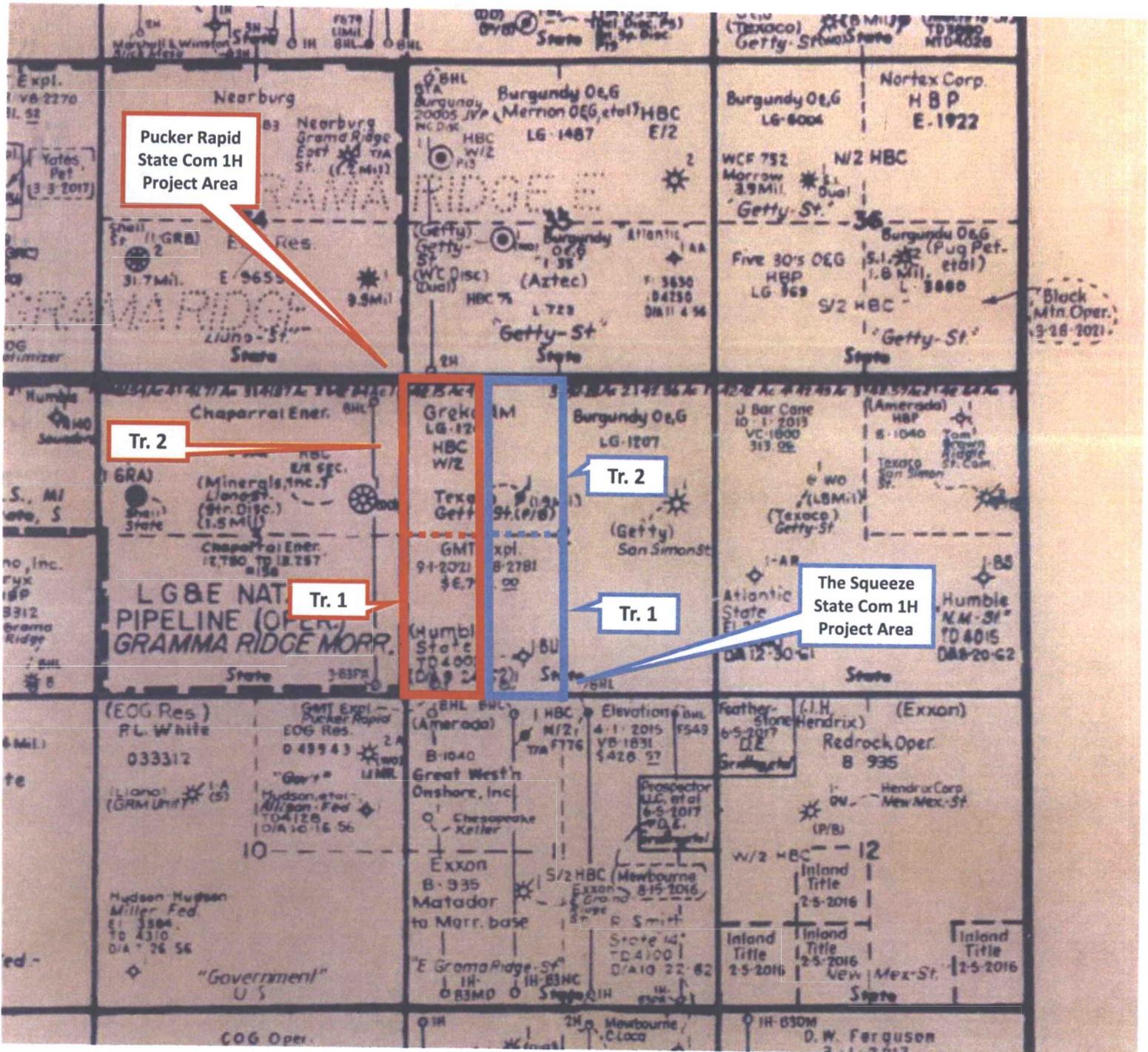


# Project Areas



15659+15660  
 GMT EXHIBIT 1



December 19, 2016

Via Certified Mail 7016 1370 0000 0983 8874

Black Mountain Operating, LLC  
Attn: Land Department  
500 Main Street, suite 500  
Fort Worth, Texas 76102

Re: Proposed Pucker Rapid State Com 1H  
Lea County, New Mexico

To Whom it May Concern:

GMT Exploration Company, LLC ("GMT") hereby proposes to drill the Pucker Rapid State Com 1H (the "Well"), as a standup proration unit (project area) in the W/2W/2 of Section 2, Township 22 South, Range 34 East. GMT plans to drill into the 2<sup>nd</sup> Bone Spring formation to a total vertical depth of 10,325' and a total measured depth of 14,925', for a total completed cost of \$5,943,004, as shown on the attached AFE. Also included in this proposal package is the preliminary drilling prognosis, a survey of the well location and GMT's form of Operating Agreement. GMT plans on drilling the Well in the 4<sup>th</sup> quarter 2017.

Well Type: .....	New Drill Horizontal
Objective Formation: .....	2nd Bone Spring Sand
Estimated Total Vertical Depth: .....	10,325'
Estimated total Measured Depth: .....	14,925'
Surface Hole Location: .....	200' FSL, 455' FWL
Bottom Hole Location: .....	330' FNL, 330' FWL
Proposed Project Area: .....	W2W2 Section 2

According to preliminary ownership reports it appears that **Black Mountain Operating LLC** ("Black Mountain") owns working interests in and to W2W2 Section 2. Should Black Mountain wish to participate in the drilling of said well, please sign one copy of this letter and the attached AFE and return to the undersigned at the letterhead address within thirty (30) days of receipt of this letter.

If you have any questions regarding the enclosures or proposed operations, please do not hesitate to contact me. Thank you for your careful time and consideration; we look forward to doing business with you.

Respectfully,

GMT Exploration Company, LLC

  
Hans Schuster  
Landman

EXHIBIT 2

Enclosures: AFE; Preliminary Drilling Prognosis; Survey of Well Location

\_\_\_\_\_ the undersigned hereby elects to participate in the Pucker Rapid State Com 1H

\_\_\_\_\_ the undersigned hereby elects to not participate in the Pucker Rapid State Com 1H

**BLACK MOUNTAIN OPERATING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Approval For Expenditure

GMT Exploration Company, LLC  
1560 Broadway, Suite 2000  
Denver, CO 80202  
Ph 720.946.3028 / Fax 720.946.3034



Prepared By: Keith Kress  
Operator: GMT Exploration Company, LLC  
Lease: VO-4726, LG-1207-03  
Well: Pucker Rapid State Com  
S/T/R: T225R34E Sec 2, 330' FSL, 330' FWL  
Projected Depth: ~14925' TMD, 10325' TVD

AFE Number: ToBeDetermined  
Date: 12/15/2016  
County: Lea  
State: NM

AFE Description:  
GMT plans to drill this well with an Objective Formation of Second Bone Spring Sand.  
This will be our estimated well costs with a conventional, non-piloted well. Fracture stimulation represents 2500lb/linear foot job.

ACCOUNTING CODE		DESCRIPTION	INTANGIBLE COSTS:		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
16000201	n/a	PERMITS	2,000	-	2,000
16000203	n/a	SURVEY WORK	3,000	-	3,000
16000205	n/a	RIGHTS OF WAY	-	-	-
16000200	17000200	LOCATION CONSTRUCTION	75,000	-	75,000
16005600	17005600	INSURANCE	16,000	-	16,000
16000211	17000211	RECLAMATION	15,000	25,000	40,000
16000300	n/a	DAMAGES	-	-	-
<b>LOCATION SUBTOTAL</b>			<b>111,000</b>	<b>25,000</b>	<b>136,000</b>
16000800	n/a	FOOTAGE	-	-	-
16000400	n/a	MOB/DEMOB	50,000	-	50,000
16001000	17001000	DAYWORK	300,000	35,000	335,000
n/a	17004000	COIL TUBING UNIT	-	105,000	105,000
16001800	n/a	FUEL	60,000	-	60,000
16001400	17001400	BITS	75,000	25,000	100,000
16006000	n/a	MISC. INTANGIBLE DRILLING COSTS	40,000	-	40,000
n/a	17006000	MISC. INTANGIBLE COMPLETION COSTS	-	75,000	75,000
<b>DRILLING SUBTOTAL</b>			<b>525,000</b>	<b>240,000</b>	<b>765,000</b>
16001600	n/a	MUD COST	90,000	-	90,000
16001601	17001601	COMPLETION FLUID COST	65,000	275,000	340,000
16001607	17001607	STORAGE/MUD TRANSFER	50,000	-	50,000
16001611	17001611	TRANSPORATION	25,000	8,000	33,000
<b>FLUIDS SUBTOTAL</b>			<b>230,000</b>	<b>283,000</b>	<b>513,000</b>
16001201	17001201	BLOWOUT PREVENTION AND WELL CONTROL	-	-	-
16001209	17001209	CASING TOOLS AND CREWS	27,000	-	27,000
16001225	17001225	TUBING & DRILL PIPE	28,000	-	28,000
16001227	17001227	COMMUNICATION EQUIPMENT	15,000	-	15,000
16001229	17001229	TRAILERS	20,000	9,000	29,000
16001231	17001231	PUMPS	2,500	30,000	32,500
16001233	17001233	FORKLIFT	15,000	12,000	27,000
16001241	17001241	VACUUM UNIT	-	-	-
16001243	17001243	SEWAGE UNIT	15,000	-	15,000
<b>RENTAL EQUIPMENT SUBTOTAL</b>			<b>122,500</b>	<b>51,000</b>	<b>173,500</b>
16002801	n/a	CONDUCTOR	5,000	-	5,000
16002805	n/a	SURFACE	12,000	-	12,000
16002807	n/a	INTERMEDIATE	18,000	-	18,000
16002809	n/a	PRODUCTION CASING	28,000	-	28,000
16006600	n/a	PLUG & ABANDON	-	-	-
<b>CEMENTING SUBTOTAL</b>			<b>63,000</b>	<b>-</b>	<b>63,000</b>
16002400	n/a	MUDLOGGING	16,000	-	16,000
16002600	17002600	ELECTRIC LOGGING	30,000	-	30,000
16003000	n/a	DIRECTIONAL SURVEYS	3,000	-	3,000
16003600	17003600	WIRELINE SERVICES	-	55,000	55,000
n/a	17007300	TUBING INSPECTION	2,500	-	2,500
n/a	17007400	TUBING TESTING	-	-	-
16003800	n/a	CASING INSPECTION AND TESTING	-	-	-
16007500	n/a	DRILL PIPE INSPECTION	18,000	-	18,000
n/a	17007600	PERFORATING SERVICES	-	94,000	94,000
16007800	17007800	TRASH AND DISPOSAL	2,000	-	2,000
16007900	17007900	WELDING	6,000	-	6,000
16008200	n/a	FILTRATION AND SERVICES, SCREENS	40,000	-	40,000
16004400	17004400	FORMATION CORING	4,000	-	4,000
16003200	17003200	FISHING TOOLS	10,000	-	10,000
16003000	n/a	DIRECTIONAL SERVICES MWD/LWD	320,000	-	320,000
16008700	17008700	BOP NIPPLE UP & TEST	25,000	20,500	45,500
16008800	17008800	COMPOSITE BRIDGE PLUGS PLUS PUMPING	-	25,000	25,000
16004600	17004600	CASING CREW	18,000	-	18,000
16008900	n/a	WELLHEAD SERVICES	20,000	-	20,000
16004800	17004800	ROUSTABOUT SERVICES	15,000	15,000	30,000
16009000	17009000	MUD,H2O, CUTTINGS, TESTING TANKS RENTAL	9,000	9,690	18,690
16009100	17009100	VACUUM TRUCK SERVICES	30,000	15,000	45,000
16003400	17003400	WELL TESTING	-	100,000	100,000
16009300	17009300	HOT OIL SERVICES	-	-	-
16009400	17009400	PACKER SERVICES	-	15,000	15,000

