

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 181884

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 40406		3. API Number 30-025-41675
5. Property Name MERCHANT LIVESTOCK 19 STATE		6. Well No. 002H

7. Surface Location

UL - Lot N	Section 19	Township 22S	Range 35E	Lot Idn	Feet From 40	N/S Line S	Feet From 2260	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 19	Township 22S	Range 35E	Lot Idn C	Feet From 330	N/S Line N	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 3551
16. Multiple N	17. Proposed Depth 16100	18. Formation Wolfcamp	19. Contractor	20. Spud Date 4/15/2014
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	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 ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable. Signature:	OIL CONSERVATION DIVISION
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 181864

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41675	2. Pool Code 97293	3. Pool Name OJO CHISO;BONE SPRING, SOUTH
4. Property Code 40406	5. Property Name MERCHANT LIVESTOCK 19 STATE	6. Well No. 002H
7. OGRID No. 260511	8. Operator Name GMT EXPLORATION COMPANY LLC	9. Elevation 3551

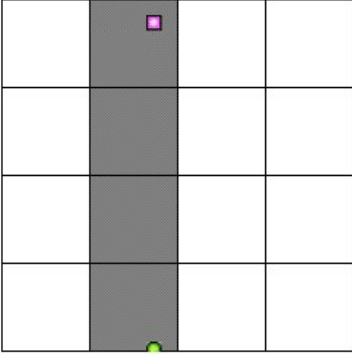
10. Surface Location

UL - Lot N	Section 19	Township 22S	Range 35E	Lot Idn	Feet From 40	N/S Line S	Feet From 2260	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 19	Township 22S	Range 35E	Lot Idn	Feet From 330	N/S Line N	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

	OPERATOR CERTIFICATION <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> E-Signed By: ASHLEY E BUCKNER Title: Production Technologist Date: 2/21/2014 SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 2/2/2014 Certificate Number: 7977
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Form APD Comments

Permit 181884

PERMIT COMMENTS

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202	API Number: 30-025-41675
	Well: MERCHANT LIVESTOCK 19 STATE #002H

Created By	Comment	Comment Date
mwalters	During this procedure we plan to use the Closed Loop System and haul contents to the required disposal.	2/21/2014
mwalters	I was unable to upload the C102. Will send via email.	2/21/2014
pkautz	Land p/S	2/21/2014

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Form APD Conditions
 Permit 181864

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: GMT EXPLORATION COMPANY LLC [260511] 1560 Broadway Denver, CO 80202		API Number: 30-025-41675
		Well: MERCHANT LIVESTOCK 19 STATE #002H

OCD Reviewer	Condition
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	Will require a directional survey with the C-104
DMULL	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
DMULL	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