

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
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

HOBBS OCD

Permit

AUG 14 2013

RECEIVED

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

Operator Name and Address GMT Exploration Company, LLC 1560 Broadway, Suite 2000 Denver, CO 80202		OGRID Number 260511
Property Code 40077		API Number 30-025-41353
Property Name Merchant GAP State COM 36		Well No. 2H

Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	36	22S	34E		40	North	1670	West	Lea

Pool Information

GJO Chiso; Bone Spring, South	97293
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Additional Well Information

Work Type N	Well Type O	Cable/Rotary R	Lease Type S	Ground Level Elevation 3432
Multiple NO	Proposed Depth 15800	Formation Wolfcamp	Contractor Unknown	Spud Date WHEN APPROVED
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	54.5	750 1750	456	0
Int	12 1/4	9 5/8	43.5	4950	1156	0
Prod	8 1/2	5 1/2	20.0	15,574	2510	4000

Casing/Cement Program: Additional Comments

H ₂ S is not anticipated for this well.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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: Marissa Walters		Approved By:	
Title: Geotech/ Executive Assistant		Title: Petroleum Engineer	
E-mail Address: mwalters@gmtexploration.com		Approved Date: 08/16/13	Expiration Date: 08/16/15
Date: 8/14/13	Phone: 303.586.9275	Conditions of Approval Attached	

AUG 21 2013

dm

Conditions of Approval

In order to seal off protectable water, surface casing must be set 25' below top of Rustler Anhydrite.

Mull, Donna, EMNRD

From: Marissa Walters <mwalters@gmtexploration.com>
Sent: Thursday, August 15, 2013 9:23 AM
To: Mull, Donna, EMNRD
Subject: Attachment to C101 for GMT Exploration NM Wells

Good Morning Ms. Mull,

Again, thank you so much for your guidance. I have further reviewed the new pit rules and am now aware of the requirement for future submissions.

Please be advised. As an attachment to our APD's for the following wells this statement applies to all. During these procedures we plan to use the Closed-Loop System and haul contents to the required disposal.

Merchant Livestock State COM 24 #2H
Merchant Livestock State COM 24 #3H
Merchant Livestock State COM 24 #4H
Merchant Livestock State COM 25 #2H
Merchant Livestock State COM 25 #4H
Merchant GAP State COM 86 #1H ✓
Merchant GAP State COM 86 #2H

Thank you again and have a great afternoon!

Best,

--

Marissa Walters
Executive Assistant/ Office Manager
GMT Exploration Company
1560 Broadway Suite 2000
Denver, CO 80202
Direct: 303.586.9275
mwalters@gmtexploration.com

Mull, Donna, EMNRD

From: Marissa Walters <mwalters@gmtexploration.com>
Sent: Thursday, August 15, 2013 10:06 AM
To: Mull, Donna, EMNRD
Subject: Pool Name for GMT Exploration NM Wells

Ms. Mull,

Please be advised, that for the following wells we plan to produce from the Bone Springs.

Merchant Livestock State COM 24 #2H
Merchant Livestock State COM 24 #3H
Merchant Livestock State COM 24 #4H
Merchant Livestock State COM 25 #2H
Merchant Livestock State COM 25 #4H
Merchant GAP State COM 36 #1H
Merchant GAP State COM 36 #2H

Thank you!

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Marissa Walters
Executive Assistant/ Office Manager
GMT Exploration Company
1560 Broadway Suite 2000
Denver, CO 80202
Direct: 303.586.9275
mwalters@gmtexploration.com