Prepared By: Keith Kress  
 Operator: GMT Exploration Company, LLC  
 Lease: VO-4726, LG-1207-03  
 Well: Pucker Rapid State Com  
 S/T/R: T225R34E Sec 22, 330' FSL, 330' FWL  
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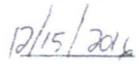
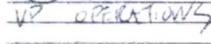
AFE Description:  
 GMT plans to drill this well with an Objective Formation of Second Bone Spring Sand.  
 This will be our estimated well costs with a conventional, non-piloted well. Fracture stimulation represents 2500lb/linear foot job.

ACCOUNTING CODE		DESCRIPTION	INTANGIBLE COSTS:		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
16004200	17004200	FRACTURING SERVICES	-	1,400,000	1,400,000
16009600		SAFETY & ENVIRONMENTAL	20,000	-	20,000
16002200	17002200	TRUCKING	90,000	20,000	110,000
<b>SERVICES SUBTOTAL</b>			<b>728,500</b>	<b>1,829,190</b>	<b>2,557,690</b>
16005800	17005800	ADMINISTRATION/OVERHEAD	-	-	-
16005900	17005900	MANAGEMENT	-	-	-
16005400	17005400	ENGINEERING CONSULTANTS	5,000	-	5,000
16006200	17006200	FIELD ENGINEERING	4,000	6,500	10,500
16002000	17002000	FIELD CONSULTANTS	45,000	23,750	68,750
<b>SUPERVISION &amp; ADMINISTRATIVE SUBTOTAL</b>			<b>54,000</b>	<b>30,250</b>	<b>84,250</b>
<b>TOTAL INTANGIBLE COSTS</b>			<b>1,834,000</b>	<b>2,458,440</b>	<b>4,292,440</b>

ACCOUNTING CODE		DESCRIPTION	TANGIBLE COSTS:		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
16100200	n/a	CONDUCTOR	-	-	-
16100600	17100600	SURFACE	50,000	-	50,000
16100400	n/a	INTERMEDIATE	120,000	-	120,000
16101200	n/a	PRODUCTION	375,000	-	375,000
n/a	17100800	TUBING	-	50,820	50,820
n/a	17102400	TEST STRING	-	-	-
16101000		MISC. TANGIBLE DRILLING COSTS	15,000	-	15,000
n/a	17203300	MISC. TANGIBLE COMPLETION COSTS	-	17,500	17,500
n/a	17101200	PACKERS	-	-	-
<b>TUBULAR GOODS SUBTOTAL</b>			<b>560,000</b>	<b>68,320</b>	<b>628,320</b>
16100800	17101400	CASING HEAD	35,000	20,000	55,000
16100807	17101407	HANGERS	-	-	-
16100809	17101409	MUD LINER HANGER	-	-	-
16100811	17101411	WELLHEAD CONTROL	-	-	-
<b>WELLHEAD SUBTOTAL</b>			<b>35,000</b>	<b>20,000</b>	<b>55,000</b>
<b>TOTAL TANGIBLE COSTS</b>			<b>595,000</b>	<b>88,320</b>	<b>683,320</b>

ACCOUNTING CODE		DESCRIPTION	LEASEHOLD AND PRODUCTION FACILITY/COST:		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
n/a	17201000	TANKS	-	95,000	95,000
n/a	17201200	FLOWLINES	-	23,000	23,000
n/a	17200200	HEATERS/TREATERS	-	18,000	18,000
n/a	17201400	GLYCOL SYSTEMS	-	-	-
n/a	17200400	SEPARATORS	-	15,000	15,000
n/a	17202200	VALVES & FITTINGS	-	83,000	83,000
n/a	17200800	COMPRESSOR	-	-	-
n/a	17200600	ARTIFICIAL LIFT SYSTEMS	-	215,000	215,000
n/a	17202000	LABOR	-	39,000	39,000
n/a	17202600	SUPERVISION	-	-	-
n/a	17201600	PIPELINE	-	50,000	50,000
<b>LEASE EQUIPMENT SUBTOTAL</b>			<b>-</b>	<b>538,000</b>	<b>538,000</b>

TOTAL LEASEHOLD & PRODUCTION FACILITIES COSTS		DRILLING	COMPLETION	TOTAL
		-	538,000	538,000
<b>DRILLING &amp; COMPLETION TOTAL COSTS</b>		<b>1,834,000</b>	<b>2,458,440</b>	<b>4,292,440</b>
<b>TOTAL INTANGIBLE COSTS</b>		<b>1,834,000</b>	<b>2,458,440</b>	<b>4,292,440</b>
<b>TOTAL TANGIBLE COSTS</b>		<b>595,000</b>	<b>88,320</b>	<b>683,320</b>
<b>CONTINGENCY</b>		<b>183,400</b>	<b>245,844</b>	<b>429,244</b>
<b>LEASE &amp; PRODUCTION FACILITIES COSTS</b>		<b>-</b>	<b>538,000</b>	<b>538,000</b>
<b>TOTAL COSTS</b>		<b>2,612,400</b>	<b>3,330,604</b>	<b>5,943,004</b>

<b>WORKING INTEREST OWNER:</b>	<b>PROPORTIONATE SHARE(%)</b>	<b>DRILLING</b>	<b>COMPLETION</b>	<b>TOTAL</b>
GMT Exploration Company, LLC	1.0000	2,612,400	3,330,604	5,943,004
<b>Operator:</b>		<b>Date:</b>		
<b>Approved By:</b>		<b>Date:</b>	_____	
<b>Title:</b>	VP OPERATIONS	<b>Date:</b>	_____	
<b>Approved By:</b>	_____	<b>Date:</b>	_____	
<b>Title:</b>	_____	<b>Date:</b>	_____	

DISCLAIMER: The information on this AFE is only an estimate and may or may not be based on any actual contracts or bids.



**Preliminary DRILLING PROGNOSIS**

**PROSPECT:** **Whitewater**

**WELL NAME:** Pucker Rapid State Corn **DATE:** 12/7/2016

**LOCATION:** Surface T 22 S R 34 E Sec 2 330' FSL 455' FWL **API #:**

Lea County, New Mexico **FIELD:** Grama Ridge

Bottom T 22 S R 34 E Sec 2 330' FNL 330' FWL

**ELEVATION:** **KB:** 3589 (est) **GL:** 3589

**ESTIMATED TD:** ~ 14,925 MD ~10,325 TVD

**FORMATION AT TD:** 2nd Bone Spring **OBJECTIVE FORMATION:** 2nd Bone Spring

**DRILLING CONTRACTOR:**

DRILLING PROGRAM	Hole Size	Casing Size	Depth	Comments
Surface Casing				
Intermediate Casing				
Production Casing				

**FORMATION TOPS**

FORMATION	DRILL DEPTH (est.)	DATUM (est.)	COMMENTS
Rustler	1,200	2,389	
Salt Top	1,660	1,929	
Salt Base	3,600	-11	
Yates	3,601	-12	
Capitan Reef	4,025	-436	Possible Loss of circulation zone
Delaware Bell Canyon	5,675	-2,086	
Delaware Cherry Canyon	6,060	-2,471	
Delaware Brushy Canyon	7,005	-3,416	
Lower Brushy Canyon Marker	8,195	-4,806	Possible Oil and Gas Show
Bone Spring	8,400	-4,811	
Avalon Shale Top	8,570	-4,981	Possible Oil and Gas Show
Avalon Carbonate	8,855	-5,266	Possible Chert Zone
1st Bone Spring Sand	9,550	-5,961	Possible Oil and Gas Show
1st Bone Spring Carb	9,735	-6,146	Possible Chert Zone
2nd Bone Spring Sand	10,045	-6,456	Possible Oil and Gas Show
Horizontal Interval Top	10,300	-6,711	Possible Oil and Gas Show
Horizontal Interval Base	10,350	-6,761	Possible Oil and Gas Show
NO Pilot	TVD 10,325	-6,736	

**LOGGING PROGRAM**

<b>OPEN HOLE LOGS:</b> NA	<b>MWD/LWD LOGS:</b> Gamma Ray Logging Depth: intermediate casing to TD
<b>LOGGING COMPANY:</b> <i>Schlumberger</i> Denver Contact = Thomas Miller Office: 303-352-1223 Cell: 303-548-5055 Email: TJr1@sib.com	<b>LOGGING COMPANY:</b> <i>Newsco</i> Contact = Ed Sensenich Office: 307-232-6336 Cell: 303-883-7362 Email: ed.sensenich@newsco-drilling.com
<b>MUD LOGGER:</b> <i>Morco Geological Services</i> 3603 National Park Highway Carlsbad, New Mexico 88220	<b>Contacts:</b> Corky Stewart Cell: (575) 361-1270

**OFFSET WELLS**

WELL NAME	LOCATION	Depth	Date
State 1	T 22 S R 34 E Sec 11 -	TVD 13,450	Date 8/1982
Two State 1	T 22 S R 34 E Sec 2 -	TVD 13,360	Date 10/1977
Llano '3' State Com 1	T 22 S R 34 E Sec 3 -	TVD 13,310'	Date 3/1980

**REMARKS**

**ANTICIPATED COMPLETION:** 2nd Bone Spring

**SPECIAL CONSIDERATION:** Chert intervals may be encountered - these areas have been denoted in the formation tops section

