

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: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised August 1, 2011

Energy Minerals and Natural Resources

HOBBS OCD

Oil Conservation Division

Permit

1220 South St. Francis Dr.

JAN 24 2013

Santa Fe, NM 87505

RECEIVED

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

¹ Operator Name and Address GMT Exploration Company, LLC 1560 Broadway, Suite 2000 Denver, CO 80202		² OGRID Number 260511
		³ API Number 30-025-40934
⁴ Property Code 39656	⁵ Property Name Merchant Livestock State Com 24	⁶ Well No. 1H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	24	22S	34E		20	South	380	West	Lea

⁸ Pool Information

Ojo Chiso; Bone Spring, South	9.7293
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3466'
¹⁴ Multiple NO	¹⁵ Proposed Depth 16350' MD	¹⁶ Formation Bone Spring	¹⁷ Contractor Unknown	¹⁸ Spud Date 02/01/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17 1/2	13 3/8	48.0	630	335	0
Int	12 1/4	8 5/8	36.0	5225	1010	0
Prod	7 7/8	5 1/2	23.0	16350	2210	4000

Casing/Cement Program: Additional Comments

H ₂ S is not anticipated for this well.
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

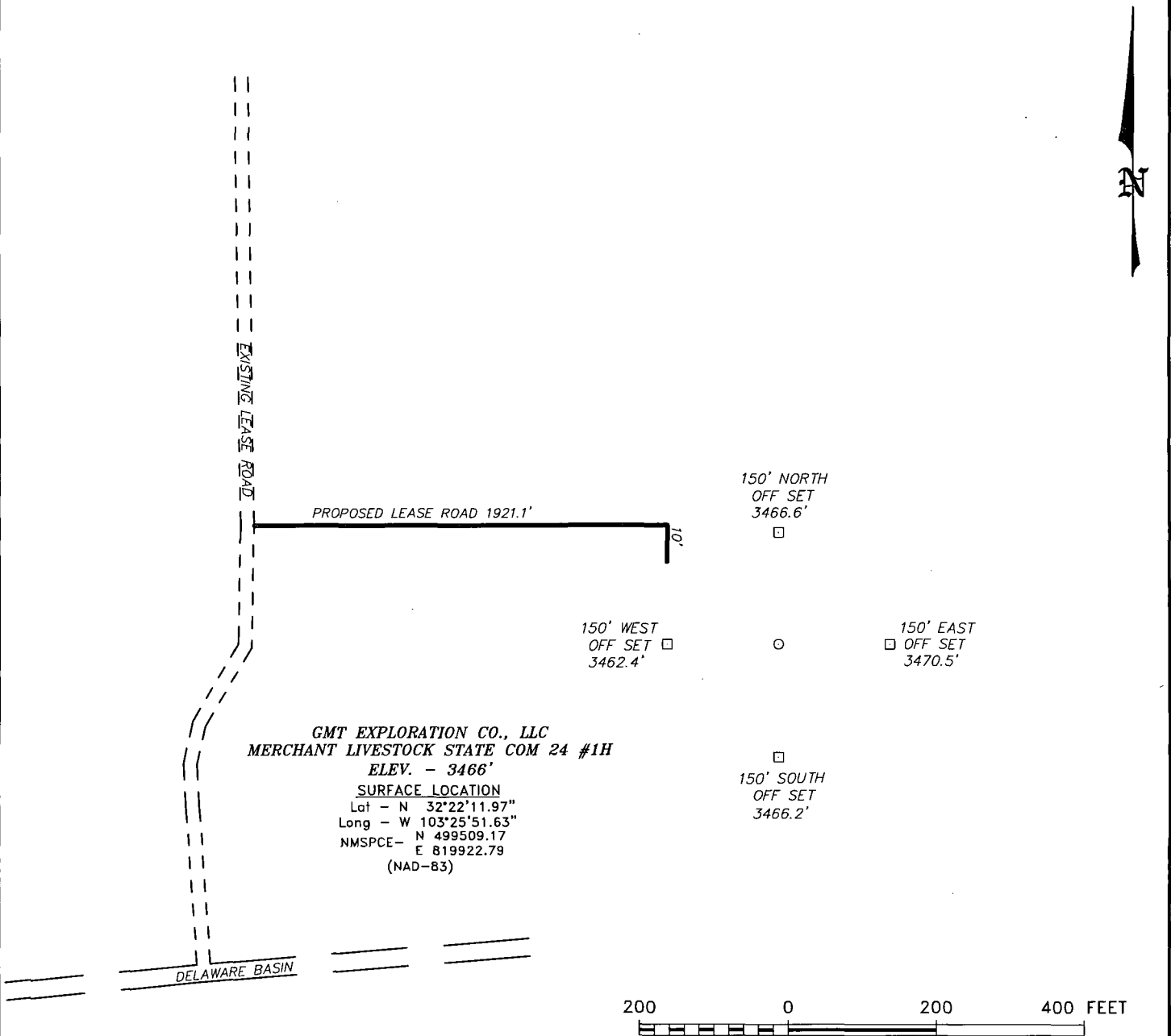
Permit Expires 2 Years From Approval
Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Ashley Buckner		Approved By:	
Title: Production Technician		Title: Petroleum Engineer	
E-mail Address: abuckner@gmtexploration.com		Approved Date: JAN 24 2013 Expiration Date: JAN 24 2015	
Date: 1/23/13	Phone: (305) 586-9280	Conditions of Approval Attached	

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 478-3482

BASIN SURVEYS 27707

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



Directions to Location:

FROM THE JUNCTION OF DELAWARE BASIN AND ADOBE ROAD GO EAST ON DELAWARE 1.3 MILES THEN GO NORTH ON LEASE ROAD 3.1 MILES TO BEGIN ROAD LATHE ON EAST.

