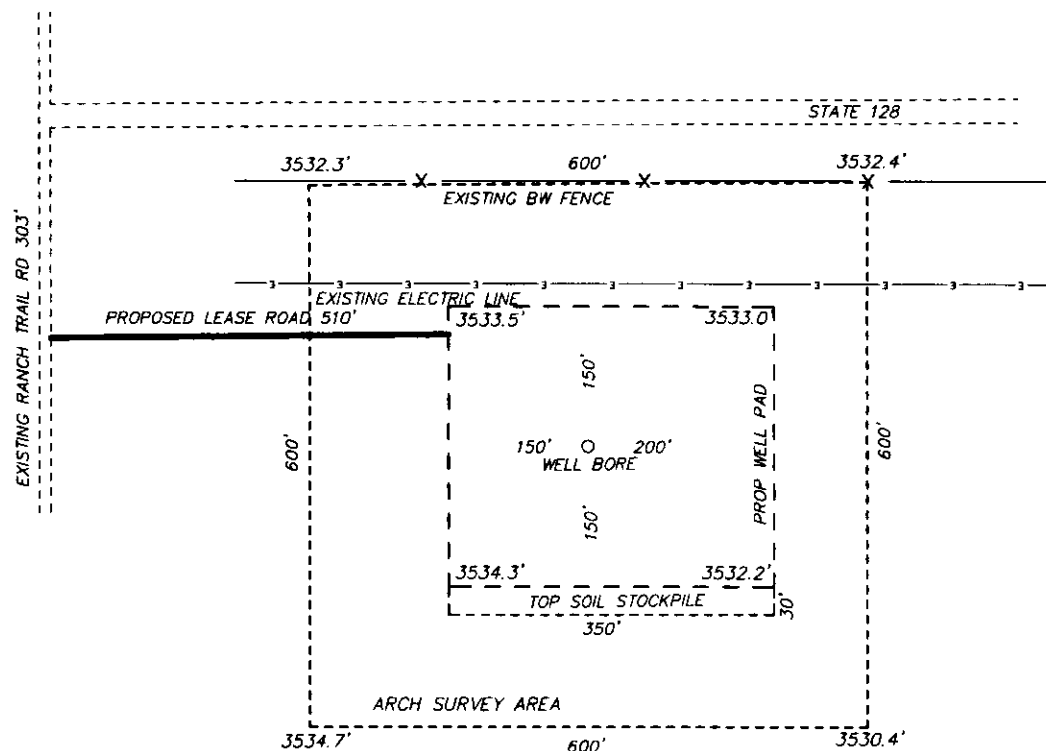
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	22	24 S	34 E		330	SOUTH	660	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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

N: 4413182 E: 8094772 (NAD83) 3532.3 3532.4 400 660 3534.7 3530.4 S.L.	SURFACE LOCATION Lat - N 32°12'33.09" Long - W 103°27'51.24" NMSPC - N 440924.5 E 810139.5 (NAD-83)	N: 441340.3 E: 812119.3 (NAD83)	N: 441361.3 E: 814761.4 (NAD83)	OPERATOR CERTIFICATION 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 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. Signature _____ Date _____ Printed Name _____ Email Address _____
N: 436044.1 E: 809517.0 (NAD83) 660 4546 330 B.H.	PROPOSED BOTTOM HOLE LOCATION Lat - N 32°11'48.11" Long - W 103°27'51.26" NMSPC - N 436378.9 E 810173.8 (NAD-83)	N: 436083.2 E: 814803.1 (NAD83)	N: 436083.2 E: 814803.1 (NAD83)	SURVEYOR CERTIFICATION 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. Date Surveyed _____ Signature _____ of Professional Surveyor Certification No. 7977 Scale: 1" = 1000' WQ Num.: 30453

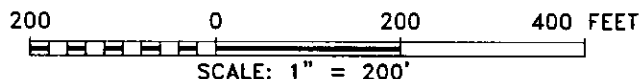
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 34 EAST. N.M.P.M.,
LEA COUNTY, NEW MEXICO.



GMT EXPLORATION COMPANY LLC
ROMEO FEDERAL COM #1H
ELEV. - 3534'
Lat - N 32°12'33.09"
Long - W 103°27'51.24"
NMSPCE- N 440924.5
E 810139.5
(NAD-83)

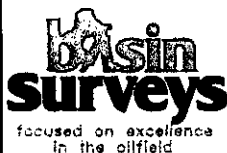
NOTE: V-DOOR TO WEST
RE-CLAIM 50' EAST
RE-CLAIM 75' SOUTH

JAL, NM IS ±17 MILES TO THE SOUTHEAST OF LOCATION.



Directions to Location:

FROM THE CITY OF JAL, GO WEST ON US 128, WEST
OF MILE MARKER 35, TURN SOUTH TO EXISTING
LEASE ROAD AND PROPOSED PAD.



P.O. Box 1786
1120 N. West County Rd.
Hoobs, New Mexico 88241
(575) 332-7513 - Office
(575) 332-2226 - Fax
basinsurveys.com



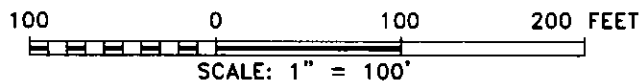
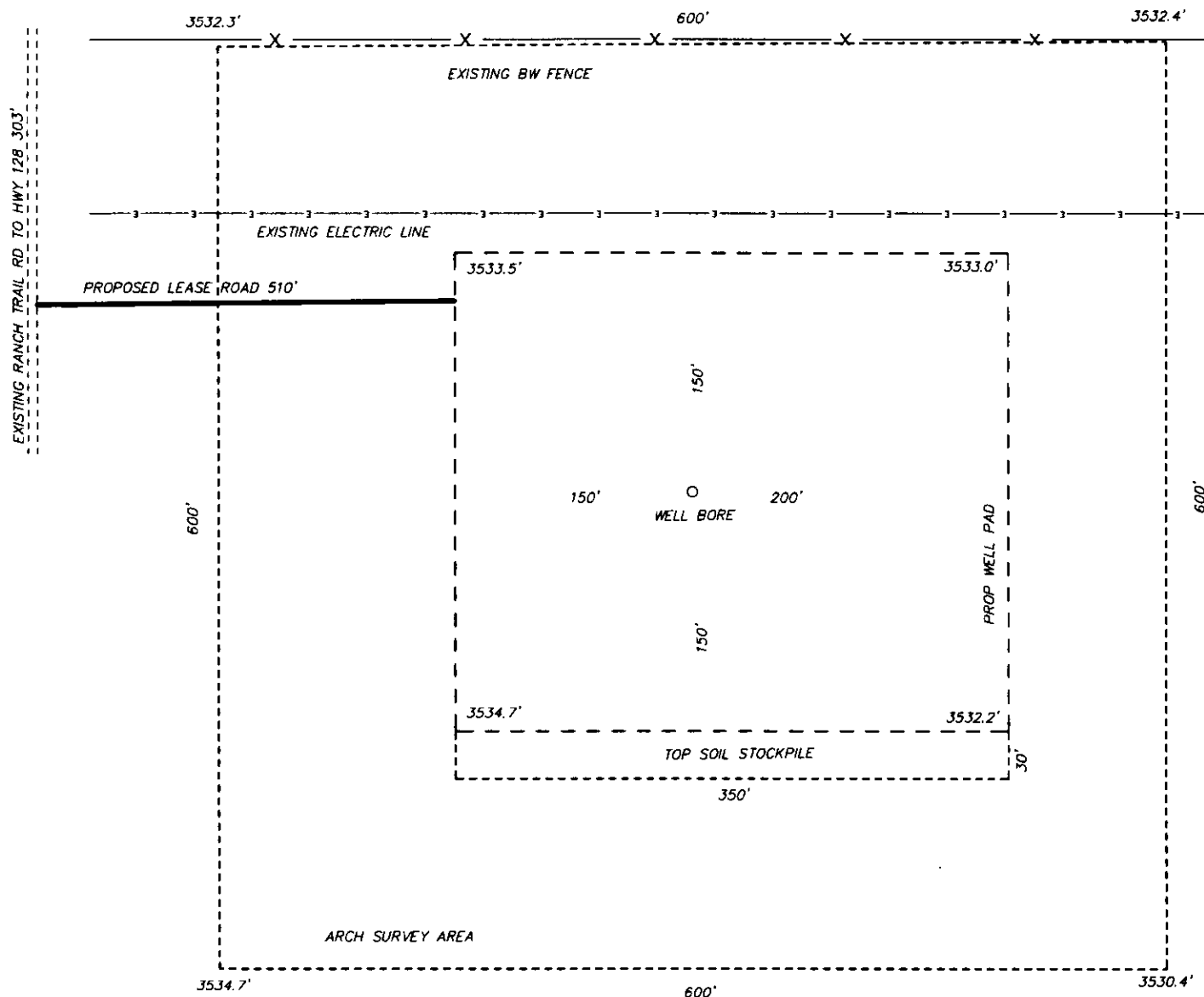
GMT EXPLORATION COMPANY LLC