**GMT EXPLORATION CONTACTS**

<b>Geology</b> <i>Sarah Heger</i> Office: 303-586-9288 Cell: 720-412-2787 email: sheger@gmtexploration.com	<b>Alternate</b> <i>Mike Dilli</i> Office: 303-586-9282 Cell: 303-358-2197 email: mdilli@gmtexploration.com	<b>Alternate</b> <i>William Lancaster</i> Office: 303-586-9278 Cell: 303-808-0857 email: wdl@gmtexploration.com
<b>Engineering</b> <i>Keith Kress</i> Office: 303-586-9281 Cell: 720-237-5986 email: kkress@gmtexploration.com	<b>Alternate</b> <i>Hugo Cartaya</i> Office: 720-946-3032 Cell: 303-973-3440 email: hcartaya@gmtexploraiton.com	<b>Alternate</b>

This well is a TIGHT hole

**DISTRICT I**  
 1035 N. French Dr., Hobbs, NM 88240  
 Phone (575) 393-6141 Fax: (575) 393-0720

**DISTRICT II**  
 811 S. First St., Artesia, NM 88210  
 Phone (575) 748-1223 Fax: (575) 748-0720

**DISTRICT III**  
 1000 Rio Hondo Rd., Asteo, NM 87410  
 Phone (505) 254-4176 Fax: (505) 254-4170

**DISTRICT IV**  
 1220 E. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-3333 Fax: (505) 476-3488

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised August 1, 2011

Submit one copy to appropriate  
 District Office

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code	Pool Name
	97293	Ojo Chiso; Bone Spring, South
Property Code	Property Name	Well Number
	PUCKER RAPID STATE COM	1H
OGRIB No.	Operator Name	Elevation
260511	GMT EXPLORATION COMPANY LLC	3569'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	2	22 S	34 E		200	SOUTH	455	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
D	2	22 S	34 E		330	NORTH	330	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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

**BOTTOM HOLE LOCATION**  
 Lat - N 32°25'28.14"  
 Long - W 103°26'53.22"  
 NMSPC- N 520300.1  
 E 814468.3  
 (NAD-83)

**PENETRATION POINT  
 200' FSL & 330' FWL**  
 Lat - N 32°24'50.49"  
 Long - W 103°26'53.34"  
 NMSPC- N 515485.1  
 E 814498.2  
 (NAD-83)

**SURFACE LOCATION**  
 Lat - N 32°24'50.49"  
 Long - W 103°26'51.88"  
 NMSPC- N 515485.8  
 E 814623.2  
 (NAD-83)

**OPERATOR CERTIFICATION**  
 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 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.

*[Signature]* 10/4/16  
 Signature Date  
**Keith Kress**  
 Printed Name  
[kkress@gmtexploration.com](mailto:kkress@gmtexploration.com)  
 Email Address

**SURVEYOR CERTIFICATION**  
 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.

ALBERT L. STANLEY  
 Date Surveyed 10/4/16  
 Signature & Seal of Professional Surveyor  
 7977  
 Certificate No. 7977  
 State of New Mexico  
 Board of Geology

0' 500' 1000' 1500' 2000'  
 SCALE: 1" = 1000'  
 WO Num.: 32428

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
911 S. First St., Artesia, NM 88210  
Phone: (575) 746-1293 Fax: (575) 746-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (505) 334-6176 Fax: (505) 334-6170

**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 234241

**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 316843		3. API Number 30-025-43739
5. Property Name PUCKER RAPID STATE COIL		6. Well No 001H

**7. Surface Location**

UL - Lot	M	Section	2	Township	22S	Range	34E	Lot Idn	M	Feet From	200	N/S Line	S	Feet From	455	E/W Line	W	County	Lea
----------	---	---------	---	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

**8. Proposed Bottom Hole Location**

UL - Lot	D	Section	2	Township	22S	Range	34E	Lot Idn	D	Feet From	330	N/S Line	N	Feet From	430	E/W Line	W	County	Lea
----------	---	---------	---	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

**9. Pool Information**

OJO CHISO BONE SPRING	96553
-----------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3569
16. Multisole N	17. Proposed Depth 15850	18. Formation 3rd Bone Spring Sand	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	1400	456	0
Int1	12.25	8.625	32	5400	1156	0
Prod	7.875	5.5	20	15850	2510	4000

**Casing/Cement Program: Additional Comments**

--

**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.		<b>OIL CONSERVATION DIVISION</b>	
Signature			
Printed Name: Electronically filed by Marissa Walters	Approved By: Paul Kautz		
Title: Pertotech	Title: Geologist		
Email Address: mwalters@gmtexploration.com	Approved Date: 4/7/2017	Expiration Date: 4/7/2019	
Date: 4/7/2017	Phone: 303-586-9275	Conditions of Approval Attached	

EXHIBIT 3



December 19, 2016

Via Certified Mail 7016 1370 0000 0983 8881

Black Mountain Operating, LLC  
Attn: Land Department  
500 Main Street, suite 500  
Fort Worth, Texas 76102

Re: Proposed The Squeeze State Com 1H  
Lea County, New Mexico

To Whom it May Concern:

GMT Exploration Company, LLC ("GMT") hereby proposes to drill the Pucker Rapid State Com 1H (the "Well"), as a standup proration unit (project area) in the E/2W/2 of Section 2, Township 22 South, Range 34 East. GMT plans to drill into the 2<sup>nd</sup> Bone Spring formation to a total vertical depth of 10,325' and a total measured depth of 14,925', for a total completed cost of \$5,943,004, as shown on the attached AFE. Also included in the proposal package is the preliminary drilling prognosis along with the survey of the well location and GMT's form of Operating Agreement. GMT plans on drilling the Well in the 4<sup>th</sup> quarter 2017.

Well Type: .....	New Drill Horizontal
Objective Formation: .....	2nd Bone Spring Sand
Estimated Total Vertical Depth:.....	10,325'
Estimated total Measured Depth:.....	14,925'
Surface Hole Location: .....	200' FSL, 1,650' FWL
Bottom Hole Location:.....	330' FNL, 1,650' FWL
Proposed Project Area:.....	E2W2 Section 2

According to preliminary ownership reports it appears that **Black Mountain Operating LLC** ("Black Mountain") owns working interests in and to E2W2 Section 2. Should Black Mountain wish to participate in the drilling of said well, please sign one copy of this letter and the attached AFE and return to the undersigned at the letterhead address within thirty (30) days of receipt of this letter.

If you have any questions regarding the enclosures or proposed operations, please do not hesitate to contact me. Thank you for your careful time and consideration; we look forward to doing business with you.

Respectfully,

GMT Exploration Company, LLC

Hans Schuster  
Landman



Enclosures: AFE; Preliminary Drilling Prognosis; Survey of Well Location

\_\_\_\_\_ the undersigned hereby elects to participate in the Squeeze State Com 1H

\_\_\_\_\_ the undersigned hereby elects to not participate in the Squeeze State Com 1H

**BLACK MOUNTAIN OPERATING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### Approval For Expenditure

GMT Exploration Company, LLC  
1560 Broadway, Suite 2000  
Denver, CO 80202  
Ph 720.946.3028 / Fax 720.946.3034



Prepared By: Keith Kress		AFE Number:
Operator: GMT Exploration Company, LLC		Date: 12/15/2016
Lease: VO-4726, LG-1207-03		County: Lea
Well: The Squeeze State Com		State: NM
S/T/R: T22SR34E Sec 2, 330' FSL, 1650' FWL		
Projected Depth: ~14925' TMD, 10325' TVD		

AFE Description:  
GMT plans to drill this well with an Objective Formation of Second Bone Spring Sand.  
This will be our estimated well costs with a conventional, non-piled well. Fracture stimulation represents 2500lb/linear foot job.

ACCOUNTING CODE	INTEGRITY COSTS	DESCRIPTION	DRILLING	COMPLETION	TOTAL
16000201	n/a	PERMITS	2,000	-	2,000
16000203	n/a	SURVEY WORK	3,000	-	3,000
16000205	n/a	RIGHTS OF WAY	-	-	-
16000200	17000200	LOCATION CONSTRUCTION	75,000	-	75,000
16005600	17005600	INSURANCE	16,000	-	16,000
16000211	17000211	RECLAMATION	15,000	25,000	40,000
16000300	n/a	DAMAGES	-	-	-
<b>LOCATION SUBTOTAL</b>			<b>111,000</b>	<b>25,000</b>	<b>136,000</b>
16000800	n/a	FOOTAGE	-	-	-
16000400	n/a	MOB/DEMOB	50,000	-	50,000
16001000	17001000	DAYWORK	300,000	35,000	335,000
n/a	17004000	COIL TUBING UNIT	-	105,000	105,000
16001800	n/a	FUEL	60,000	-	60,000
16001400	17001400	BITS	75,000	25,000	100,000
16006000	n/a	MISC. INTANGIBLE DRILLING COSTS	40,000	-	40,000
n/a	17006000	MISC. INTANGIBLE COMPLETION COSTS	-	75,000	75,000
<b>DRILLING SUBTOTAL</b>			<b>525,000</b>	<b>240,000</b>	<b>765,000</b>
16001600	n/a	MUD COST	90,000	-	90,000
16001601	17001601	COMPLETION FLUID COST	65,000	275,000	340,000
16001607	17001607	STORAGE/MUD TRANSFER	50,000	-	50,000
16001611	17001611	TRANSPORTATION	25,000	8,000	33,000
<b>FLUIDS SUBTOTAL</b>			<b>230,000</b>	<b>283,000</b>	<b>513,000</b>
16001201	17001201	BLOWOUT PREVENTION AND WELL CONTROL	-	-	-
16001209	17001209	CASING TOOLS AND CREWS	27,000	-	27,000
16001225	17001225	TUBING & DRILL PIPE	28,000	-	28,000
16001227	17001227	COMMUNICATION EQUIPMENT	15,000	-	15,000
16001229	17001229	TRAILERS	20,000	9,000	29,000
16001231	17001231	PUMPS	2,500	30,000	32,500
16001233	17001233	FORKLIFT	15,000	12,000	27,000
16001241	17001241	VACUUM UNIT	-	-	-
16001243	17001243	SEWAGE UNIT	15,000	-	15,000
<b>RENTAL EQUIPMENT SUBTOTAL</b>			<b>122,500</b>	<b>51,000</b>	<b>173,500</b>
16002801	n/a	CONDUCTOR	5,000	-	5,000
16002805	n/a	SURFACE	12,000	-	12,000
16002807	n/a	INTERMEDIATE	18,000	-	18,000
16002809	n/a	PRODUCTION CASING	28,000	-	28,000
16006600	n/a	PLUG & ABANDON	-	-	-
<b>CEMENTING SUBTOTAL</b>			<b>63,000</b>	<b>-</b>	<b>63,000</b>
16002400	n/a	MUDLOGGING	16,000	-	16,000
16002600	17002600	ELECTRIC LOGGING	30,000	-	30,000
16003000	n/a	DIRECTIONAL SURVEYS	3,000	-	3,000
16003600	17003600	WIRELINE SERVICES	-	55,000	55,000
n/a	17007300	TUBING INSPECTION	2,500	-	2,500
n/a	17007400	TUBING TESTING	-	-	-
16003800	n/a	CASING INSPECTION AND TESTING	-	-	-
16007500	n/a	DRILL PIPE INSPECTION	18,000	-	18,000
n/a	17007600	PERFORATING SERVICES	-	94,000	94,000
16007800	17007800	TRASH AND DISPOSAL	2,000	-	2,000
16007900	17007900	WELDING	6,000	-	6,000
16008200	n/a	FILTRATION AND SERVICES, SCREENS	40,000	-	40,000
16004400	17004400	FORMATION CORING	4,000	-	4,000
16003200	17003200	FISHING TOOLS	10,000	-	10,000
16003000	n/a	DIRECTIONAL SERVICES MWD/LWD	320,000	-	320,000
16008700	17008700	BOP NIPPLE UP & TEST	25,000	20,500	45,500
16008800	17008800	COMPOSITE BRIDGE PLUGS PLUS PUMPING	-	25,000	25,000
16004600	17004600	CASING CREW	18,000	-	18,000
16008900	n/a	WELLHEAD SERVICES	20,000	-	20,000
16004800	17004800	ROUABOUT SERVICES	15,000	15,000	30,000
16009000	17009000	MUD,H2O, CUTTINGS, TESTING TANKS RENTAL	9,000	9,690	18,690
16009100	17009100	VACUUM TRUCK SERVICES	30,000	15,000	45,000
16003400	17003400	WELL TESTING	-	100,000	100,000
16009300	17009300	HOT OIL SERVICES	-	-	-
16009400	17009400	PACKER SERVICES	-	15,000	15,000
16009500	17002400	PRODUCED WATER TRUCK & DISPOSAL	50,000	60,000	110,000
16004200	17004200	FRACTURING SERVICES	-	1,400,000	1,400,000
16009600		SAFETY & ENVIRONMENTAL	20,000	-	20,000
16002200	17002200	TRUCKING	90,000	20,000	110,000