GMT EXPLORATION CO., LLC

REF: MERCHANT LIVESTOCK STATE COM 24 #1H / WELL PAD TOPO

THE MERCHANT LIVESTOCK STATE COM 24 #1H LOCATED 20' FROM

SOUTH AND 380' FROM THE WEST LINE OF

SECTION 24, TOWNSHIP 22 SOUTH, RANGE 34 EAST,

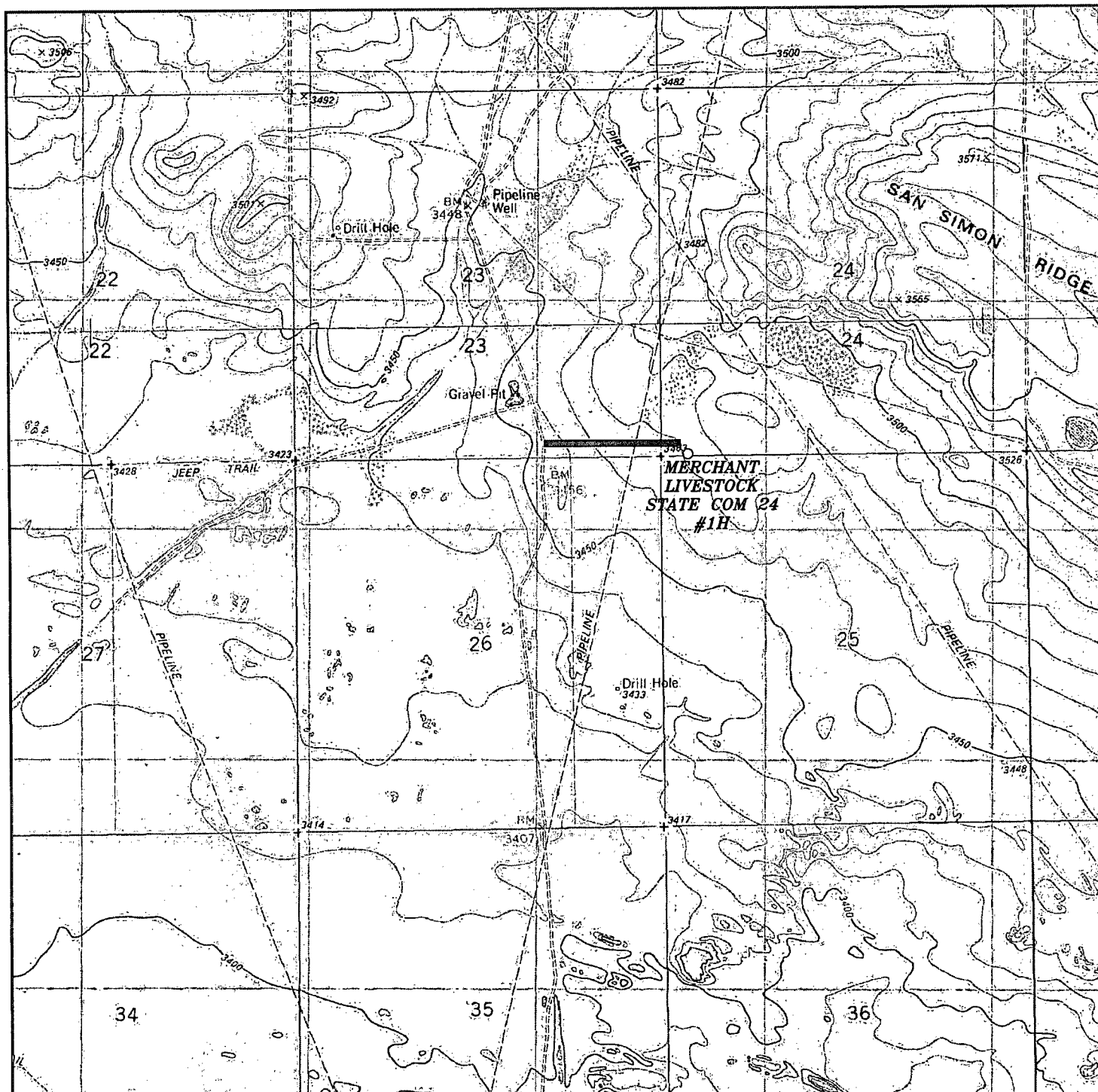
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 27707 Drawn By: D.JONES

Date: 12-16-2012 Disk: DAJ 27707

Survey Date: 12-05-2012 Sheet 1 of 1 Sheets



MERCHANT LIVESTOCK STATE COM 24 #1H
 Located 20' FSL and 380' FWL
 Section 24, Township 22 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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surveys
 focused on excellence
 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