REF: ROMEO FEDERAL COM #1H / WELL PAD TOPO

THE ROMEO FEDERAL COM #1H LOCATED 400' FROM
THE NORTH LINE AND 660' FROM THE WEST LINE OF
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 34 EAST.

N.M.P.M., LEA COUNTY, NEW MEXICO.

SECTION 22, TOWNSHIP 24 SOUTH, RANGE 34 EAST. N.M.P.M.,
LEA COUNTY, NEW MEXICO.



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Hobbs, New Mexico 88241
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(575) 392-2206 - Fax
basinsurveys.com



GMT EXPLORATION COMPANY LLC

REF: ROMEO FEDERAL COM #1H / WELL PAD TOPO

THE ROMEO FEDERAL COM #1H LOCATED 400' FROM
THE NORTH LINE AND 660' FROM THE WEST LINE OF
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 34 EAST.

N.M.P.M., LEA COUNTY, NEW MEXICO.

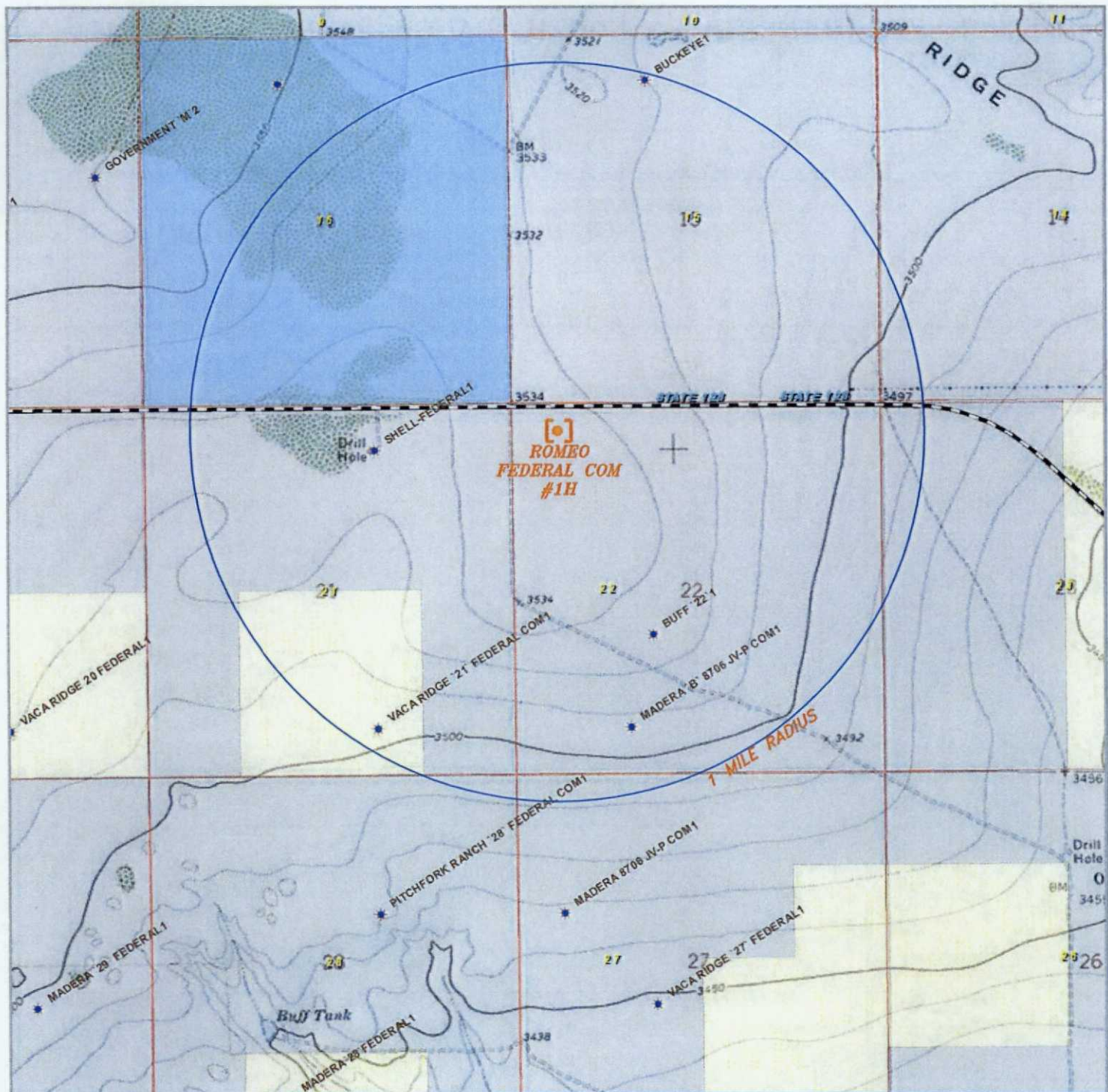
W.O. Number: 30453

Drawn By: K. NORRIS

Date: 06-02-2014

Survey Date: 05-29-2014

Sheet 1 of 1 Sheets



ROMEO FEDERAL COM #1H

Located 400' FNL and 660' FWL
 Section 22, Township 24 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'
 SCALE: 1" = 2000'