Prepared By: Keith Kress  
 Operator: GMT Exploration Company, LLC  
 Lease: VO-4726, LG-1207-03  
 Well: The Squeeze State Com  
 S/T/R: T22SR34E Sec 2, 330' FSL, 1650' FWL  
 Projected Depth: ~14925' TMD, 10325' TVD

AFE Number: \_\_\_\_\_  
 Date: 12/15/2016  
 County: Lea  
 State: NM

AFE Description  
 GMT plans to drill this well with an Objective Formation of Second Bone Spring Sand.  
 This will be our estimated well costs with a conventional, non-piled well. Fracture stimulation represents 2500lb/linear foot job.

ACCOUNTING CODE		DESCRIPTION	INTANGIBLE COSTS		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
<b>SERVICES SUBTOTAL</b>			<b>728,500</b>	<b>1,829,190</b>	<b>2,557,690</b>
16005800	17005800	ADMINISTRATION/OVERHEAD	-	-	-
16005900	17005900	MANAGEMENT	-	-	-
16005400	17005400	ENGINEERING CONSULTANTS	5,000	-	5,000
16006200	17006200	FIELD ENGINEERING	4,000	6,500	10,500
16002000	17002000	FIELD CONSULTANTS	45,000	23,750	68,750
<b>SUPERVISION &amp; ADMINISTRATIVE SUBTOTAL</b>			<b>54,000</b>	<b>30,250</b>	<b>84,250</b>
TOTAL INTANGIBLE COSTS			1,834,000	2,458,440	4,292,440

ACCOUNTING CODE		DESCRIPTION	TANGIBLE COSTS		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
16100200	n/a	CONDUCTOR	-	-	-
16100600	17100600	SURFACE	50,000	-	50,000
16100400	n/a	INTERMEDIATE	120,000	-	120,000
16101200	n/a	PRODUCTION	375,000	-	375,000
n/a	17100800	TUBING	-	50,820	50,820
n/a	17102400	TEST STRING	-	-	-
16101000	n/a	MISC. TANGIBLE DRILLING COSTS	15,000	-	15,000
n/a	17203300	MISC. TANGIBLE COMPLETION COSTS	-	17,500	17,500
n/a	17101200	PACKERS	-	-	-
<b>TUBULAR GOODS SUBTOTAL</b>			<b>560,000</b>	<b>68,320</b>	<b>628,320</b>
16100800	17101400	CASING HEAD	35,000	20,000	55,000
16100807	17101407	HANGERS	-	-	-
16100809	17101409	MUD LINER HANGER	-	-	-
16100811	17101411	WELLHEAD CONTROL	-	-	-
<b>WELLHEAD SUBTOTAL</b>			<b>35,000</b>	<b>20,000</b>	<b>55,000</b>
TOTAL TANGIBLE COSTS			595,000	88,320	683,320

ACCOUNTING CODE		DESCRIPTION	LEASEHOLD AND PRODUCTION FACILITY/COST		
DRILLING	COMPL		DRILLING	COMPLETION	TOTAL
n/a	17201000	TANKS	-	95,000	95,000
n/a	17201200	FLOWLINES	-	23,000	23,000
n/a	17200200	HEATERS/TREATERS	-	18,000	18,000
n/a	17201400	GLYCOL SYSTEMS	-	-	-
n/a	17200400	SEPARATORS	-	15,000	15,000
n/a	17202200	VALVES & FITTINGS	-	83,000	83,000
n/a	17200800	COMPRESSOR	-	-	-
n/a	17200600	ARTIFICIAL LIFT SYSTEMS	-	215,000	215,000
n/a	17202000	LABOR	-	39,000	39,000
n/a	17202600	SUPERVISION	-	-	-
n/a	17201600	PIPELINE	-	50,000	50,000
<b>LEASE EQUIPMENT SUBTOTAL</b>			<b>-</b>	<b>538,000</b>	<b>538,000</b>
TOTAL LEASEHOLD & PRODUCTION FACILITIES COSTS			-	538,000	538,000

DRILLING & COMPLETION TOTAL COSTS	DRILLING	COMPLETION	TOTAL
TOTAL INTANGIBLE COSTS	1,834,000	2,458,440	4,292,440
TOTAL TANGIBLE COSTS	595,000	88,320	683,320
CONTINGENCY	183,400	245,844	429,244
LEASE & PRODUCTION FACILITIES COSTS	-	538,000	538,000
<b>TOTAL COSTS</b>	<b>2,612,400</b>	<b>3,330,604</b>	<b>5,943,004</b>

**WORKING INTEREST OWNER:** GMT Exploration Company, LLC  
**PROPORTIONATE SHARE(S):** 1.0000  
**DRILLING:** 2,612,400  
**COMPLETION:** 3,330,604  
**TOTAL:** 5,943,004

Operator: \_\_\_\_\_  
 Approved By: [Signature] Date: 12/15/2016  
 Title: VP OPERATIONS  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

DISCLAIMER: The information on this AFE is only an estimate and may or may not be based on any actual contracts or bids.



**Preliminary DRILLING PROGNOSIS**

**PROSPECT:** Whitewater

**WELL NAME:** The Squeeze State Corn **DATE:** 12/7/2016

**LOCATION:** Surface T 22 S R 34 E Sec 2 330' FSL 1650' FWL **API #:**  
 Lea County, New Mexico **FIELD:** Grama Ridge

**ELEVATION:** Bottom T 22 S R 34 E Sec 2 330' FNL 1650' FWL  
 KB: 3588 (est) **GL:** 3568

**ESTIMATED TD:** - 14,925 MD -10,325 TVD

**FORMATION AT TD:** 2nd Bone Spring **OBJECTIVE FORMATION:** 2nd Bone Spring

**DRILLING CONTRACTOR:**

DRILLING PROGRAM	Hole Size	Casing Size	Depth	Comments
Surface Casing				
Intermediate Casing				
Production Casing				

**FORMATION TOPS**

FORMATION	DRILL DEPTH (est.)	DATUM (est.)	COMMENTS
Rustler	1,200	2,388	
Salt Top	1,680	1,928	
Salt Base	3,600	-12	
Yates	3,601	-13	
Capitan Reef	4,026	-437	Possible Loss of circulation zone
Delaware Bell Canyon	5,675	-2,087	
Delaware Cherry Canyon	6,080	-2,472	
Delaware Brushy Canyon	7,005	-3,417	
Lower Brushy Canyon Marker	8,195	-4,607	Possible Oil and Gas Show
Bone Spring	8,400	-4,812	
Avalon Shale Top	8,570	-4,982	Possible Oil and Gas Show
Avalon Carbonate	8,855	-5,267	Possible Chert Zone
1st Bone Spring Sand	9,550	-5,962	Possible Oil and Gas Show
1st Bone Spring Carb	9,735	-6,147	Possible Chert Zone
2nd Bone Spring Sand	10,045	-6,457	Possible Oil and Gas Show
Horizontal Interval Top	10,300	-6,712	Possible Oil and Gas Show
Horizontal Interval Base	10,350	-6,762	Possible Oil and Gas Show
<b>NO Pilot</b>	<b>TVD 10,325</b>	<b>-6,737</b>	

**LOGGING PROGRAM**

<b>OPEN HOLE LOGS:</b> NA	<b>MWD/LWD LOGS:</b> Gamma Ray Logging Depth: Intermediate casing to TD
<b>LOGGING COMPANY:</b> Schlumberger Denver Contact = Thomas Miller Office: 303-352-1223 Cell: 303-548-9055 Email: T.Jr1@slb.com	<b>LOGGING COMPANY:</b> Newsco Contact = Ed Sersenich Office: 307-232-6336 Cell: 303-883-7362 Email: ed.sersenich@newsco-drilling.com
<b>MUD LOGGER:</b> Morco Geological Services 3603 National Park Highway Carlsbad, New Mexico 88220	<b>Contacts:</b> Curry Stewart Cell: (575) 361-1270

**OFFSET WELLS**

WELL NAME	LOCATION	Depth	Date
State 1	T 22 S R 34 E Sec 11 - TVD 13,450	10/1982	
Two State 1	T 22 S R 34 E Sec 2 - TVD 13,380	10/1977	
Gally 'Z' State	T 22 S R 34 E Sec 2 - TVD 13,390	10/1980	

**REMARKS**

**ANTICIPATED COMPLETION:** 2nd Bone Spring

**SPECIAL CONSIDERATION:** Chert intervals may be encountered - these areas have been denoted in the formation tops section

