

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8181 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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 181941

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

1. Operator Name and Address GMT EXPLORATION COMPANY LLC 1560 Broadway Denver, CO 80202		2. OGRID Number 260511
4. Property Code 40407		3. API Number 30-025-41676
5. Property Name MERCHANT LIVESTOCK 30 STATE		6. Well No. 002H

**7. Surface Location**

UL - Lot C	Section 30	Township 22S	Range 35E	Lot Idn	Feet From 40	N/S Line N	Feet From 2260	E/W Line W	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot N	Section 30	Township 22S	Range 35E	Lot Idn N	Feet From 330	N/S Line S	Feet From 2260	E/W Line W	County Lea
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**9. Pool Information**

OJO CHISO;BONE SPRING, SOUTH	97293
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3550
16. Multiple N	17. Proposed Depth 16100	18. Formation Wolfcamp	19. Contractor	20. Spud Date 5/20/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1750	456	0
Int1	11	8.625	43.5	4000	867	0
Int2	11	8.625	43.5	5100	289	0
Prod	7.875	5.5	20	16100	2510	4100

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type Double Ram	Working Pressure 5000	Test Pressure 5000	Manufacturer
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23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by ASHLEY E BUCKNER	Approved By: Paul Kautz
Title: Production Technologist	Title: Geologist
Email Address: whitney.lancaster@gmtexploration.com	Approved Date: 2/21/2014      Expiration Date: 2/21/2016
Date: 2/21/2014      Phone: 303-586-9280	Conditions of Approval Attached

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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 181941

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41676	2. Pool Code 97293	3. Pool Name OJO CHISO;BONE SPRING, SOUTH
4. Property Code 40407	5. Property Name MERCHANT LIVESTOCK 30 STATE	6. Well No. 002H
7. OGRID No. 260511	8. Operator Name GMT EXPLORATION COMPANY LLC	9. Elevation 3550

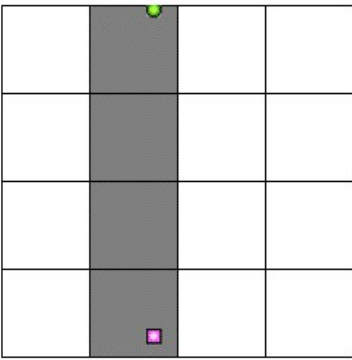
**10. Surface Location**

UL - Lot C	Section 30	Township 22S	Range 35E	Lot Idn	Feet From 40	N/S Line N	Feet From 2260	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot N	Section 30	Township 22S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 2260	E/W Line W	County Lea
12. Dedicated Acres 160.00			13. Joint or Infill		14. Consolidation Code N/A			15. 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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>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(s) 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.</i></p> <p>E-Signed By:      ASHLEY E BUCKNER Title:                Production Technologist Date:                 2/21/2014</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By:        Gary Jones Date of Survey:     2/2/2014 Certificate Number: 7977</p>
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Form APD Comments  
  
 Permit 181941

**PERMIT COMMENTS**

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202		API Number: 30-025-41676
		Well: MERCHANT LIVESTOCK 30 STATE #002H

Created By	Comment	Comment Date
mwalters	During the procedure we plan to use Closed Loop System and haul contents to the required disposal.	2/21/2014
mwalters	I was unable to upload the C-102. I will send via email.	2/21/2014

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Form APD Conditions

Permit 181941

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202	API Number: 30-025-41676
	Well: MERCHANT LIVESTOCK 30 STATE #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water