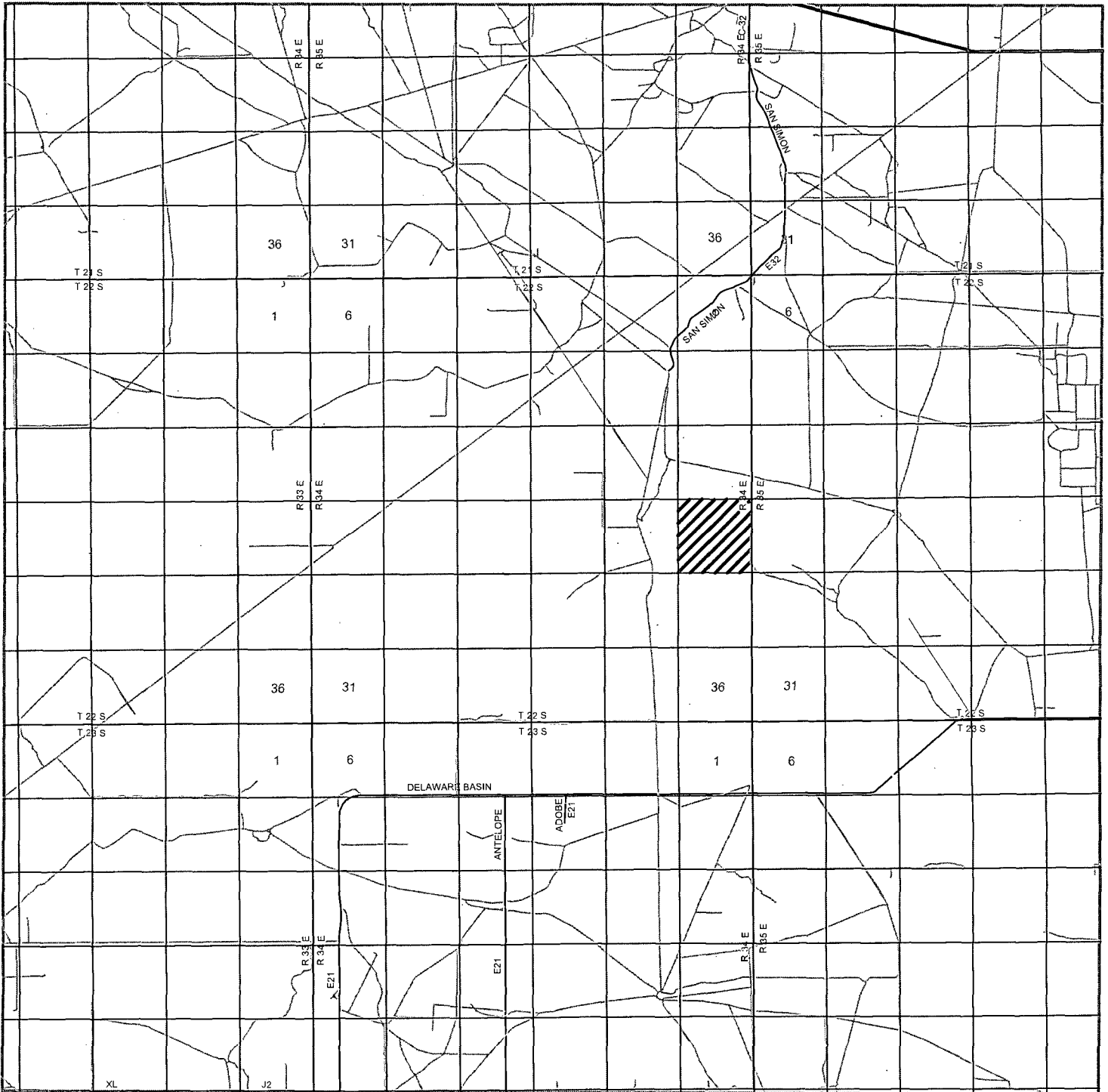
W.O. Number: DAJ 27707

Survey Date: 12-05-2012

Scale: 1" = 2000'

Date: 12-16-2012

GMT
EXPLORATION
CO., LLC



MERCHANT LIVESTOCK STATE COM 24 #1H
 Located 20' FSL and 380' FWL
 Section 24, Township 22 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.

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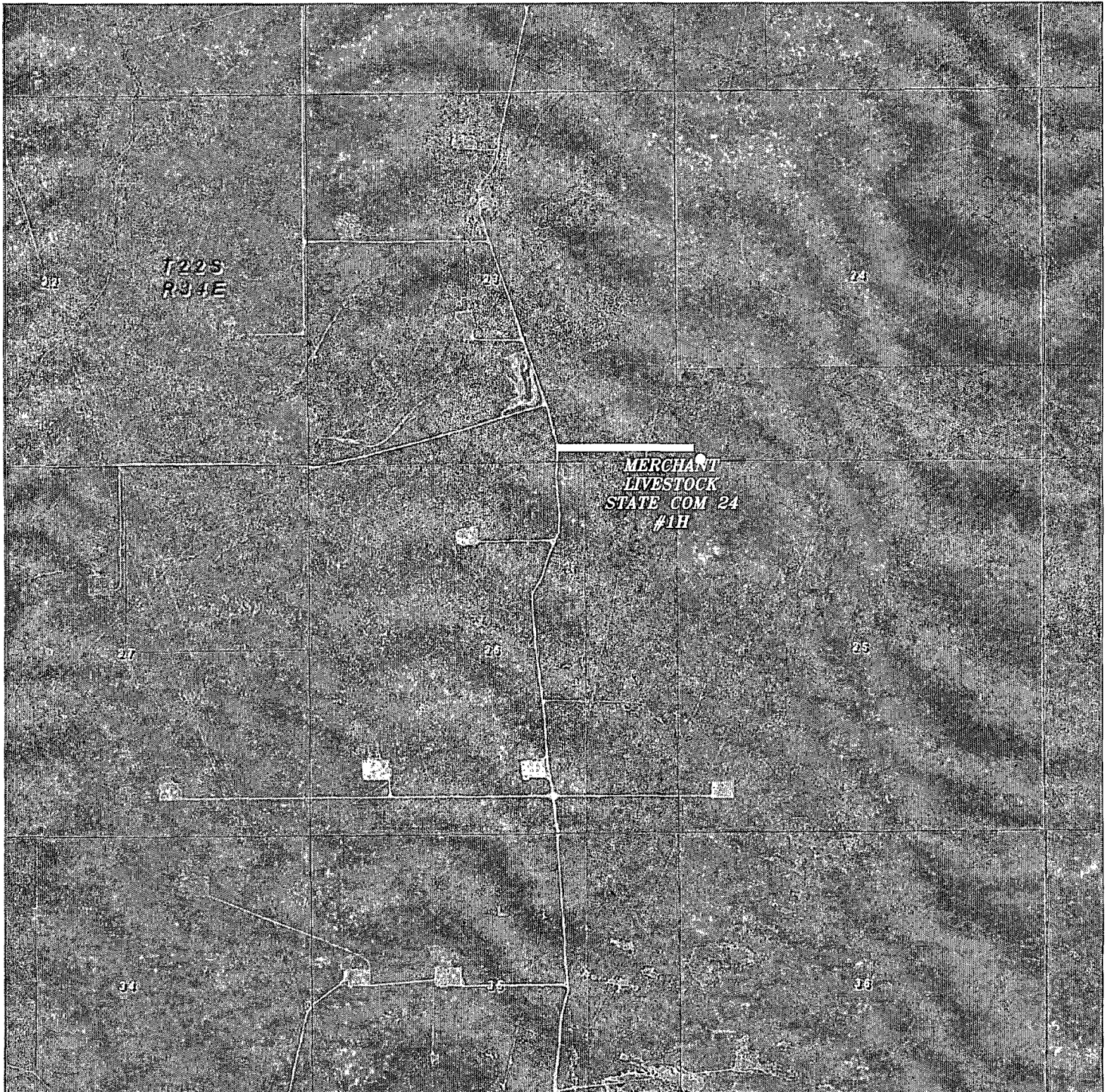
W.O. Number: DAJ 27707