**GMT EXPLORATION CONTACTS**

<b>Geology</b> Sarah Heger Office: 303-586-9286 Cell: 720-412-2787 email: sheger@gmtexploration.com	<b>Alternate</b> Mike Dill Office: 303-586-9282 Cell: 303-358-2197 email: mdill@gmtexploration.com	<b>Alternate</b> William Lancaster Office: 303-586-9278 Cell: 303-808-0857 email: wdl@gmtexploration.com
<b>Engineering</b> Keith Kress Office: 303-586-9281 Cell: 720-237-5986 email: kkress@gmtexploration.com	<b>Alternate</b> Hugo Cartaya Office: 720-946-3032 Cell: 303-973-3440 email: hcartaya@gmtexploration.com	<b>Alternate</b>

**This well is a TIGHT hole**

**DISTRICT I**  
 1000 N. Frank Dr., Hobbs, NM 88240  
 Phone (505) 382-6101 Fax (505) 382-6700

**DISTRICT II**  
 811 E. First St., Artesia, NM 88210  
 Phone (505) 748-1200 Fax (505) 748-9700

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone (505) 834-6170 Fax (505) 834-6170

**DISTRICT IV**  
 1200 S. St. Francis Dr., Santa Fe, NM 87508  
 Phone (505) 478-6200 Fax (505) 478-6400

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised August 1, 2011

Submit one copy to appropriate  
 District Office

**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87506

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code 97293	Pool Name Ojo Chiso; Bone Spring, South
Property Code	Property Name THE SQUEEZE STATE COM	Well Number 1H
OGED No. 260511	Operator Name GMT EXPLORATION COMPANY LLC	Elevation 3566'

**Surface Location**

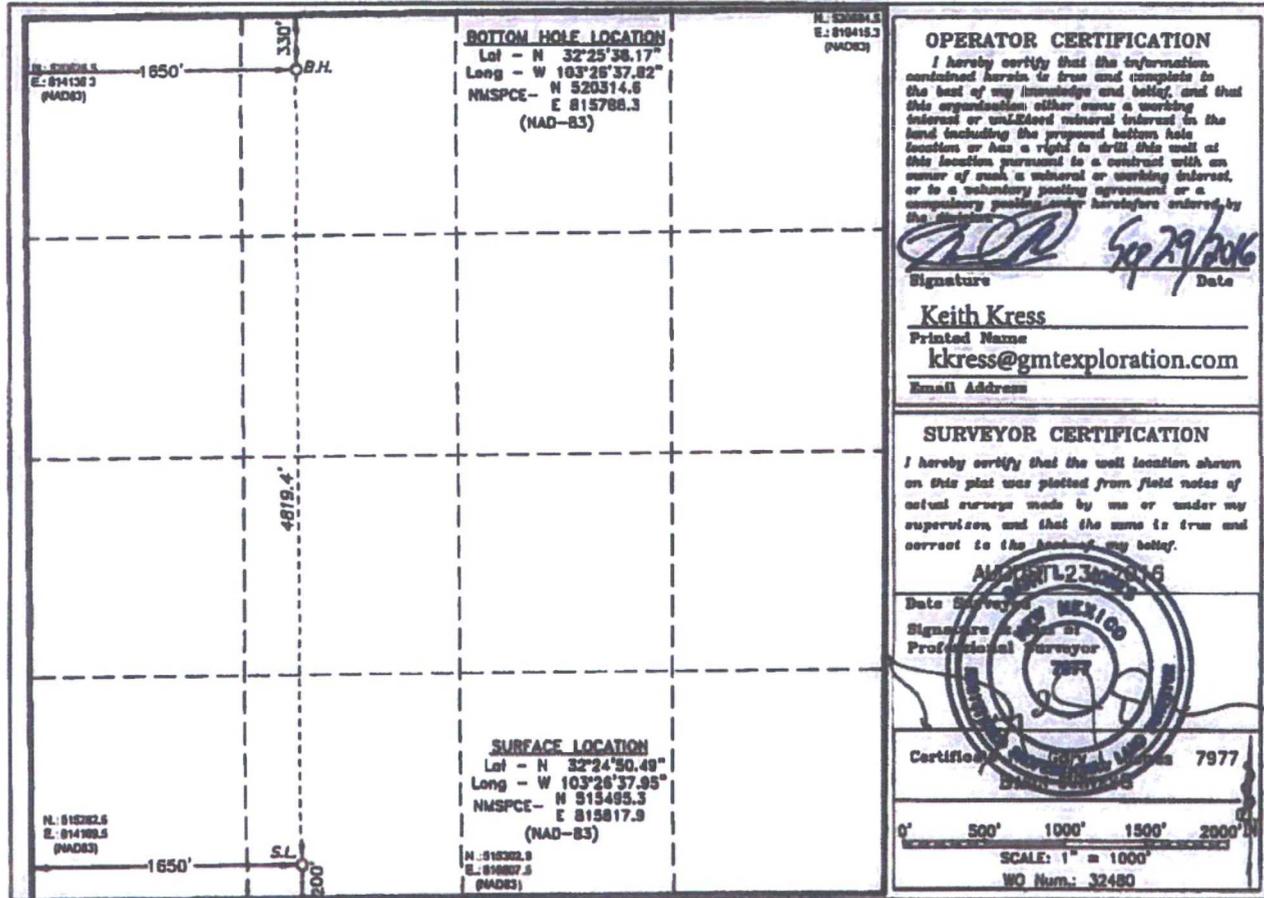
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
N	2	22 S	34 E		200	SOUTH	1650	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
C	2	22 S	34 E		330	NORTH	1650	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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**



**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone: (575) 393-6161 Fax: (575) 293-0720

**District II**  
 811 E. First St., Artesia, NM 88210  
 Phone: (575) 749-1283 Fax: (575) 746-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone: (505) 334-6176 Fax: (505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone: (505) 476-3470 Fax: (505) 476-3492

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

Form O-101  
 August 1, 2011  
 Permit 234374

**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. OBRID Number 260511
		3. API Number 30-025-43740
4. Property Code 316830	5. Property Name SQUEEZE STATE COM	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot/In	Feet From	N/S Line	Feet From	E/W Line	County
N	2	22S	34E	N	200	S	1650	W	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot/In	Feet From	N/S Line	Feet From	E/W Line	County
C	2	22S	34E	3	330	N	1650	W	Lea

**9. Pool Information**

OJO CHISO: BONE SPRING	96553
------------------------	-------

**Additional Well Information**

11. Well Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3568
16. Multisole N	17. Proposed Depth 15350	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 7/1/2017
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/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1400	456	0
Int1	12.25	8.625	32	5400	1156	0
Prod	7.875	5.5	20	15850	2510	4000

**Casing/Cement Program: Additional Comments**

--

**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: _____ Printed Name: Electronically filed by Marissa Walters Title: Pertotech Email Address: mwalters@gmtexploration.com Date: 4/7/2017	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 4/7/2017 Expiration Date: 4/7/2019 Conditions of Approval Attached
---	--

EXHIBIT 5



**BLACK MOUNTAIN OPERATING, LLC**

November 16, 2016

GMT Exploration Company, LLC  
Attn: Land Department  
1560 Broadway  
Denver, Colorado 80205

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 1H  
W2SW4 of Section 35-21S-34E &  
W2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 1H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 911' FWL  
Bottom Hole Location: ..... 2371' FSL, 330' FWL  
Proposed Project Area: ..... W2 SW4 Section 35, W2 W2 Section 2

According to preliminary ownership reports it appears that GMT Exploration Company, LLC ("GMT") owns working interest in and to SW4 Section 2. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should GMT ownership be verified BMO will provide GMT an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

  
Luke Mildren  
Vice President, Land

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: [luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)

EXHIBIT 6

**District I**  
1625 N. Frosch Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9730

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

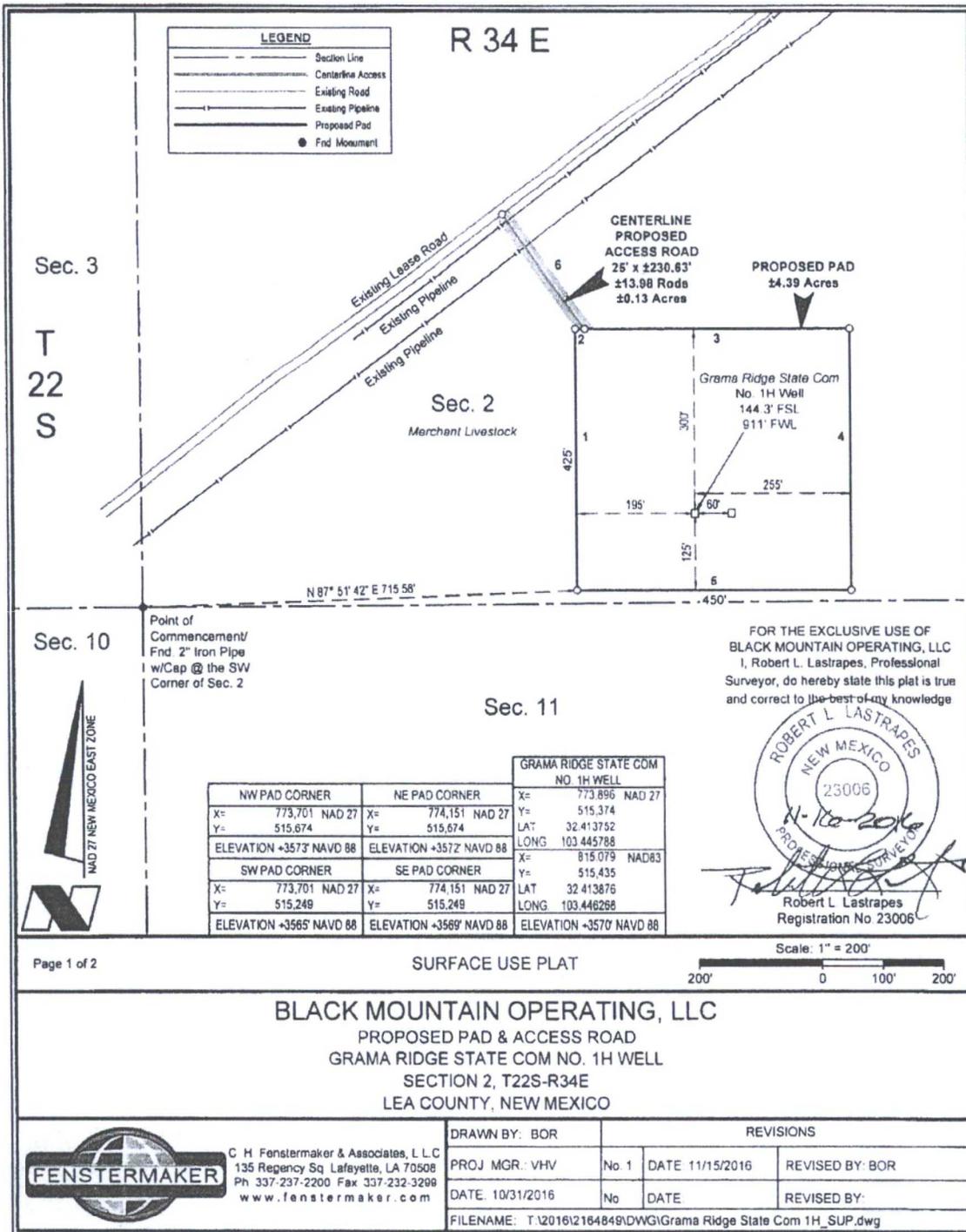
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name			
4 Property Code		5 Property Name GRAMA RIDGE STATE COM			6 Well Number IH		
7 GRID No.		8 Operator Name BLACK MOUNTAIN OPERATING, LLC			9 Elevation 3570'		
10 Surface Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
M	2	22 SOUTH	34 EAST, N.M.P.M.		144.3'	SOUTH 911'	LEA
11 Bottom Hole Location If Different From Surface							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
I.	35	21 SOUTH	34 EAST, N.M.P.M.		2371'	SOUTH 330'	LEA
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		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><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 773,263 NAD 27 Y= 522,941 LAT 32 434563 LONG 103 447637</p> <p>X= 814,446 NAD83 Y= 523,002 LAT 32 434688 LONG 103 448118</p> <p><b>GRAMA RIDGE STATE COM 1H WELL</b></p> <p>X= 773,896 NAD 27 Y= 515,374 LAT 32 413752 LONG 103 445788</p> <p>X= 815,079 NAD83 Y= 515,435 LAT 32 413876 LONG 103 445268</p> <p>ELEVATION +3570' MVD 88</p>		<p><b>17 OPERATOR CERTIFICATION</b></p> <p>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 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.</p> <p>Signature: _____ Date: _____</p> <p>Printed Name: _____</p> <p>E-mail Address: _____</p>
<p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=523207.41, X=772930.81 B - Y=523222.29, X=774250.30 C - Y=515222.60, X=772986.37 D - Y=515233.32, X=774305.43</p>	<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>10-27-2016 Date of Survey</p> <p>Signature and Seal of Professional Surveyor ROBERT E. STRAPES 11-16-2016</p> <p>23006 Certificate Number</p>	