W.O. Number: KAN 30453

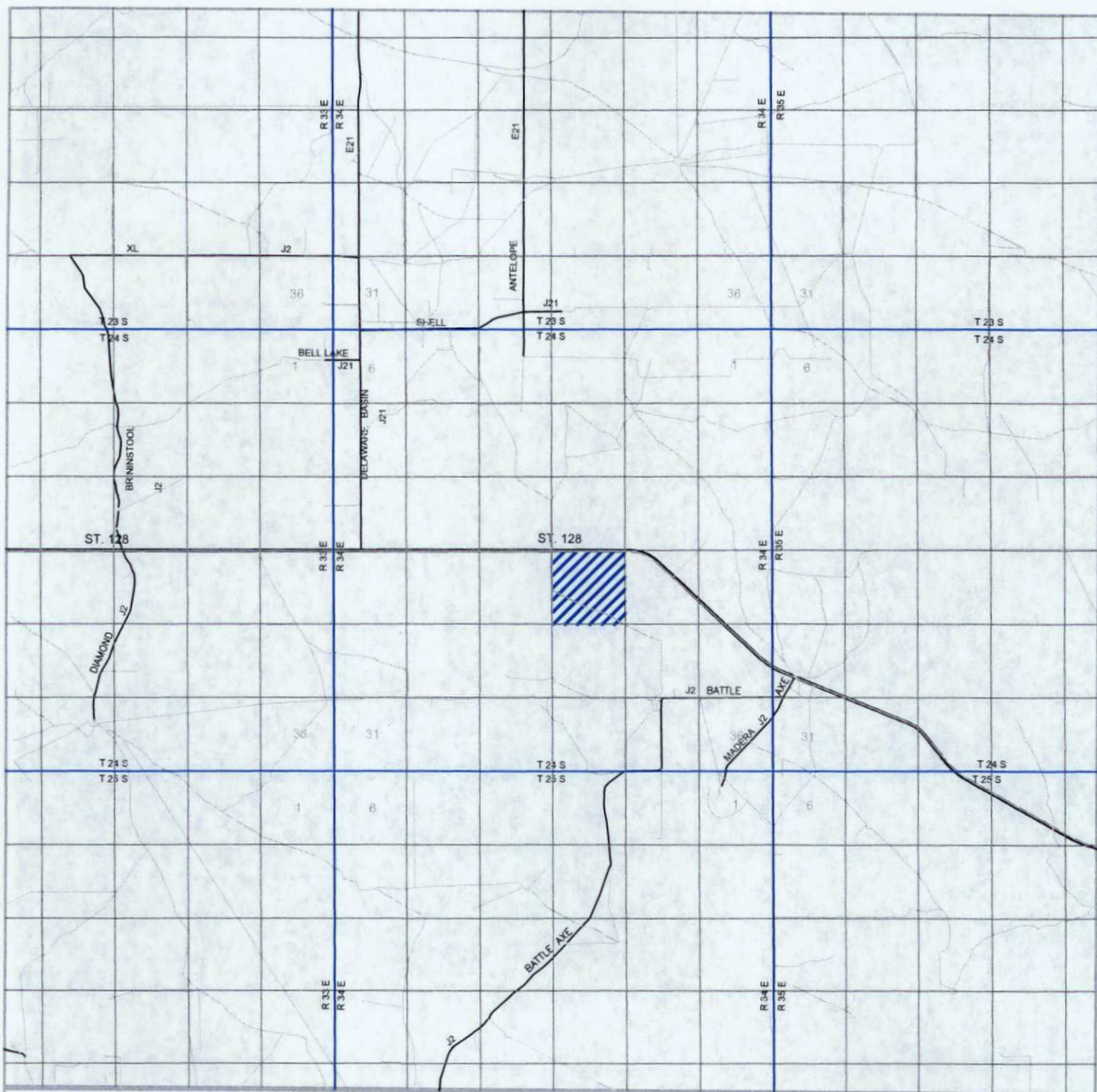
Survey Date: 05-29-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



GMT EXPLORATION COMPANY LLC

Geophysics • Petrophysics • Reservoir



ROMEO FEDERAL COM #1H

Located 400' FNL and 660' FWL
Section 22, Township 24 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

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0 1 MI 2 MI 3 MI 4 MI
SCALE: 1" = 2 MILES