Survey Date: 12-05-2012

Scale: 1" = 2 Miles

Date: 12-16-2012

GMT
EXPLORATION
CO., LLC



MERCHANT LIVESTOCK STATE CM 24 #1H
Located 20' FSL and 380' FWL
Section 24, Township 22 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

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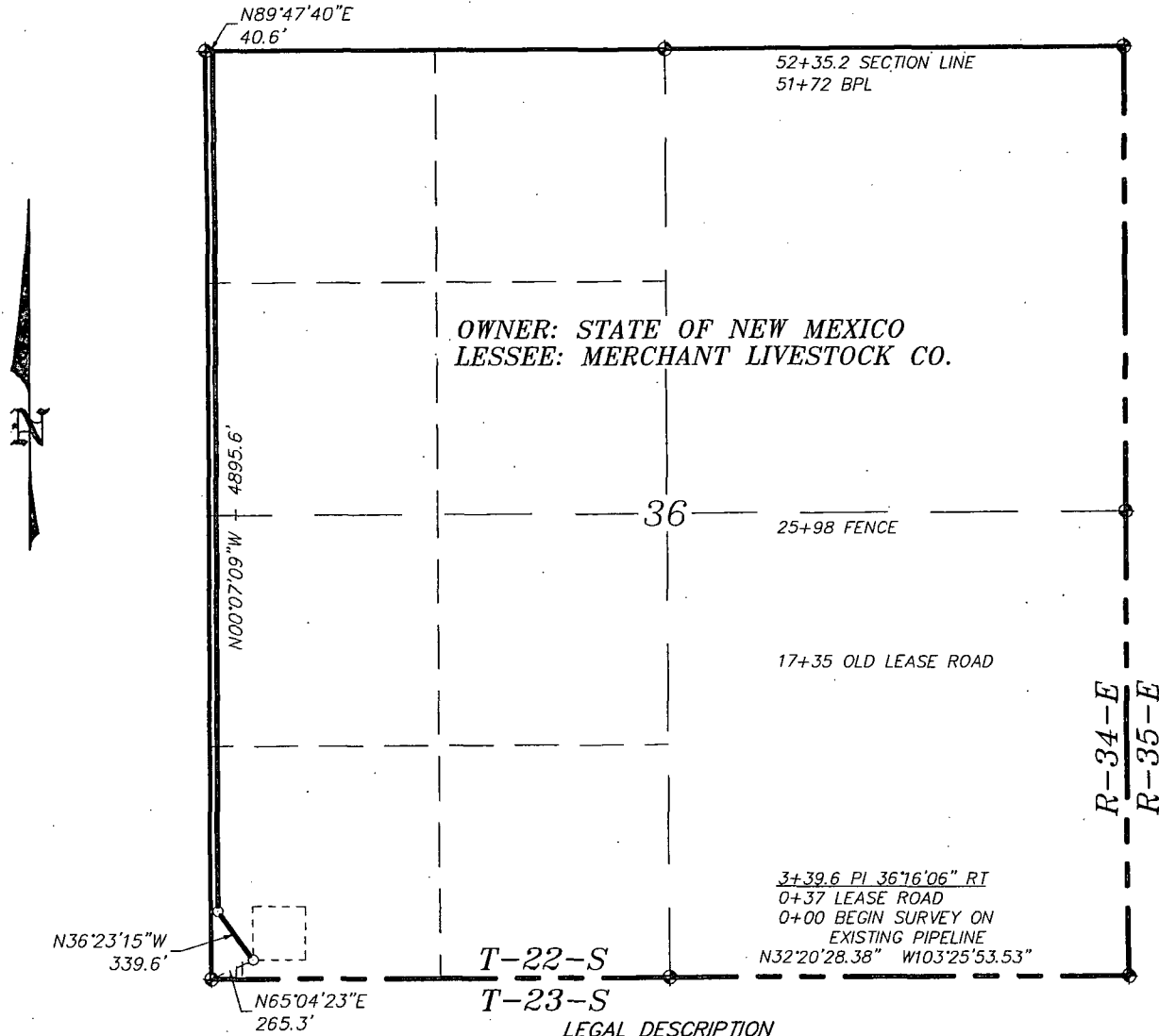
W.O. Number: DAJ 27707

Scale: 1" = 2000'

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

GMT
EXPLORATION
CO., LLC

**SECTION 36, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



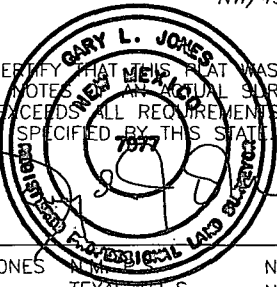
LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE LOCATED IN SECTION 36, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WHICH LIES N.65°04'23"E., 265.3 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 36; THENCE N.36°23'15"W., 339.6 FEET; THENCE N.00°07'09"W., 4895.6 FEET TO A POINT ON THE NORTH SECTION LINE WHICH LIES N.89°47'40"E., 40.6 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 36. SAID STRIP OF LAND BEING 5235.2 FEET OR 317.28 RODS IN LENGTH AND CONTAINING 3.61 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

SW/4SW/4 77.25 RODS OR 0.88 ACRES SW/4NW/4 80.01 RODS OR 0.91 ACRES
NW/4SW/4 80.01 RODS OR 0.91 ACRES NW/4NW/4 80.01 RODS OR 0.91 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