**LEGEND**

- Section Line
- Centerline Access
- Existing Road
- Existing Pipeline
- Proposed Pad
- End Monument

Sec. 3

T  
22  
S

R 34 E

Sec. 2

Merchant Livestock

CENTERLINE  
PROPOSED  
ACCESS ROAD  
25' x ±230.63'  
±13.98 Rods  
±0.13 Acres

PROPOSED PAD  
±4.39 Acres

Grama Ridge State Com  
No. 1H Well  
144.3' FSL  
911' FWL

N 87° 51' 42" E 715.58'

Sec. 10

Point of  
Commencement/  
Fnd 2" Iron Pipe  
w/Cap @ the SW  
Corner of Sec. 2

Sec. 11

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge



NW PAD CORNER		NE PAD CORNER		GRAMA RIDGE STATE COM NO. 1H WELL	
X=	773,701 NAD 27	X=	774,151 NAD 27	X=	773,896 NAD 27
Y=	515,674	Y=	515,674	Y=	515,374
ELEVATION	+3573' NAVD 88	ELEVATION	+3572' NAVD 88	LAT	32.413752
SW PAD CORNER		SE PAD CORNER		LONG	103.445788
X=	773,701 NAD 27	X=	774,151 NAD 27	X=	815,079 NAD 83
Y=	515,249	Y=	515,249	Y=	515,435
ELEVATION	+3565' NAVD 88	ELEVATION	+3569' NAVD 88	LAT	32.413876
				LONG	103.446288
				ELEVATION	+3570' NAVD 88

ROBERT L. LASTRAPES  
NEW MEXICO  
23006  
11-16-2016  
PROFESSIONAL SURVEYOR  
Robert L. Lastrapes  
Registration No 23006

Page 1 of 2

SURFACE USE PLAT

Scale: 1" = 200'  
200' 0 100' 200'

**BLACK MOUNTAIN OPERATING, LLC**  
PROPOSED PAD & ACCESS ROAD  
GRAMA RIDGE STATE COM NO. 1H WELL  
SECTION 2, T22S-R34E  
LEA COUNTY, NEW MEXICO



C. H. Fenstermaker & Associates, L.L.C.  
135 Regency Sq. Lafayette, LA 70508  
Ph 337-237-2200 Fax 337-232-3298  
www.fenstermaker.com

DRAWN BY: BOR		REVISIONS	
PROJ MGR: VHV	No. 1	DATE 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No.	DATE	REVISED BY:
FILENAME: T:\2016\2164848\DWG\Grama Ridge State Com 1H_SUP.dwg			

**NOTE:**

Please be advised, that while reasonable efforts are made to locate and verify pipelines and anomalies using our standard pipeline locating equipment, it is impossible to be 100 % effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site

**NOTE:**

Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for assistance in locating and marking underground utilities. For guidance: New Mexico One Call - [www.unonccall.org](http://www.unonccall.org)

**DISCLAIMER:** At this time, C. H. Fenstermaker & Associates, L.L.C. has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

PROPOSED PAD		
COURSE	BEARING	DISTANCE
1	NORTH	425.00'
2	EAST	15.42'
3	EAST	434.58'
4	SOUTH	425.00'
5	WEST	450.00'

CENTERLINE PROPOSED ACCESS ROAD		
COURSE	BEARING	DISTANCE
6	N 35° 51' 38" W	230.63'

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.

Robert L. Lastrapes  
Registration No. 23006

**SURFACE USE PLAT**

**BLACK MOUNTAIN OPERATING, LLC**  
PROPOSED PAD & ACCESS ROAD  
GRAMA RIDGE STATE COM NO. 1H WELL  
SECTION 2, T22S-R34E  
LEA COUNTY, NEW MEXICO



C H Fenstermaker & Associates, L.L.C.  
135 Regency Sq. Lafayette, LA 70508  
Ph 337-237-2200 Fax 337-232-3299  
[www.fenstermaker.com](http://www.fenstermaker.com)

DRAWN BY: BOR		REVISIONS	
PROJ. MGR.: VHV	No 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No	DATE	REVISED BY:
FILENAME: T:\2016\2164849\DWG\Grama Ridge State Com 1H_SUP.dwg			

**AUTHORIZATION FOR EXPENDITURE  
DRILL & COMPLETE NEW WELL**

Date: 11/02/2016 County/State: Lea, NM  
 Lease: Grama Ridge Well No: 1H  
 Surface Location: SEC 2, T.22S, R.34E, 144.3' F&L & 911' FWL  
 Proposed Depth: 18,807' MD  
 Objective: Drill & Complete Horizontal Well in 3rd Bone Spring Formation, 7500' lateral, 30 frac stages

**Grama Ridge State Com #1H - AFE**

**Muders Development AFE**

Description	AFE Amounts
SURVEY / LOCATION / PERMITS	\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$20,000
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE	\$25,000
CONTRACT DRILLING - FOOTAGE & TURNKEY	\$0
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU)	\$792,500
FUEL	\$77,500
MOB / DE-MOB	\$82,500
RENTAL TOOL & EQUIPMENT	\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$45,000
BITS	\$120,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$2,500
MUD MATERIALS & CHEMICALS	\$225,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$15,000
CREW QUARTERS	\$50,000
SPECIAL SERVICES / DIRECTIONAL	\$292,500
LOGGING / WIRELINE / PERFORATING	\$50,000
DRILL STEM & PRODUCTION TESTS	\$0
CORING & CORE ANALYSIS	\$0
MUD LOGGING	\$30,000
CEMENT & CEMENT SERVICES	\$82,500
PLUG, ABANDON & RESTORE	\$0
TRUCKING & HAULING	\$20,000
COMPANY SUPERVISION	\$0
SUPERVISION - CONTRACT	\$70,500
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
MISCELLANEOUS / OTHER DRILLING COSTS	\$5,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$236,650
<b>Intangible Drilling</b>	<b>\$2,083,150</b>
SURFACE CASING	\$42,375
INTERMEDIATE CASING	\$160,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES	\$15,000
CONTINGENCY	\$26,488
<b>Tangible Drilling</b>	<b>\$281,363</b>

SURVEY / LOCATION / PERMITS	\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$35,000
STIMULATION TREATMENT / FRACTURING / ACIDIZING	\$2,990,000
SAND CONTROL	\$0
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN	\$30,000
FUEL	\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$7,500
SURFACE RENTAL TOOL & EQUIPMENT	\$225,000
COIL TUBING/SNUBBING	\$150,000
BITS	\$3,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$0
MUD MATERIALS & CHEMICALS	\$60,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$200,000
CREW QUARTERS	\$0
LOGGING / WIRELINE / PERFORATING	\$150,000
CEMENT & CEMENTING SERVICES	\$85,250
SLICK LINE	\$0
TRUCKING & HAULING	\$15,000
COMPANY SUPERVISION	\$0
SUPERVISION - CONTRACT	\$12,600
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
FLOWBACK / WELL TESTS	\$90,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS	\$72,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$419,218
<b>Intangible Completion</b>	<b>\$4,811,318</b>
PRODUCTION CASING	\$204,600
TUBING	\$60,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$35,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT	\$8,500
CONTINGENCY	\$30,860
<b>Tangible Completion</b>	<b>\$339,460</b>

GAS LIFT	\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY	\$0
BUCKER RODS / POLISH RODS	\$0
MISC FITTINGS & SUPPLIES	\$77,500
SUBSURFACE EQUIPMENT	\$7,500
PACKERS	\$25,000
FACILITY LABOR COST	\$77,500
TANK BATTERY	\$65,000
SEPARATORS / HEATERS / TREATERS	\$60,000
COMPRESSOR	\$0
METERING EQUIPMENT / LACT UNIT	\$8,750
UTILITY EQUIPMENT	\$0
PIPELINES & CONNECTIONS	\$82,500
COMPANY SUPERVISION	\$7,500
CONTINGENCY	\$41,225
<b>Facilities</b>	<b>\$463,475</b>

Total Estimated Well Cost **\$6,296,758**

Black Mountain Operating, LLC

Approved By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
 Authorization Requested From: \_\_\_\_\_

PLEASE INDICATE YOUR APPROVAL AND AUTHORIZATION FOR YOUR PROPORTIONATE PART OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG LLC.

