

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 191044

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 316499		3. API Number 30-025-43359
5. Property Name GRENACHE 32 STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	N	Section	32	Township	21S	Range	32E	Lot Idn	N	Feet From	200	N/S Line	S	Feet From	2160	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	C	Section	32	Township	21S	Range	32E	Lot Idn	C	Feet From	330	N/S Line	N	Feet From	2160	E/W Line	W	County	Lea
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9. Pool Information

BILBREY BASIN;BONE SPRING	5695
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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 3668
16. Multiple N	17. Proposed Depth 15500	18. Formation Bone Spring	19. Contractor	20. Spud Date 6/1/2017
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	32	5100	1156	0
Prod	7.875	5.5	20	15500	2510	4100

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Marissa Walters	Approved By: Paul Kautz
Title: Pertotech	Title: Geologist
Email Address: mwalters@gmtexploration.com	Approved Date: 7/14/2016 Expiration Date: 7/14/2018
Date: 7/14/2016 Phone: 303-586-9275	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 191044

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43359	2. Pool Code 5695	3. Pool Name BILBREY BASIN;BONE SPRING
4. Property Code 316499	5. Property Name GRENACHE 32 STATE COM	6. Well No. 002H
7. OGRID No. 260511	8. Operator Name GMT EXPLORATION COMPANY LLC	9. Elevation 3668

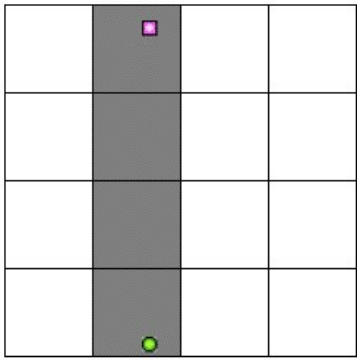
10. Surface Location

UL - Lot N	Section 32	Township 21S	Range 32E	Lot Idn N	Feet From 200	N/S Line S	Feet From 2160	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 32	Township 21S	Range 32E	Lot Idn C	Feet From 330	N/S Line N	Feet From 2160	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;">OPERATOR CERTIFICATION</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: Marissa Walters Title: Pertotech Date: 7/14/2016</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: 8/15/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 191044

PERMIT COMMENTS

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202	API Number: 30-025-43359
	Well: GRENACHE 32 STATE COM #002H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 191044

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202		API Number: 30-025-43359
		Well: GRENACHE 32 STATE COM #002H
OCD Reviewer	Condition	
pkautz	Will require a directional survey with the C-104	
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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.	
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	
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186	
pkautz	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate	
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.	
pkautz	The New! Gas Capture Plan (GCP) notice is posted on the NMOCDD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.	