GMT EXPLORATION CO., LLC

REF: PROPOSED PIPELINE TO THE MERCHANT LIVESTOCK "24" #1H

A PIPELINE CROSSING STATE LAND IN
SECTION 36, TOWNSHIP 22 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

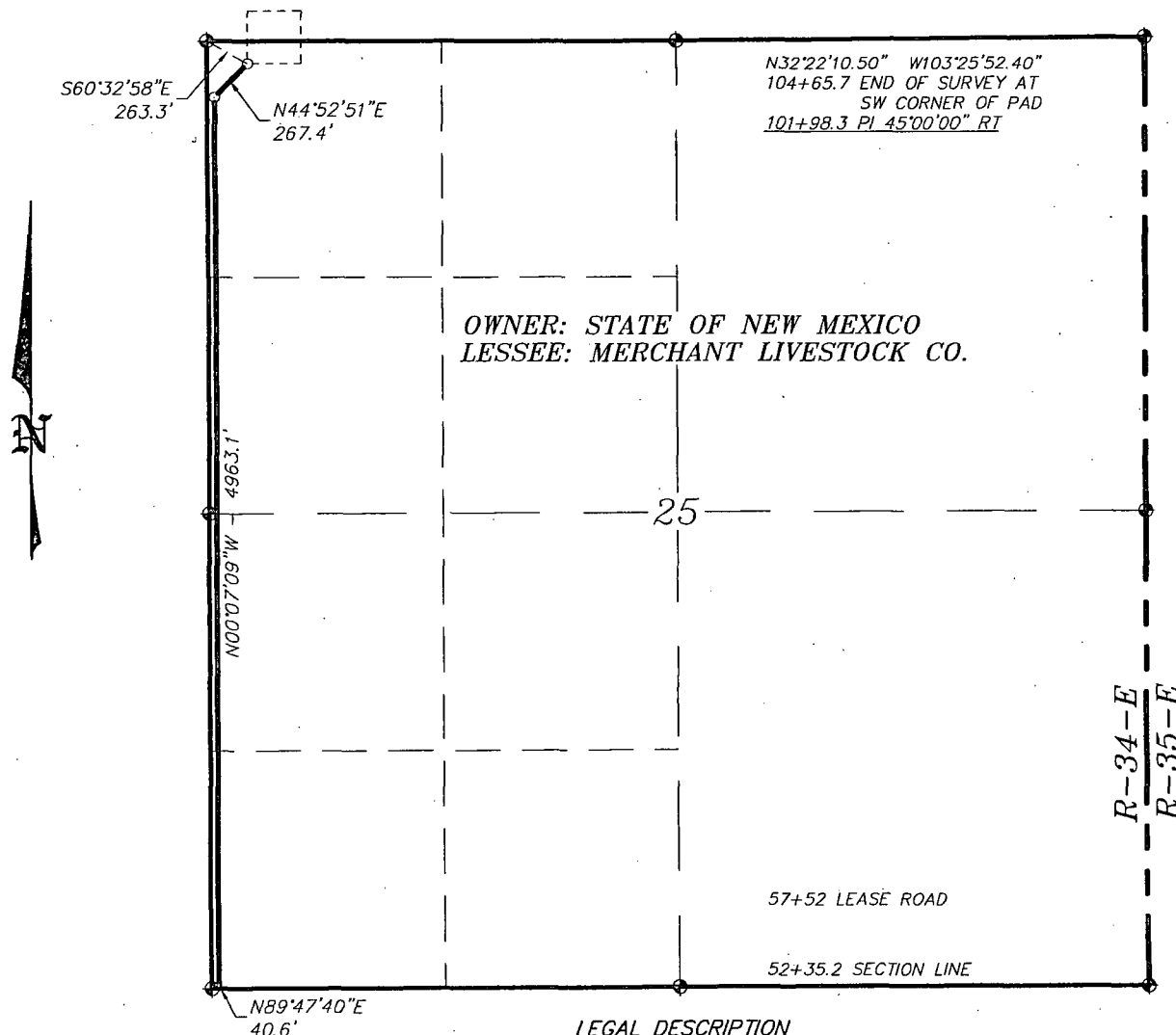
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 27709 Drawn By: K. GOAD

Date: 12-21-2012 Disk: KJG - 27709P

Survey Date: 12-05-2012 Sheet 1 of 2 Sheets

**SECTION 25, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**



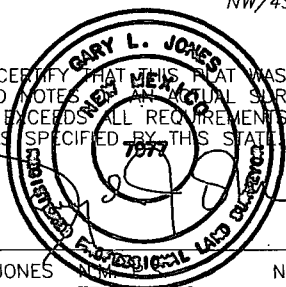
LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE LOCATED IN SECTION 25, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE SOUTH SECTION LINE WHICH LIES N.89°47'40"E., 40.6 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE N.00°07'09"W., 4963.1 FEET; THENCE N.44°52'51"E., 267.4 FEET TO THE END OF THIS LINE WHICH LIES S.60°32'58"E., 263.3 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 25. SAID STRIP OF LAND BEING 5230.5 FEET OR 317.00 RODS IN LENGTH AND CONTAINING 3.60 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

SW/4SW/4 80.05 RODS OR 0.91 ACRES SW/4NW/4 80.05 RODS OR 0.91 ACRES
NW/4SW/4 80.05 RODS OR 0.91 ACRES NW/4NW/4 76.85 RODS OR 0.87 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