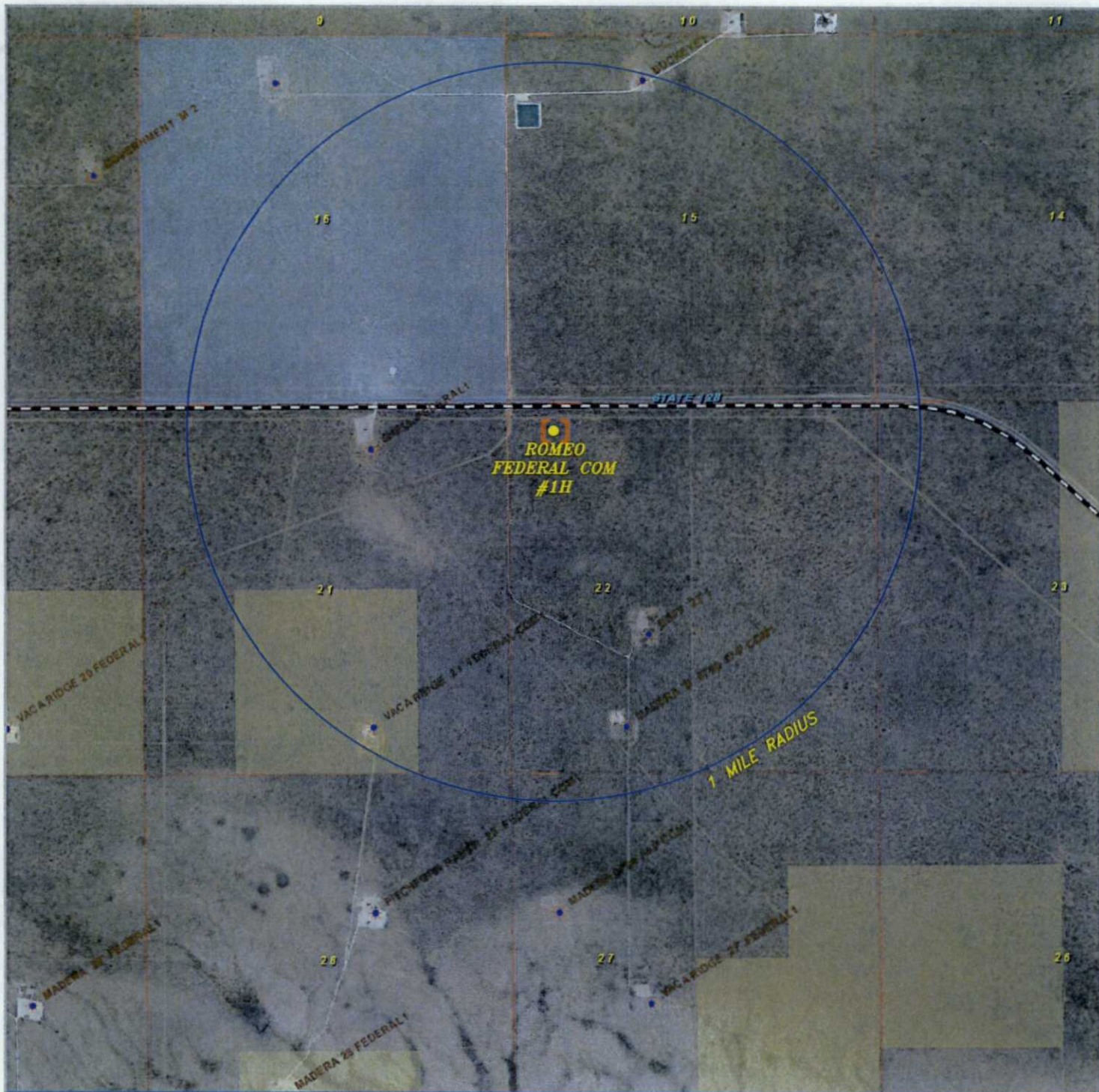
W.O. Number: KAN 30453

Survey Date: 05-29-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



GMT EXPLORATION COMPANY LLC



ROMEO FEDERAL COM #1H

Located 400' FNL and 660' FWL
 Section 22, Township 24 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

W.O. Number: KAN 30453

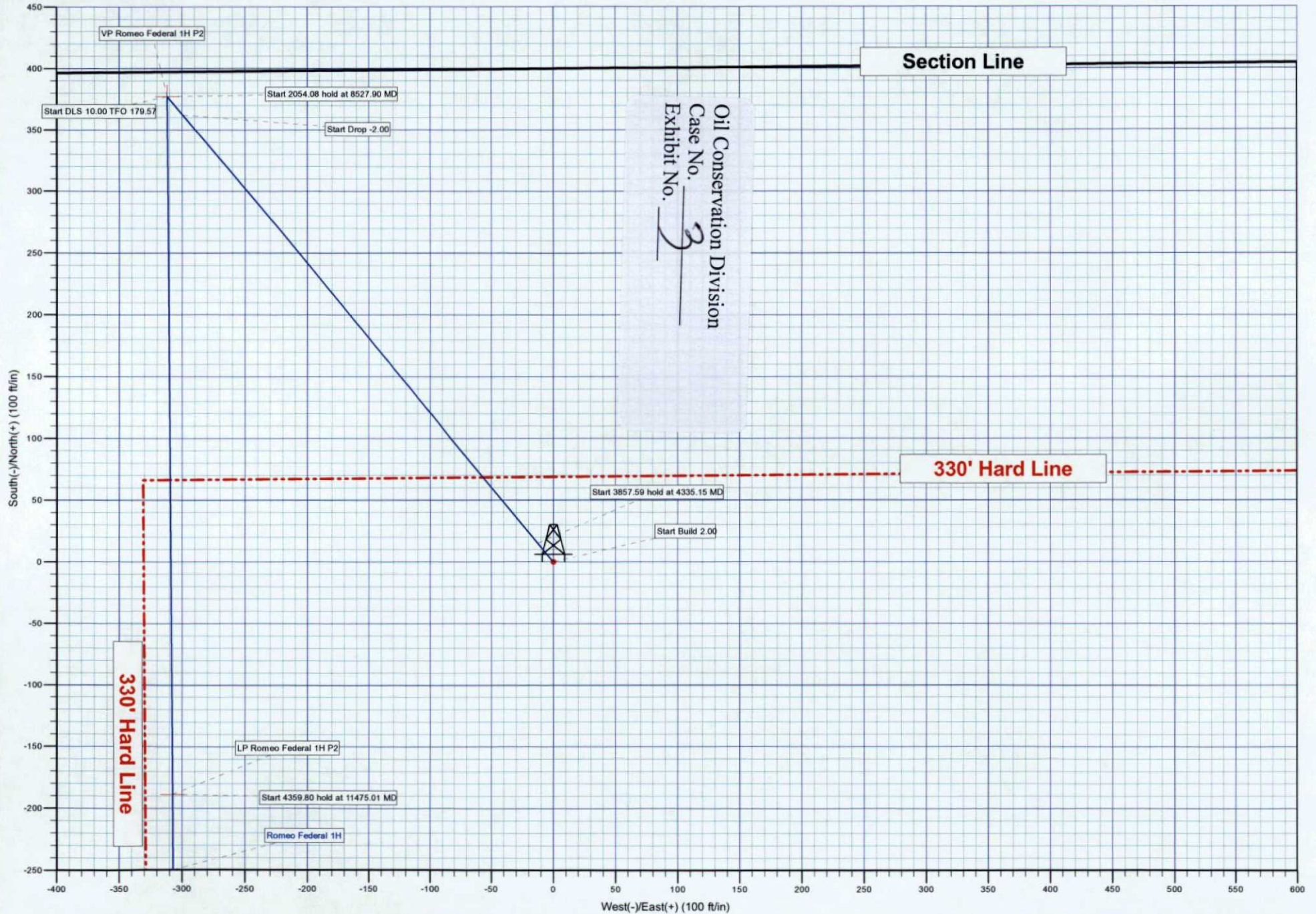
Survey Date: 05-29-2014

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



GMT EXPLORATION COMPANY LLC

Acquired land - Production - Reservoir



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS****Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.****SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMNM77090
2. Name of Operator GMT EXPLORATION LLC Contact: MARISSA WALTERS E-Mail: mwalters@gmtexploration.com		6. If Indian, Allottee or Tribe Name
3a. Address 1560 BROADWAY SUITE 2000 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-586-9275	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T24S R34E 400FNL 660FWL 32.114811 N Lat, 103.275124 W Lon		8. Well Name and No. ROMEO FEDERAL COM 1H
		9. API Well No. 30-025-42999
		10. Field and Pool, or Exploratory RED HILLS; BONE SPRING N
		11. County or Parish, and State LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Change to Original A
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

GMT is submitting a new directional plan for the above well. The surface location will remain the same however our first take point will change to 330' FNL & 330' FWL. We will also be changing our target zone from 3rd Bone Spring (11970' TVD) to the 2nd Bone Spring (11180' TVD), all other aspects of the drilling plan will remain the same. Attached is an updated C102 as well as a new directional plan.

