

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

HOBBS OCD

SEP 21 2016

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

Carlsbad Field Office
OCD Hobbs

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM117125
2. Name of Operator GMT EXPLORATION LLC		6. If Indian, Alutian, or Tribe Name
Contact: MARISSA WALTERS E-Mail: mwalters@gmtexploration.com		7. If Unit, Agreement, Lease and/or No.
3a. Address 1560 BROADWAY SUITE 2000 DENVER, CO 80202	3b. Phone No. (include area code) Ph: 303-586-9275	8. Well Name and No. SHEBA FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T24S R34E NENE 620FNL 535FEL		9. API Well No. 30-025-43358
		10. Field and Pool, or Exploratory RED HILLS
		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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomple 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 recompletion 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.)

Please see the attached proposal for our loss of circulation on the above well.

All previous COA still apply.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #351051 verified by the BLM Well Information System For GMT EXPLORATION LLC, sent to the Hobbs Committed to AFMSS for processing by TEUNGKU KRUENG on 09/13/2016 ()	
Name (Printed/Typed) KEITH KRESS	Title ENGINEER
Signature (Electronic Submission)	Date 09/13/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Teungku Muchlis Krueng</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>SEP 13 2016</u>
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 <u>Kr</u>

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

In RE: Sheba Federal Com #1H, Sec22, T24SR34E,

GMT has experienced a lost circulation event when attempting to cement the upper region of our Sheba location. This was a two staged cement procedure, starting from ~11,696'TVD and proceeding to the 2nd stage tool located at 4432'TVD. The 1st stage cement was executed successfully, and there is wellbore coverage to the level of the tool at 4432'TVD. Bond and temperature logs run subsequently show essentially no cement inside the 7-5/8" to open hole annular region.

It is our preference to not perforate this intermediate casing string, and attempt to recirculate cement. GMT wishes to cement the surface, 13-3/8" 54.5#, J-55 casing to intermediate, 7-5/8" 29.7# HCP 110 and to cement as much of the 7-5/8" to 9-7/8" open hole as possible. GMT will cement as deep into this lower annulus as retarders and pump rate will allow us to reach.

In the event that there is not a complete cement sheath behind the 7-5/8" casing, GMT agrees to completely cement the long string, 5-1/2", 23# P-110 into place, showing returns to surface.