GMT EXPLORATION CO., LLC

REF: PROPOSED PIPELINE TO THE MERCHANT LIVESTOCK "24" #1H

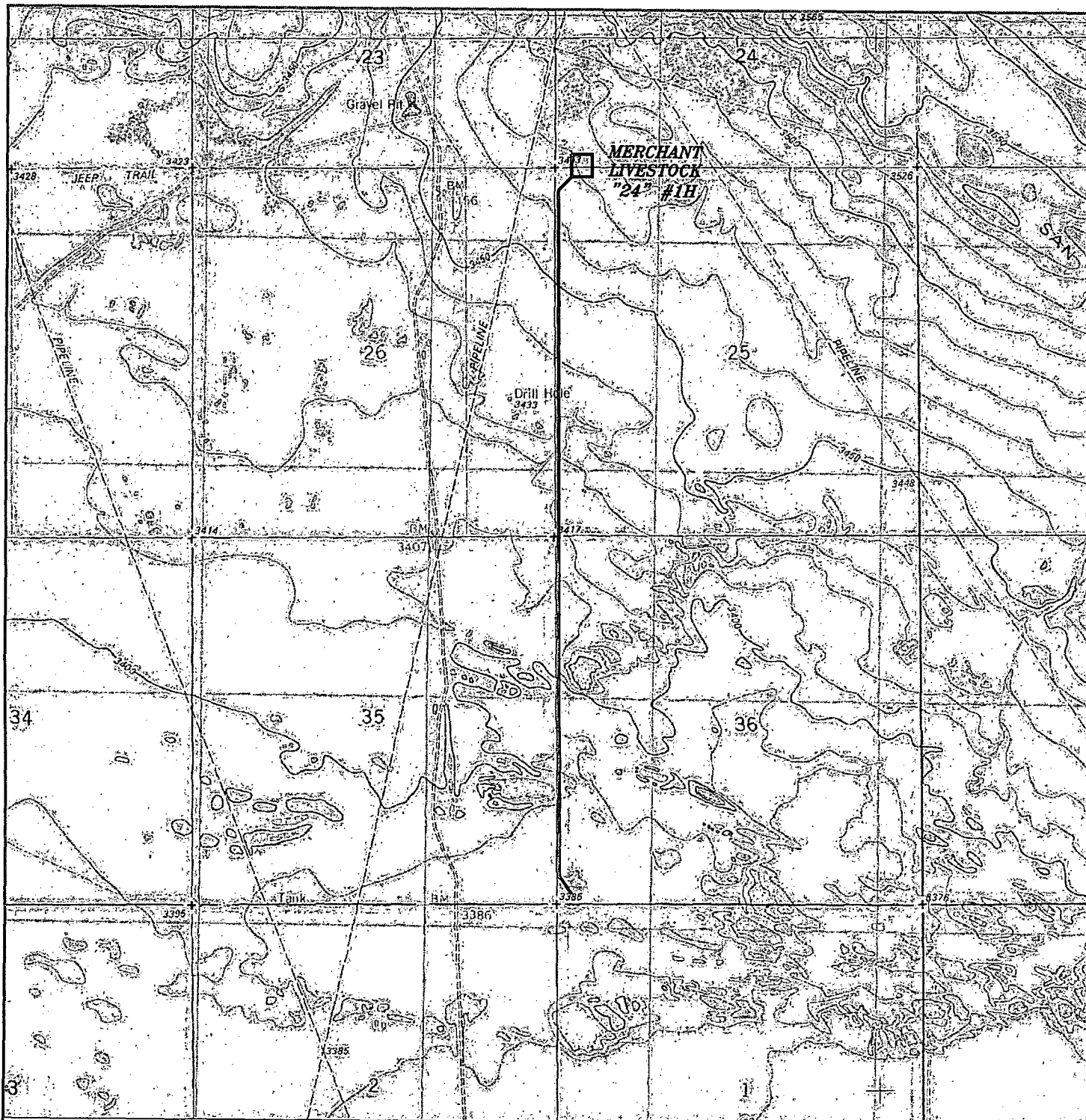
A PIPELINE CROSSING STATE LAND IN
SECTION 25, TOWNSHIP 22 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 27709 Drawn By: K. GOAD

Date: 12-21-2012 Disk: KJG - 27709P

Survey Date: 12-05-2012 Sheet 2 of 2 Sheets



PROPOSED PIPELINE TO THE MERCHANT LIVESTOCK "24" #1H
Sections 25&36, Township 22 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