Oil Conservation Division

Case No. 4Exhibit No. 4

14. I hereby certify that the foregoing is true and correct. Electronic Submission #357694 verified by the BLM Well Information System For GMT EXPLORATION LLC, sent to the Hobbs	
Name (Printed/Typed) KEITH KRESS	Title ENGINEER
Signature (Electronic Submission)	Date 11/10/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



GMT EXPLORATION COMPANY LLC

ACQUISITIONS • EXPLORATION • PRODUCTION

Oil Conservation Division

Case No. 15394 (Re-opened)

Exhibit No. 5

VIA Certified Mail: 7013 2630 0000 2877 3797

July 10, 2015

Oxy USA, Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046
Attn: Joel Johnson, Land Negotiator

RE: GMT's Proposed Romeo Federal Com #1H
W/2W/2, Section 22, T24S-R34E
Lea County, New Mexico

Dear Mr. Johnson:

GMT Exploration Company, LLC ("GMT") hereby proposes to drill the captioned well, a horizontal well drilled as a standup proration unit encompassing the W/2W/2 of Section 22 in Township 24 South, Range 34 East. GMT plans to drill into the 2nd Bone Spring formation to a total vertical depth of 11,175' and a total measured depth of 15,500', for a total completed cost of \$6,832,821, as shown on the attached AFE. Also included in the proposal package is the drilling prognosis along with the survey of the well location, both of which have been submitted to the BLM to begin the permitting process.

According to preliminary ownership reports, Oxy USA, Inc. owns 23.85% of the operating rights of BLM lease NM-77090 in the NW/4 of lands in Section 22-T24S-R34E. We are in the process of rendering a drilling title opinion and your proportionate share of the well will be verified prior to drilling.

Upon request, we will send our standard joint operating agreement for your review. Should you wish to participate in the drilling of said well, please sign one copy of this letter and the attached AFE and return to the undersigned at the letterhead address within thirty (30) days of receipt of this letter.

If you have any questions in regard to the enclosures or proposed operations, please don't hesitate to contact me.

Sincerely,


Lindsey W. Reiss
Landman

Lindsey W. Reiss, Landman lreiss@gmtexploration.com
1560 Broadway, Suite 2000 Denver, CO 80202
Direct: 303.586.9277 • Main 720.946.3028 • Fax 720.946.3034

_____ Oxy USA, Inc. hereby elects to participate in the Romeo Federal Com #1H.

_____ Oxy USA, Inc. hereby elects NOT to participate in the Romeo Federal Com #1H.

OXY USA, INC.

By: _____

Name: _____

Title: _____

Date: _____

Approval For Expenditure

GMT Exploration Company, LLC
1560 Broadway, Suite 2000
Denver, CO 80202
PH: 720.946.3028 / Fax: 720.946.3034



Prepared By:	Keith Kress	Operator:	GMT Exploration Company, LLC	ACE Number:	
Lease:	NM77090	Wells:	Mano Federal Com #1H	Date:	1/7/2017
S/T/R:	S22 T24S R34E	County:	Lea	State:	NM
Projected Depth(s):	13,500 TMD 11,175 TYD				
This is the estimated well costs with a conventional, non-plotted well. Fracture stimulation represents 1500 ft/linear foot job. Per above, the lateral length for this well will be approximately 4,325'.					
RECEIPT CODE	CONTRACT	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16000201	n/a	PERMITS	3,000		3,000
16000203	n/a	SURVEY WORK	3,000		3,000
16000205	n/a	RIGHTS OF WAY			
16000206	17000200	LOCATION CONSTRUCTION	90,000		90,000
16005600	17005600	INSURANCE	15,000		15,000
16006211	17006211	RECLAMATION	15,000	25,000	40,000
16000300	n/a	DAMAGES			
LOCATION SUBTOTAL			126,000	25,000	150,000
16000800	n/a	FOOTAGE			
16000400	n/a	MUD/DEMOB	90,000		90,000
16001000	17001000	DAYWORKERS days * \$16,500/day	550,000	35,000	585,000
n/a	17004000	COIL TUBING UNIT		105,000	105,000
16001800	n/a	FUEL	80,000		80,000
16001400	17001400	BITS	90,000	25,000	115,000
16006000	n/a	MISC. INTANGIBLE DRILLING COSTS	40,000		40,000
n/a	17006000	MISC. INTANGIBLE COMPLETION COSTS		75,000	75,000
DRILLING SUBTOTAL			880,000	140,000	1,020,000
16001600	n/a	MUD COST	120,000		120,000
16001601	17001601	COMPLETION FLUID COST	55,000	275,000	330,000
16001607	17001607	STORAGE/MUD TRANSFER	50,000		50,000
16001611	17001611	TRANSPORTATION	25,000	8,000	33,000
FLUIDS SUBTOTAL			250,000	283,000	493,000
16001201	17001201	BLOWOUT PREVENTION AND WELL CONTROL			
16001209	17001209	CASING TOOLS AND CRUIES	27,000		27,000
16001225	17001225	TUBING & DRILL PIPE	28,000		28,000
16001227	17001227	COMMUNICATION EQUIPMENT	15,000		15,000
16001229	17001229	TRAILERS	20,000	9,000	29,000
16001231	17001231	PUMPS	2,500	30,000	32,500
16001233	17001233	FORKLIFT	15,000	12,000	27,000
16001241	17001241	VACUUM UNIT			
16001243	17001243	SEWAGE UNIT	15,000		15,000
RENTAL EQUIPMENT SUBTOTAL			122,500	51,000	173,500
16002801	n/a	CONDUCTOR	15,000		15,000
16002805	n/a	SURFACE	16,000		16,000
16002807	n/a	INTERMEDIATE	25,000		25,000
16002809	n/a	PRODUCTION CASING	16,000		16,000
16006000	n/a	PLUS & ABANDON			
CEMENTING SUBTOTAL			92,000		92,000
16002400	n/a	MUDLOGGING	26,000		26,000
16002600	17002600	ELECTRIC LOGGING	30,000		30,000
16003000	n/a	DIRECTIONAL SURVEYS	3,000		3,000
16003600	17003600	WIRELINE SERVICES		55,000	55,000
n/a	17007300	TUBING INSPECTION	2,500		2,500
n/a	17007400	TUBING TESTING			
16003800	n/a	CASING INSPECTION AND TESTING			
16007500	n/a	DRILL PIPE INSPECTION	18,000		18,000
n/a	17007800	PERFORATING SERVICES		94,000	94,000
16007800	17007800	TRASH AND DISPOSAL	2,000		2,000
16007900	17007900	WELDING	6,000		6,000
16008200	n/a	FILTRATION AND SERVICES, SCREENS	40,000		40,000
16004400	17004400	FORMATION CORING	4,000		4,000
16003200	17003200	FISHING TOOLS	10,000		10,000
16003000	n/a	DIRECTIONAL SERVICES MWD/LWD	525,000		525,000
16008700	17008700	BOP NIPPLE UP & TEST	25,000	20,500	45,500
16008800	17008800	COMPOSITE BRIDGE PLUGS PLUS PUMPING		25,000	25,000
16004600	17004600	CASING CREW	18,000		18,000
16008900	n/a	WELLHEAD SERVICES	20,000		20,000
16004800	17004800	HOUSTABOUT SERVICES	15,000	15,000	30,000
16009000	17009000	MUD, H2O, CUTTINGS, TESTING TANKS RENTAL	9,000	9,690	18,690
16009100	17009100	VACUUM TRUCK SERVICES	10,000	15,000	25,000
16003400	17003400	WELL TESTING		100,000	100,000
16009300	17009300	HOT OIL SERVICES			
16009400	17009400	PACKER SERVICES		15,000	15,000
16009500	17009500	PRODUCED WATER TRUCK & DISPOSAL	50,000	90,300	140,300
16004700	17004700	FRACTURING SERVICES		1,700,000	1,700,000
16009600		SAFETY & ENVIRONMENTAL	20,000		20,000
16002700	17002700	TRUCKING	90,000	20,000	110,000
SERVICES SUBTOTAL			933,500	2,159,490	3,092,990

Prepared By: KMR KPM
 Operator: GMT Exploration Company, LLC
 Lease: NM77090
 Well: Romeo Federal Com #1H
 S/T/R: 522 T24S R24E
 Projected Depth(s): 15,500 TMD 11,175 TVD

API Number:
 Date: 7/17/2015
 County: Lea
 State: NM

This is the estimated well costs with a conventional, non-pulsed well. Fracture stimulation represents ~1500 lb/linear foot job
 Per above, the lateral length for this well will be approximately 4,325.