OWNERSHIP: \_\_\_\_\_ COST TO COMPLETE: \_\_\_\_\_  
 DATE: \_\_\_\_\_ PARTICIPANTS ESTIMATED COST: \_\_\_\_\_  
 APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_



**BLACK MOUNTAIN OPERATING, LLC**

December 23, 2016

GMT Exploration Company, LLC  
Attn: Land Department  
1560 Broadway  
Denver, Colorado 80205

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 1H  
W2SW4 of Section 35-21S-34E &  
W2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 1H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 911' FWL  
Bottom Hole Location: ..... 2371' FSL, 330' FWL  
Proposed Project Area: ..... W2 SW4 Section 35, W2 W2 Section 2

According to preliminary ownership reports it appears that **GMT Exploration Company, LLC ("GMT")** owns working interest in and to SW4 Section 2. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should GMT ownership be verified BMO will provide GMT an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

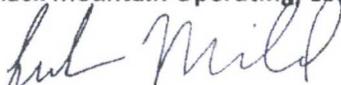
  
Luke Mildren  
Vice President, Land

EXHIBIT 1

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: [luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)

**BLACK MOUNTAIN OPERATING, LLC**  
**AUTHORIZATION FOR EXPENDITURE**  
**DRILL & COMPLETE NEW WELL**

AFE#: 16002

Date: 12/23/2016 County/State Lea, NM  
 Lease: Grama Ridge Well No: 1H  
 Surface Location: SEC 2, T-22S, R-34E, 144.3' FSL & 911' FWL  
 Proposed Depth: 18,600' MD  
 Objective: Drill & Complete Horizontal Well In 3rd Bone Spring Formation, 7500' lateral, 30 frac stages

**Grama Ridge State Com #1H - AFE**

**Madera Development AFE**

Description	AFE Amounts
SURVEY / LOCATION / PERMITS	\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$20,000
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE	\$25,000
CONTRACT DRILLING - FOOTAGE & TURNKEY	\$0
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU	\$752,500
FUEL	\$77,500
MOB / DE-MOB	\$82,500
RENTAL TOOL & EQUIPMENT	\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$45,000
BITS	\$120,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$2,500
MUD MATERIALS & CHEMICALS	\$225,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$15,000
CREW QUARTERS	\$50,000
SPECIAL SERVICES / DIRECTIONAL	\$292,500
LOGGING / WIRELINE / PERFORATING	\$50,000
DRILL STEM & PRODUCTION TESTS	\$0
CORING & CORE ANALYSIS	\$0
MUD LOGGING	\$30,000
CEMENT & CEMENT SERVICES	\$82,500
PLUG, ABANDON & RESTORE	\$0
TRUCKING & HAULING	\$20,000
COMPANY SUPERVISION	0
SUPERVISION - CONTRACT	\$70,500
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
MISCELLANEOUS / OTHER DRILLING COSTS	\$5,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$236,650
<b>Intangible Drilling</b>	<b>\$2,603,180</b>
SURFACE CASING	\$42,375
INTERMEDIATE CASING	\$180,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES	\$15,000
CONTINGENCY	\$26,488
<b>Tangible Drilling</b>	<b>\$291,368</b>
SURVEY / LOCATION / PERMITS	\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$35,000
STIMULATION TREATMENT / FRACTURING / ACIDIZING	\$2,980,000
SAND CONTROL	\$0
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN	\$30,000
FUEL	\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$7,500
SURFACE RENTAL TOOL & EQUIPMENT	\$225,000
COIL TUBING/SNUBBING	\$150,000
BITS	\$3,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$0
MUD MATERIALS & CHEMICALS	\$60,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$200,000
CREW QUARTERS	\$0
LOGGING / WIRELINE / PERFORATING	\$156,000
CEMENT & CEMENTING SERVICES	\$85,250
SLICK LINE	\$0
TRUCKING & HAULING	\$15,000
COMPANY SUPERVISION	\$0
SUPERVISION - CONTRACT	\$12,600
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
FLOWBACK / WELL TESTS	\$90,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS	\$72,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$419,210
<b>Intangible Completion</b>	<b>\$4,811,310</b>
PRODUCTION CASING	\$204,800
TUBING	\$80,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$35,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT	\$8,500
CONTINGENCY	\$30,860
<b>Tangible Completion</b>	<b>\$339,460</b>
GAS LIFT	\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY	\$0
SUCKER RODS / POLISH RODS	\$0
MISC FITTINGS & SUPPLIES	\$77,500
SUBSURFACE EQUIPMENT	\$7,500

District I  
1625 N French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 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 Road, Aztec, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name GRAMA RIDGE STATE COM			<sup>6</sup> Well Number IH
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name BLACK MOUNTAIN OPERATING, LLC			<sup>9</sup> Elevation 3570'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	22 SOUTH	34 EAST, N.M.P.M.		144.3'	SOUTH	911'	WEST	LEA

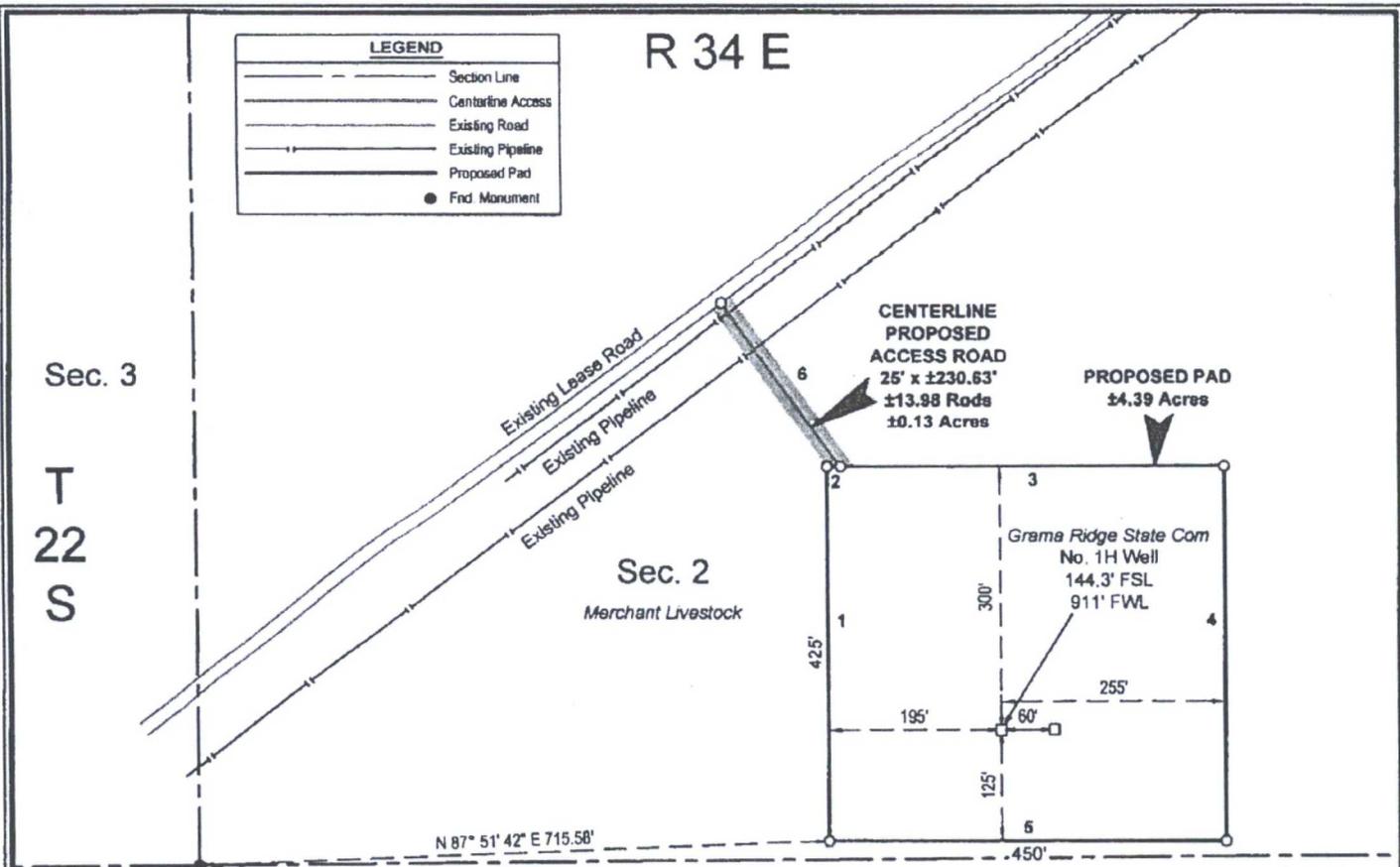
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	21 SOUTH	34 EAST, N.M.P.M.		2371'	SOUTH	330'	WEST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 773,263 NAD 27 Y= 522,941 LAT 32.434563 LONG. 103.447637</p> <p>X= 814,446 NAD83 Y= 523,002 LAT. 32.434688 LONG. 103.448118</p>		<p><b><sup>16</sup> 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 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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p><b>GRAMA RIDGE STATE COM IH WELL</b></p> <p>X= 773,896 NAD 27 Y= 515,374 LAT 32.413752 LONG 103.445788</p> <p>X= 815,079 NAD83 Y= 515,435 LAT 32.413876 LONG 103.446268</p> <p>ELEVATION +3570' NAVD 85</p>	<p><b><sup>17</sup> 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>10-27-2016 Date of Survey</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>11-10-2016 Certificate Number</p>	
<p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=523207.41, X=772930.81 B - Y=523222.29, X=774250.30 C - Y=515222.60, X=772986.37 D - Y=515233.32, X=774305.43</p>		



LEGEND	
	Section Line
	Centerline Access
	Existing Road
	Existing Pipeline
	Proposed Pad
	Fnd Monument

Sec. 3  
T  
22  
S

Sec. 2  
Merchant Livestock

Sec. 10

Point of Commencement/  
Fnd. 2" Iron Pipe  
w/Cap @ the SW  
Corner of Sec. 2

Sec. 11

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.