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

W.O. Number: KJG 27709

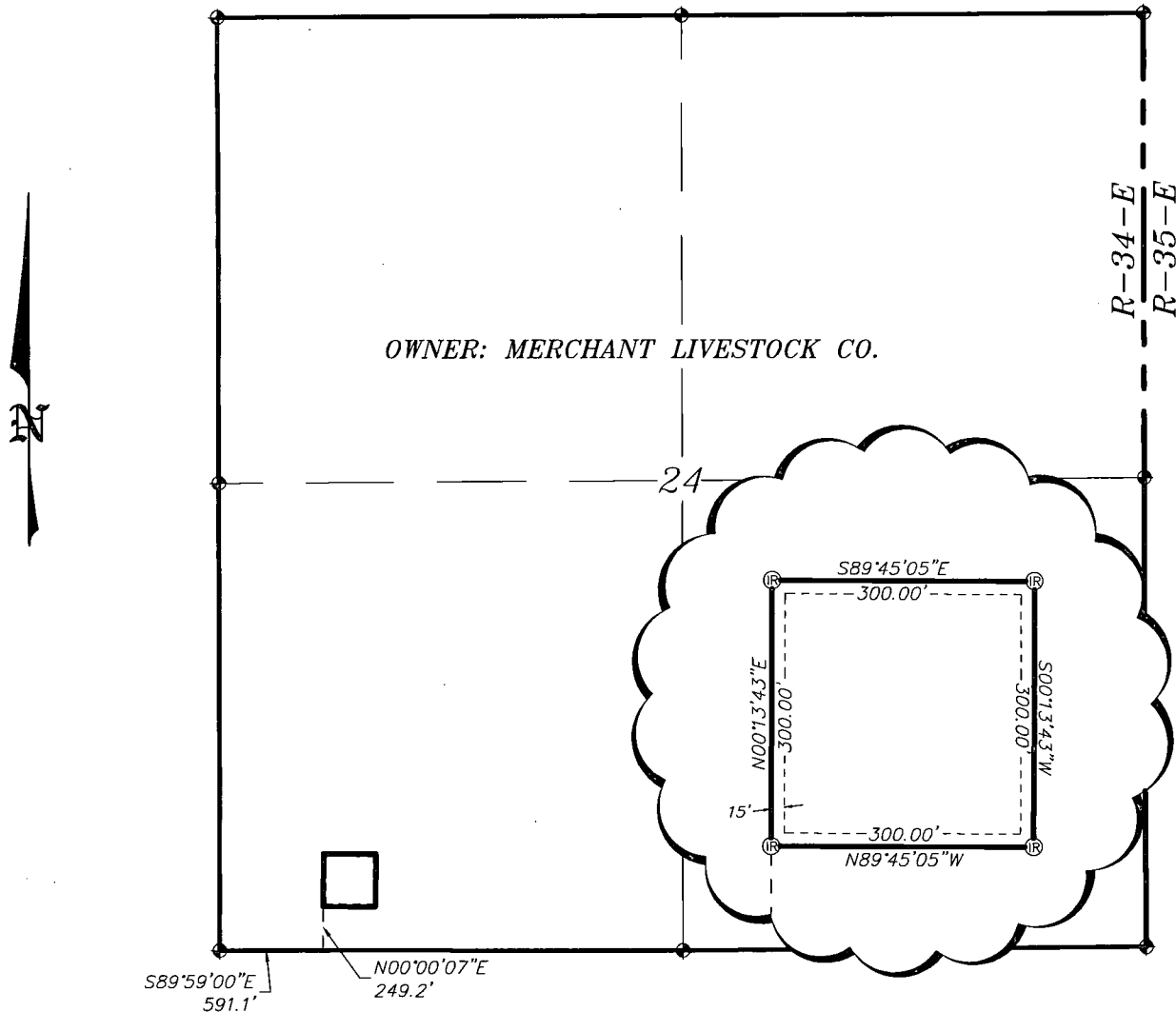
Survey Date: 12-05-2012

Scale: 1" = 2000'

Date: 12-21-2012

GMT
EXPLORATION
CO., LLC

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

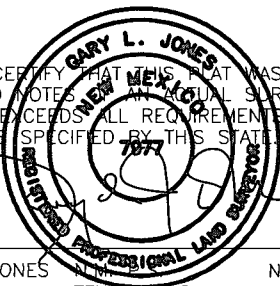


LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 24, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES S.89°59'00\"E., 591.1 FEET AND N.00°00'07\"E., 249.2 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 24; THENCE N.00°13'43\"E., 300.00 FEET; THENCE S.89°45'05\"E., 300.00 FEET; THENCE S.00°13'43\"W., 300.00 FEET; THENCE N.89°45'05\"W., 300.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 2.0661 ACRES, MORE OR LESS.

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES
TEXAS P.L.S. No. 7977
No. 5074

1000 0 1000 2000 FEET

GMT EXPLORATION CO., LLC

REF: PROPOSED FRAC TRACT

A FRAC TRACT LOCATED ON FEE LAND IN
SECTION 24, TOWNSHIP 22 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

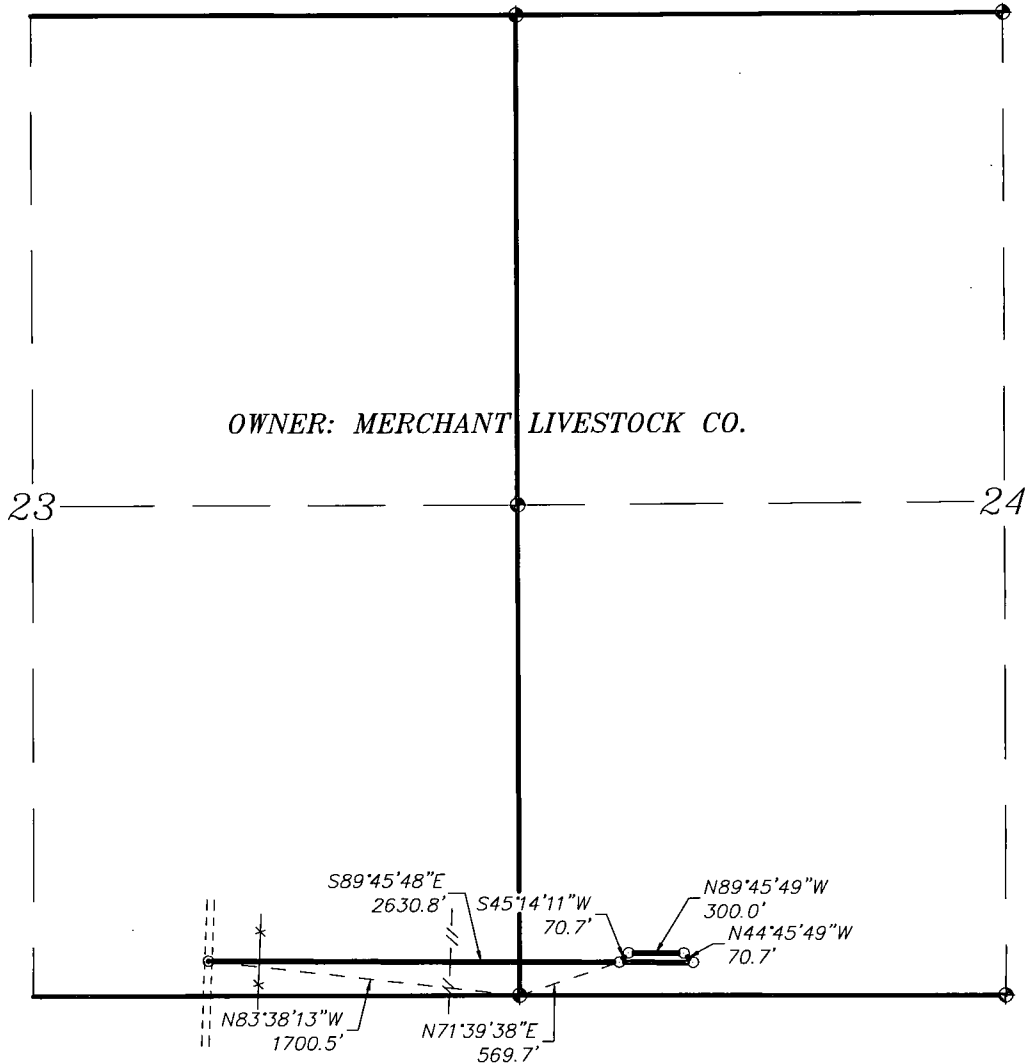
BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 27740 Drawn By: K. GOAD