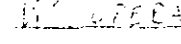
DRILLING	GAUGE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16005800	17005800	ADMINISTRATION/OVERHEAD			
16005900	17005900	MANAGEMENT			
16005400	17005400	ENGINEERING CONSULTANTS	15,000		15,000
16006200	17006200	FIELD ENGINEERING	8,000	6,500	14,500
16002000	17002000	FIELD CONSULTANTS	75,000	22,750	97,750
SUPERVISION & ADMINISTRATIVE SUBTOTAL			98,000	30,250	128,250
TOTAL INTANGIBLE COSTS			2,311,000	2,238,750	4,549,750

DRILLING	GAUGE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16100700	n/a	CONDUCTOR			
16100600	17100600	SURFACE(1800' * 530 9/H)	55,000		55,000
16100400	n/a	INTERMEDIATE(1250' * 572.59/H - 4150' * 516.4/H)	96,297		96,297
16101700	n/a	PRODUCTION(15,500' * 514.02/H)	217,310		217,310
n/a	17100800	TUBING		55,000	55,000
n/a	17102400	TEST STRING			
16101500	n/a	MISC. TANGIBLE DRILLING COSTS	15,000		15,000
n/a	17101300	MISC. TANGIBLE COMPLETION COSTS		17,500	17,500
n/a	17101200	PACKERS			
TUBULAR GOODS SUBTOTAL			383,607	72,500	456,107
16100800	17101400	CASING HEAD	15,000	20,000	35,000
16100807	17101407	HANGERS			
16100809	17101409	MUD LINER HANGER			
16100811	17101411	WELLHEAD CONTROL			
WELLHEAD SUBTOTAL			15,000	20,000	35,000
TOTAL TANGIBLE COSTS			413,607	92,500	506,107

DRILLING	GAUGE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
n/a	17201000	TANKS		104,000	104,000
n/a	17201700	FLOWLINES		23,000	23,000
n/a	17200700	HEATERS/TREATERS		18,000	18,000
n/a	17201400	GLYCOL SYSTEMS			
n/a	17200400	SEPARATORS		15,000	15,000
n/a	17202200	VALVES & FITTINGS		83,000	83,000
n/a	17203800	COMPRESSOR			
n/a	17200600	ARTIFICIAL LIFT SYSTEMS		215,000	215,000
n/a	17202000	LABOR		49,000	49,000
n/a	17202600	SUPERVISION			
n/a	17201600	PIPELINE		50,000	50,000
LEASE EQUIPMENT SUBTOTAL				547,000	547,000
TOTAL LEASEHOLD & PRODUCTION FACILITIES COSTS				547,000	547,000

DRILLING	GAUGE	DESCRIPTION	DRILLING	COMPLETION	TOTAL
DRILLING & EQUIPMENT TOTAL COSTS			2,311,000	2,238,750	4,549,750
TOTAL TANGIBLE COSTS			413,607	92,500	506,107
LEASE & PRODUCTION FACILITIES COSTS				547,000	547,000
TOTAL COSTS			2,724,607	2,878,250	5,602,857

WORKING INTEREST OWNER: GMT Exploration Company, LLC
 PROPORTIONATE SHARE(%): 100.00%
 DRILLING: 3,180,707
 COMPLETION: 3,652,214
 TOTAL: 6,832,921

Operator: 
 Approved By: 
 Title: 
 Non Operator:
 Approved By: _____ Date: _____
 Title: _____

DISCLAIMER: The information on this AFE is only an estimate which may or may not be based on any actual contract or job.



DRILLING PROGNOSIS

PROSPECT: **Solomon**

WELL NAME: **Rommel Federal 1H**

DATE: 7/2/2015

LOCATION: **Surface** T 24 S R 34 E Sec 22 420' FNL 660' FWL
Street Lea County, New Mexico
 T 24 S R 34 E Sec 22 330' FSL 660' FWL

API #:

FIELD: **Red Hills North**

ELEVATION: **KB: 3554 (est) GL: 3534**

ESTIMATED TO: **- 15,500 MD -11,175 TVD**

FORMATION AT TD: **2nd Bone Spring Sand**

OBJECTIVE FORMATION: **2nd Bone Spring Sand**

DRILLING CONTRACTOR:

DRILLING PROGRAM	Hole Size	Casing Size	Depth	Comments
Surface Casing			TBD	
Intermediate Casing			TBD	
Production Casing			TBC	

FORMATION TOPS

FORMATION	DRILL DEPTH (est.)	DATUM (est.)	COMMENTS
Rustler	1,160	2,394	
Salt Top	1,215	2,339	
Salt Base	3,015	832	
Lamar Limestone	3,030	524	
Delaware Mountain Group	5,340	-1,786	
Delaware Bell Canyon	5,365	-1,811	
Cherry Canyon	6,580	-3,025	
Brushy Canyon	7,760	-4,226	
Lower Brushy Canyon Marker	8,055	-5,431	Possible Oil and Gas Show
Bone Spring	9,125	-5,571	
Avalon Shale Top	9,175	-5,621	Possible Oil and Gas Show
Avalon Carbonate	9,420	-5,866	Possible Chert Zone
1st Bone Spring Sand	10,150	-6,606	Possible Oil and Gas Show
1st Bone Spring Carb	10,360	-6,826	Possible Chert Zone
2nd Bone Spring Sand	10,735	-7,181	Possible Oil and Gas Show
NO Pilot	TVD 11,175	-7,421	

LOGGING PROGRAM

OPEN HOLE LOGS: NA

MWD/LWD LOGS Gamma Ray

LOGGING COMPANY: **SCHLUMBERGER**
 Denver Contact = Brian Holmes
 Office: 303-352-1230
 Cell: 303-513-1272
 bholmes12@sl.com

LOGGING COMPANY: **WEATHERFORD**
 Contact = Matt McClellan
 Office: 720-946-2563
 Cell: 281-661-1215
 matt.mcclellan@weatherford.com

MUD LOGGER: **Marco Geological Services**
 3863 National Park Highway
 Carlsbad, New Mexico 88220

