Form 3160-5 (August 2007)

UNITED STATE ARISDAD Field Office

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

BUREAU OF LAND MANAGEMEN OCD	Ho	hh	2
NUMBER AND DEPOSITE ON WELLS	EAU		Q

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Serial No. NMNM127446

SUBMIT IN TRIPLICATE - Other Instructions on reverse side. 7	Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.				6. If Indian, Allottee or Tribe Name		
Out Well Gas Well Other	SUBMIT IN TRIPLICATE - Other instructions on reverse side.						
Name of Department of Control Company (LLC Contact: MARISSA WALTERS S. APP Well No. 30.025-48682-00-81	Type of Well						
GMT EXPLORATION COMPANY, LLC 30-025-40662-00-S1 31-Address 31-Address 30-025-40662-00-S1 31-Description of Well (Footoge, Sec. T. R. M., or Sarvey Description) 11-County or Parish, and Stale LEA COUNTY, NM 12-CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE (VERTICAL STATE) 12-CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE (VERTICAL STATE) 13-Description of Internation of Address 30-025-40662-00-S1		her					
15. Describe Proposed or Completed Operation (clearly state all portions in the Book and supporting the strained that the size is rady for final inspection.) 15. Describe Proposed or Complete Operation (clearly state all portions in the Book and supporting the size is stady for final inspection.) 16. Describe Proposed or Complete Operation (clearly state all portions in the Book and supporting the size is stady for final inspection.) 17. Describe Proposed or Complete Operation (clearly state all portions in the Book and supporting the state and supporting the st	2. Name of Operator Contact: MARISSA WALTERS GMT EXPLORATION COMPANY, LLC				9. API Well No. 30-025-40862-00-S1		
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE FUND TICE. REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize	1560 BROADWAY, SUITE 2000 Ph: 303.		Ph: 303.586.9275	OJO CHIS			
TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Acidize	4. Location of Well (Footage, Sec., 1	T., R., M., or Survey Descripted	HOBBS C	11. County or F	11. County or Parish, and State		
TYPE OF SUBMISSION Acidize	Sec 1 T23S R34E Lot 4 20FN	MAY 12	2014 LEA COUI	LEA COUNTY, NM			
TYPE OF SUBMISSION Acidize	12. CHECK APP	ROPRIATE BOX(ES) T	O INDICATE NATURE RECER	POTICE, REPORT, OR O	THER DATA		
Alter Casing							
Alter Casing	- Notice of Intent	Acidize	☐ Deepen	☐ Production (Start/Resur	ne) Water Shut-Off		
Final Abandonment Notice	_	Alter Casing	☐ Fracture Treat	Reclamation	☐ Well Integrity		
Convert to Injection	☐ Subsequent Report	Casing Repair	New Construction	Recomplete	Other		
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 recomplete 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/Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandomment 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.) Per the BLM request and in response to 14MLD008W below is the information for water disposal on this well in accordance to Water Disposal Onshore Order #7. The water disposed from this well is produced from the Avalon formation averaging 16 BBLS of water per day. The water is stored in location in a tank and moved to the disposal facility by truck. We use Guns Up Services out of Eunice, NM as our trucking company. Below are the 3 facilities were we dispose of produced water from the above well. Delaware Water Company - Cities Federal #2: Lea County, NM; Sec 20 T22S R36E, 660' FSL & 660' FWEE ATTACHED FOR NMOCD permit number SWD-746 Piper Energy - Penroc State E TR 27 #2: Lea County, NM; Sec 18 T21S R37E, 330' FSL & 880' FWONDITIONS OF APPROV SUBJECT TO LIKE 14. Thereby certify that the foregoing is true and content of the produced water from the above well. Subject to AFMSS for processing by CHRIS OPHER WALLS on 03/19/2014 (14CRW0125SE) This SPACE FOR FEDERAL OR STATE OFFIGE PSPOVED Approved By Conditions of approval Jany, are shacked. Approval of this notice does not warrant or evenifications of approval Jany, are shacked. Approval o	Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon			
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Approved By Conditions of approval if any, are placeded. Approval of this notice does not warrant or certify that the applicant holds level or equitable title to those rights in the subject lease.		For GMT EXPLO ted to AFMSS for process	RATION COMPANY, LLC, seing by CHRISTOPHER WALL	ent to the Hobbs .S on 03/19/2014 (14CRW0125S	E)		
Approved By Conditions of approval if any, are placeded. Approval of this notice does not warrant or certify that the applicant holds level or equitable title to those rights in the subject lease.				•			
Approved By Conditions of approval if any, are stached. Approval of this notice does not warrant or certify that the applicant holds level or equitable title to those rights in the subject lease	Signature (Electronic S						
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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and Builting to make the arrange of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. CARLSBAD FIELD OF FICE	Conditions of approval if any, are stached certify that the applicant holds legal or equivalent would entitle the applicant to conduct to condu	titable title to those rights in the ict operations thereon.	s not warrant or e subject lease Office	111711			

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

5/2/2014 Approved subject to conditions of approval JDB:

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 9. This **approval is for produced water disposal only** and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
- 10. Disposal at any other site will require prior approval.
- 11. Subject to like approval by NMOCD.

JDB2014