Date: 12-19-2012 Disk: KJG - 27740TRACT

Survey Date: 12-05-2012 Sheet 1 of 1 Sheets

SECTIONS 23&24, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTIONS 23&24, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES N.83°38'13"W, 1700.5 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 23; THENCE S.89°45'48"E, 2630.8 FEET; THENCE N.44°45'49"W, 70.7 FEET; THENCE N.89°45'49"W, 300.0 FEET; THENCE S.45°14'11"W, 70.7 FEET TO THE END OF THIS LINE WHICH LIES N.71°39'38"E, 569.7 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 24. SAID STRIP OF LAND BEING 3072.2 FEET OR 186.19 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS MAP WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977
TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

GMT EXPLORATION CO., LLC

REF: PROPOSED LEASE ROAD

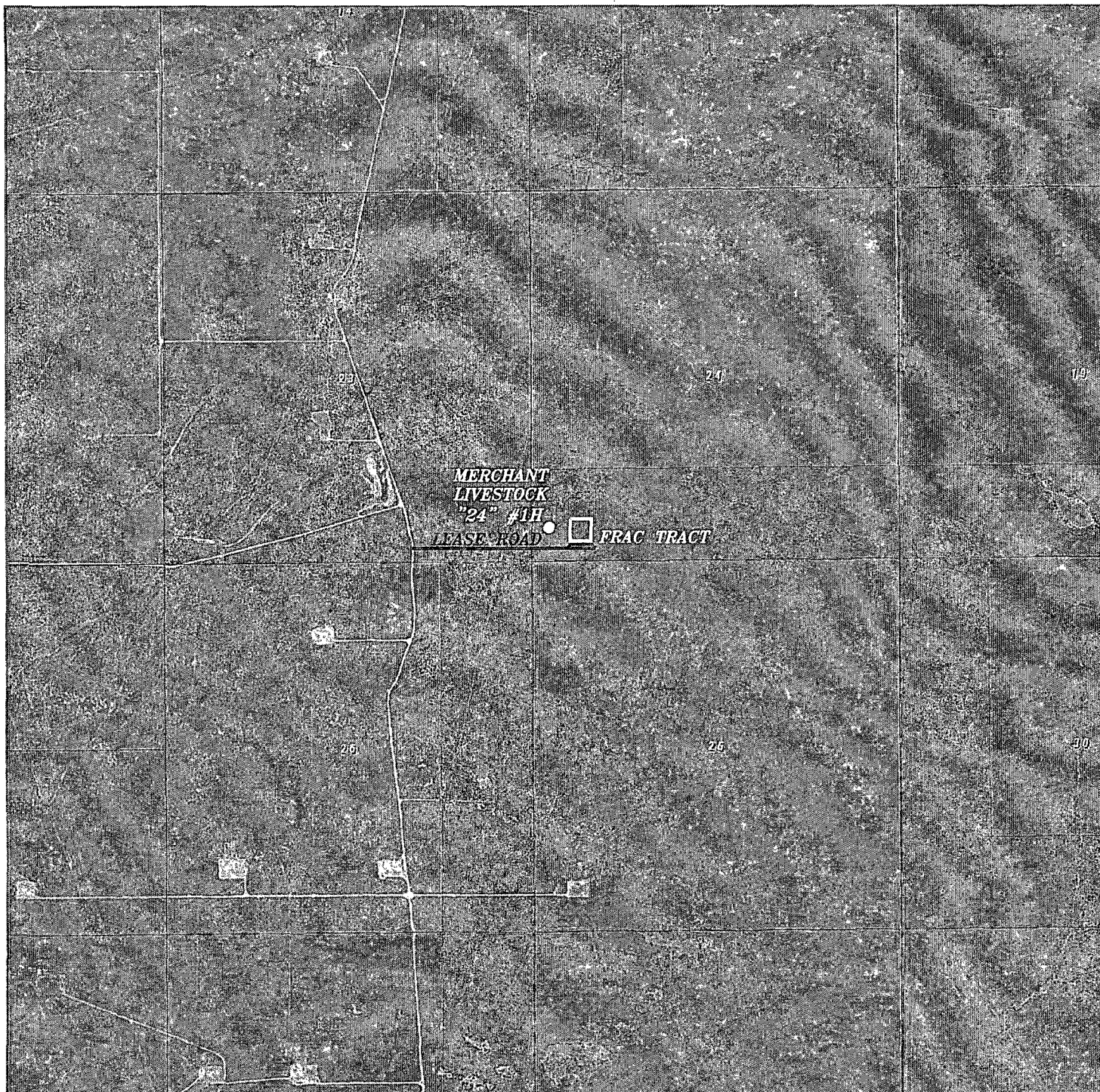
A LEASE ROAD LOCATED ON FEE LAND IN
SECTIONS 23&24, TOWNSHIP 22 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

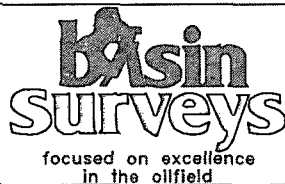
W.O. Number: 27740 Drawn By: K. GOAD

Date: 12-19-2012 Disk: KJG - 27740TRACT

Survey Date: 12-05-2012 Sheet 1 of 1 Sheets



PROPOSED FRAC TRACT & LEASE ROAD
Sections 24&25, Township 22 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

W.O. Number: KJG - 27740

Scale: 1" = 2000'

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



GMT
EXPLORATION
CO., LLC