Contacts:
 Corky Stewart
 Cell: (575) 361-1270

Two manned unit after 8:30P

OFFSET WELLS

WELL NAME	LOCATION	Depth	Date
Pirate #2H Pilot	T 24 S R 34 E Sec 16 -	TVD 12,700	Date 9/2014
Buff '22'	T 24 S R 34 E Sec 22 -	TVD 15,525	Date 9/1983
Madera B 570E JV	T 24 S R 34 E Sec 22 -	TVD 15,500	Date 7/1988

REMARKS

ANTICIPATED COMPLETION: **2nd Bone Spring Sand**

SPECIAL CONSIDERATION: **Chert intervals may be encountered - these areas have been detected in the formation tops section**

GMT EXPLORATION CONTACTS

Geology
 Sarah Heger
 Office: 303-526-9282
 Cell: 720-412-2787
 email: sheger@gmtexploration.com

Alternate
 Mike Dahl
 Office: 303-526-9282
 Cell: 303-358-2197
 email: m Dahl@gmtexploration.com

Alternate
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 Office: 303-568-9273
 Cell: 303-808-0857
 email: wll@gmtexploration.com

Engineering
 Keith Kress
 Office: 303-568-9281
 Cell: 720-237-5986
 email: kkrass@gmtexploration.com

Alternate
 Hugo Cartaya
 Office: 720-946-3032
 Cell: 303-673-3440
 email: hcartaya@gmtexploration.com

Alternate

This well is a TIGHT hole



October 14, 2016

Via Certified Mail: 7016 1370 0000 0983 8744

Oxy USA, Inc.
Attn: Joel Johnson, Land Negotiator
5 Greenway Plaza, Suite 110
Houston, TX 77046

Re: **Notice of Change of Location**
Romeo Fed Com 1H
Township 24 South, Range 34 East, N.M.P.M.
Sec 22: W2W2
Lea County, New Mexico

Mr. Johnson:

By certified letter dated July 10, 2015 and received by Oxy USA, Inc. ("Oxy") GMT Exploration Company, LLC ("GMT") proposed to drill the Romeo Fed Com 1H horizontal well (the "Well") at the location and depths described below and requested Oxy's participation in the well.

Well Type: New Drill Horizontal
Objective Formation: 2nd Bone Spring
Estimated Cost: \$6,832,821
Estimated Total Vertical Depth: 11,175'
Estimated Total Measured Depth: 15,500'
Surface Hole Location: 400' FNL, 660' FWL
Bottom Hole Location: 330' FSL, 660' FWL
Proposed Project Area: Section 22: W2W2, T24S-R34E

GMT hereby delivers this notice describing the amendment to the Bottom Hole Location of the well. The well will be drilled from the originally proposed Surface Hole Location to a new Bottom Hole Location as shown below. Estimated Costs, Estimated Total Vertical Depth and Total Measured depth will remain the same.

New Bottom Hole Location: 330' FSL, 330' FWL

Please contact me with any questions.

Respectfully,

GMT Exploration Company, LLC


Hans Schuster
Landman

Oil Conservation Division
Case No. _____
Exhibit No. 6

Enclosures: Notice of Staking; Well Location and Acreage Dedication Plat; Approved NMOCD Permit

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
☒ Complete items 1, 2, and 3. ☒ Print your name and address on the reverse so that we can return the card to you. ☒ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature  ☐ Agent ☐ Addressee	
1. Article Addressed to: Oxy USA, Inc Attn: Joel Johnson 5 Greenway Plaza, Ste 110 Houston, TX 77046		B. Received by (Printed Name) G. Menendez	C. Date of Delivery 10-24-16
2. Article Number (Transfer from service label) 9590 9402 1831 6104 9459 23		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)		☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery	

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

Approval For Expenditure

GMT Exploration Company, LLC
1560 Broadway, Suite 2000
Denver, CO 80202
Ph 720.946.3028 / Fax 720.946.3034



Prepared By: Keith Kress
Operator: GMT Exploration Company, LLC
Lease: NM77090
Well: Romeo Federal Com #1H
S/T/R: S22 T245 R34E
Projected Depth(s): 15,500'TMD 11,175'TVD

AFE Number:
Date: 7/7/2015
County: Lea
State: NM

AFE Description:

This is the estimated well costs with a conventional, non-piled well. Fracture stimulation represents ~1500 lb/linear foot job.
Per above, the lateral length for this well will be approximately 4,325'.

ACCOUNTING CODE		DESCRIPTION		INTANGIBLE COSTS:	
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
16000201	n/a	PERMITS	1,000	-	1,000
16000203	n/a	SURVEY WORK	3,000	-	3,000
16000205	n/a	RIGHTS OF WAY	-	-	-
16000200	17000200	LOCATION CONSTRUCTION	90,000	-	90,000
16005600	17005600	INSURANCE	16,000	-	16,000
16000211	17000211	RECLAMATION	15,000	25,000	40,000
16000300	n/a	DAMAGES	-	-	-
LOCATION SUBTOTAL			125,000	25,000	150,000
16000800	n/a	FOOTAGE	-	-	-
16000400	n/a	MOB/DEMOB	90,000	-	90,000
16001000	17001000	DAYWORK(35 days * \$16,500/day)	580,000	35,000	615,000
n/a	17004000	COIL TUBING UNIT	-	105,000	105,000
16001800	n/a	FUEL	80,000	-	80,000
16001400	17001400	BITS	90,000	25,000	115,000
16006000	n/a	MISC. INTANGIBLE DRILLING COSTS	40,000	-	40,000
n/a	17006000	MISC. INTANGIBLE COMPLETION COSTS	-	75,000	75,000
DRILLING SUBTOTAL			880,000	240,000	1,120,000
16001600	n/a	MUD COST	120,000	-	120,000
16001601	17001601	COMPLETION FLUID COST	65,000	225,000	290,000
16001607	17001607	STORAGE/MUD TRANSFER	50,000	-	50,000
16001611	17001611	TRANSPORTATION	25,000	8,000	33,000
FLUIDS SUBTOTAL			260,000	233,000	493,000
16001201	17001201	BLOWOUT PREVENTION AND WELL CONTROL	-	-	-
16001209	17001209	CASING TOOLS AND CREWS	27,000	-	27,000
16001225	17001225	TUBING & DRILL PIPE	28,000	-	28,000
16001227	17001227	COMMUNICATION EQUIPMENT	15,000	-	15,000
16001229	17001229	TRAILERS	20,000	9,000	29,000
16001231	17001231	PUMPS	2,500	30,000	32,500
16001233	17001233	FORKLIFT	15,000	12,000	27,000
16001241	17001241	VACUUM UNIT	-	-	-
16001243	17001243	SEWAGE UNIT	15,000	-	15,000
RENTAL EQUIPMENT SUBTOTAL			122,500	51,000	173,500
16002801	n/a	CONDUCTOR	15,000	-	15,000
16002805	n/a	SURFACE	16,000	-	16,000
16002807	n/a	INTERMEDIATE	25,000	-	25,000
16002809	n/a	PRODUCTION CASING	36,000	-	36,000
16006600	n/a	PLUG & ABANDON	-	-	-
CEMENTING SUBTOTAL			92,000	-	92,000
16002400	n/a	MUDLOGGING	16,000	-	16,000
16002600	17002600	ELECTRIC LOGGING	30,000	-	30,000
16003000	n/a	DIRECTIONAL SURVEYS	3,000	-	3,000
16003600	17003600	WIRELINE SERVICES	-	55,000	55,000
n/a	17007300	TUBING INSPECTION	2,500	-	2,500
n/a	17007400	TUBING TESTING	-	-	-
16003800	n/a	CASING INSPECTION AND TESTING	-	-	-
16007500	n/a	DRILL PIPE INSPECTION	18,000	-	18,000
n/a	17007600	PERFORATING SERVICES	-	94,000	94,000
16007800	17007800	TRASH AND DISPOSAL	2,000	-	2,000
16007900	17007900	WELDING	6,000	-	6,000
16008200	n/a	FILTRATION AND SERVICES, SCREENS	40,000	-	40,000
16004400	17004400	FORMATION CORING	4,000	-	4,000
16003200	17003200	FISHING TOOLS	10,000	-	10,000
16003000	n/a	DIRECTIONAL SERVICES MWD/LWD	525,000	-	525,000
16008700	17008700	BOP NIPPLE UP & TEST	25,000	20,500	45,500
16008800	17008800	COMPOSITE BRIDGE PLUGS PLUS PUMPING	-	25,000	25,000
16004600	17004600	CASING CREW	18,000	-	18,000
16008900	n/a	WELLHEAD SERVICES	20,000	-	20,000
16004800	17004800	ROUSTABOUT SERVICES	15,000	15,000	30,000
16009000	17009000	MUD,H2O, CUTTINGS, TESTING TANKS RENTAL	9,000	9,690	18,690
16009100	17009100	VACUUM TRUCK SERVICES	30,000	15,000	45,000
16003400	17003400	WELL TESTING	-	100,000	100,000
16009300	17009300	HOT OIL SERVICES	-	-	-
16009400	17009400	PACKER SERVICES	-	15,000	15,000
16009500	17002400	PRODUCED WATER TRUCK & DISPOSAL	50,000	90,300	140,300
16004200	17004200	FRACTURING SERVICES	-	1,700,000	1,700,000
16009600		SAFETY & ENVIRONMENTAL	20,000	-	20,000
16002200	17002200	TRUCKING	90,000	20,000	110,000
SERVICES SUBTOTAL			933,500	2,159,490	3,092,990

Oil Conservation Division
Case No. 7
Exhibit No. 7

Prepared By: Keith Kress
 Operator: GMT Exploration Company, LLC
 Lease: NM77090
 Well: Romeo Federal Com #1H
 S/T/R: S22 T24S R34E
 Projected Depth(s): 15,500'TMD 11,175'TVD

AFE Number:
 Date: 7/7/2015
 County: Lea
 State: NM

AFE Description

This is the estimated well costs with a conventional, non-piled well. Fracture stimulation represents ~1500 lb/linear foot job.
 Per above, the lateral length for this well will be approximately 4,325'.

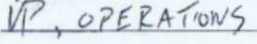
ACCOUNTING CODE		INTANGIBLE COSTS:			
DRILLING	COMPL	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16005800	17005800	ADMINISTRATION/OVERHEAD	-	-	-
16005900	17005900	MANAGEMENT	-	-	-
16005400	17005400	ENGINEERING CONSULTANTS	15,000	-	15,000
16006200	17006200	FIELD ENGINEERING	8,000	6,500	14,500
16002000	17002000	FIELD CONSULTANTS	75,000	23,750	98,750
SUPERVISION & ADMINISTRATIVE SUBTOTAL			98,000	30,250	128,250
TOTAL INTANGIBLE COSTS			2,511,000	2,738,740	5,249,740

ACCOUNTING CODE		TANGIBLE COSTS:			
DRILLING	COMPL	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16100200	n/a	CONDUCTOR	-	-	-
16100600	17100600	SURFACE(1800' * \$30.9/ft)	55,000	-	55,000
16100400	n/a	INTERMEDIATE(1250' * \$22.59/ft + 4150' * \$16.4 / ft)	96,297	-	96,297
16101200	n/a	PRODUCTION(15,500' * \$14.02/ft)	217,310	-	217,310
n/a	17100800	TUBING	-	55,000	55,000
n/a	17102400	TEST STRING	-	-	-
16101000	n/a	MISC. TANGIBLE DRILLING COSTS	15,000	-	15,000
n/a	17203300	MISC. TANGIBLE COMPLETION COSTS	-	17,500	17,500
n/a	17101200	PACKERS	-	-	-
TUBULAR GOODS SUBTOTAL			383,607	72,500	456,107
16100800	17101400	CASING HEAD	35,000	20,000	55,000
16100807	17101407	HANGERS	-	-	-
16100809	17101409	MUD LINER HANGER	-	-	-
16100811	17101411	WELLHEAD CONTROL	-	-	-
WELLHEAD SUBTOTAL			35,000	20,000	55,000
TOTAL TANGIBLE COSTS			418,607	92,500	511,107

ACCOUNTING CODE		LEASEHOLD AND PRODUCTION FACILITY/COST:			
DRILLING	COMPL	DESCRIPTION	DRILLING	COMPLETION	TOTAL
n/a	17201000	TANKS	-	104,000	104,000
n/a	17201200	FLOWLINES	-	23,000	23,000
n/a	17200200	HEATERS/TREATERS	-	18,000	18,000
n/a	17201400	GLYCOL SYSTEMS	-	-	-
n/a	17200400	SEPARATORS	-	15,000	15,000
n/a	17202200	VALVES & FITTINGS	-	83,000	83,000
n/a	17200800	COMPRESSOR	-	-	-
n/a	17200600	ARTIFICIAL LIFT SYSTEMS	-	215,000	215,000
n/a	17202000	LABOR	-	39,000	39,000
n/a	17202600	SUPERVISION	-	-	-
n/a	17201600	PIPELINE	-	50,000	50,000
LEASE EQUIPMENT SUBTOTAL			-	547,000	547,000
TOTAL LEASEHOLD & PRODUCTION FACILITIES COSTS			-	547,000	547,000

DRILLING & COMPLETION TOTAL COSTS	DRILLING	COMPLETION	TOTAL
TOTAL INTANGIBLE COSTS	2,511,000	2,738,740	5,249,740
TOTAL TANGIBLE COSTS	418,607	92,500	511,107
CONTINGENCY	251,100	273,874	524,974
LEASE & PRODUCTION FACILITIES COSTS	-	547,000	547,000
TOTAL COSTS	3,180,707	3,652,114	6,832,821

WORKING INTEREST OWNER: GMT Exploration Company, LLC	PROPORTIONATE SHARE(%) 100.00%	DRILLING 3,180,707	COMPLETION 3,652,114	TOTAL 6,832,821
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Operator: 
 Approved By:  Date: 7/9/2015
 Title: VP, OPERATIONS
 Non-Operator:
 Approved By: _____ Date: _____
 Title: _____

DISCLAIMER: The information on this AFE is only an estimate which may or may not be based on any actual contracts or bids.