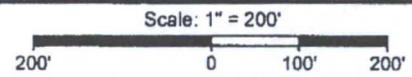


NW PAD CORNER		NE PAD CORNER		GRAMA RIDGE STATE COM NO. 1H WELL	
X=	773,701 NAD 27	X=	774,151 NAD 27	X=	773,896 NAD 27
Y=	515,674	Y=	515,674	Y=	515,374
ELEVATION	+3573' NAVD 88	ELEVATION	+3572' NAVD 88	LAT	32.413752
				LONG	103.445788
SW PAD CORNER		SE PAD CORNER		GRAMA RIDGE STATE COM NO. 1H WELL	
X=	773,701 NAD 27	X=	774,151 NAD 27	X=	815,079 NAD83
Y=	515,249	Y=	515,249	Y=	515,435
ELEVATION	+3565' NAVD 88	ELEVATION	+3569' NAVD 88	LAT	32.413876
				LONG.	103.446268
				ELEVATION	+3570' NAVD 88



Page 1 of 2

SURFACE USE PLAT



**BLACK MOUNTAIN OPERATING, LLC**  
PROPOSED PAD & ACCESS ROAD  
GRAMA RIDGE STATE COM NO. 1H WELL  
SECTION 2, T22S-R34E  
LEA COUNTY, NEW MEXICO



C H Fenstermaker & Associates, L L C  
135 Regency Sq Lafayette, LA 70508  
Ph 337-237-2200 Fax 337-232-3299  
www.fenstermaker.com

DRAWN BY: BOR		REVISIONS	
PROJ MGR: VHV	No 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No	DATE:	REVISED BY:
FILENAME: T:\2016\2164849\DWG\Grama Ridge State Com 1H_SUP.dwg			

**NOTE:**

Please be advised, that while reasonable efforts are made to locate and verify pipelines and anomalies using our standard pipeline locating equipment, it is impossible to be 100 % effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site.

**NOTE:**

Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for assistance in locating and marking underground utilities. For guidance: New Mexico One Call - [www.nmonecall.org](http://www.nmonecall.org)

**DISCLAIMER:** At this time, C. H. Fenstermaker & Associates, L.L.C. has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

PROPOSED PAD		
COURSE	BEARING	DISTANCE
1	NORTH	425.00'
2	EAST	15.42'
3	EAST	434.58'
4	SOUTH	425.00'
5	WEST	450.00'

CENTERLINE PROPOSED ACCESS ROAD		
COURSE	BEARING	DISTANCE
6	N 35° 51' 38" W	230.63'

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.

Robert L. Lastrapes  
Registration No. 23006

**BLACK MOUNTAIN OPERATING, LLC**  
 PROPOSED PAD & ACCESS ROAD  
 GRAMA RIDGE STATE COM NO. 1H WELL  
 SECTION 2, T22S-R34E  
 LEA COUNTY, NEW MEXICO



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 135 Regency Sq. Lafayette, LA 70508  
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DRAWN BY: BOR		REVISIONS	
PROJ. MGR.: VHV	No. 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No.	DATE:	REVISED BY:
FILENAME: T:\2016\2164849\DWG\Grama Ridge State Com 1H_SUP.dwg			



**BLACK MOUNTAIN OPERATING, LLC**

November 16, 2016

GMT Exploration Company, LLC  
Attn: Land Department  
1560 Broadway  
Denver, Colorado 80205

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 3H  
E2SW4 of Section 35-21S-34E &  
E2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 3H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 971' FWL  
Bottom Hole Location: ..... 2387' FSL, 1707.7' FWL  
Proposed Project Area: ..... E2 SW4 Section 35, E2 W2 Section 2

According to preliminary ownership reports it appears that GMT Exploration Company, LLC ("GMT") owns working interest in and to SW4 Section 2. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should GMT ownership be verified BMO will provide GMT an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

Luke Mildren  
Vice President, Land

500 Main Street, Suite 1220 Fort Worth, Texas 76102. Phone 817-698-9901. email: [luke.mildren@blackmtn.com](mailto:luke.mildren@blackmtn.com)

EXHIBIT

8

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Artesia, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

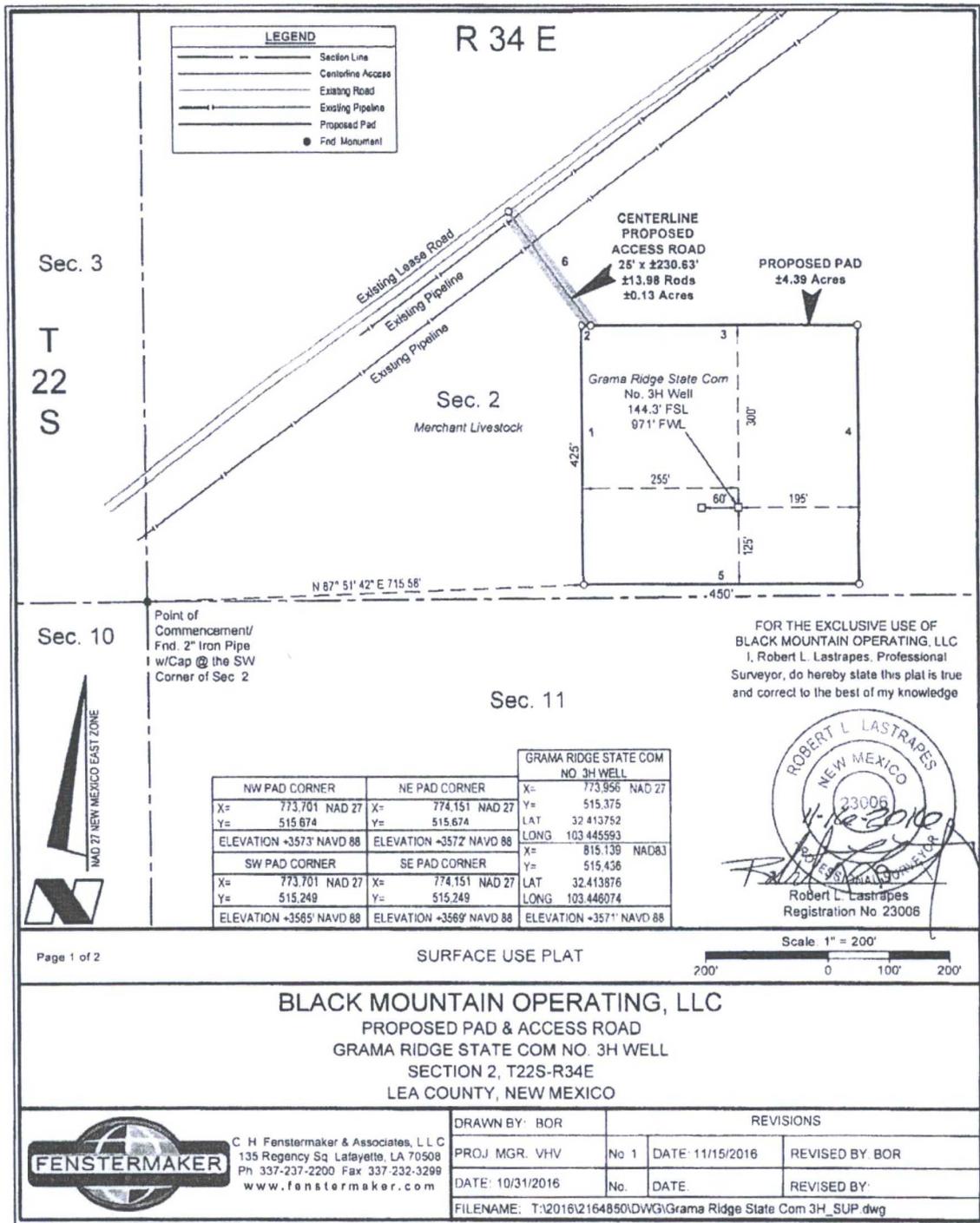
AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name			
<sup>4</sup> Property Code		<sup>5</sup> Property Name GRAMA RIDGE STATE COM			<sup>6</sup> Well Number 3H		
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name BLACK MOUNTAIN OPERATING, LLC			<sup>9</sup> Elevation 3571'		
<sup>10</sup> Surface Location							
UL or lot no	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
M	2	22 SOUTH	34 EAST, N.M.P.M.		144.3'	971'	LEA
<sup>11</sup> Bottom Hole Location If Different From Surface							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line	Feet from the East/West line	County
K	35	21 SOUTH	34 EAST, N.M.P.M.		2387'	1707.7'	LEA
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 774,641 NAD 27 Y= 522,972 LAT 32.434618 LONG. 103.443172</p> <p>X= 815,823 NAD83 Y= 523,033 LAT. 32.434742 LONG 103.443652</p>	<p><b>GRAMA RIDGE STATE COM 3H WELL</b></p> <p>X= 773,956 NAD 27 Y= 515,375 LAT 32.413752 LONG. 103.445593</p> <p>X= 815,139 NAD83 Y= 515,436 LAT 32.413876 LONG 103.446074 ELEVATION +3571' NAVD 88</p>	<p><b>CORNER COORDINATES TABLE (NAD 27)</b></p> <p>A - Y=523222.29 X=774250.30 B - Y=523237.18, X=775569.80 C - Y=516558.54, X=772978.13 D - Y=516570.20, X=774297.35 E - Y=515222.60, X=772986.37 F - Y=515233.32, X=774305.43 G - Y=515244.04, X=775624.49</p>		<p><b><sup>16</sup> OPERATOR CERTIFICATION</b></p> <p>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 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b><sup>17</sup> SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>10-27-2016 Date of Survey</p> <p>Signature and Seal of Professional Surveyor <i>[Signature]</i></p> <p>23006 Certificate Number</p>
--	--	--	--	--



**NOTE:**

Please be advised, that while reasonable efforts are made to locate and verify pipelines and anomalies using our standard pipeline locating equipment, it is impossible to be 100% effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site.

**NOTE:**

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PROPOSED PAD		
COURSE	BEARING	DISTANCE
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CENTERLINE PROPOSED ACCESS ROAD		
COURSE	BEARING	DISTANCE
6	N 35° 51' 38" W	230.63'

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.

ROBERT L. LASTRAPES  
NEW MEXICO  
23006  
11-16-2016  
PROFESSIONAL SURVEYOR  
Robert L. Lastrapes  
Registration No. 23006

**SURFACE USE PLAT**

**BLACK MOUNTAIN OPERATING, LLC**  
PROPOSED PAD & ACCESS ROAD  
GRAMA RIDGE STATE COM NO. 3H WELL  
SECTION 2, T22S-R34E  
LEA COUNTY, NEW MEXICO



C. H. Fenstermaker & Associates, L.L.C.  
135 Regency Sq. Lafayette, LA 70508  
Ph 337-237-2200 Fax 337-232-3299  
[www.fenstermaker.com](http://www.fenstermaker.com)

DRAWN BY: BOR		REVISIONS	
PROJ MGR.: VHV	No 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No	DATE:	REVISED BY:
FILENAME: T:\2016\2164850\DWG\Grama Ridge State Com 3H_SUP.dwg			

**BLACK MOUNTAIN OPERATING, LLC** AFE#: 16003  
**AUTHORIZATION FOR EXPENDITURE**  
**DRILL & COMPLETE NEW WELL**

Date: 11/19/2016 County/State: Lga, NM  
 Lease: Grama Ridge Well No: 3H  
 Surface Location: SEC. 2, T.22S, R.34E, 144.3' FSL & 971' EWL  
 Proposed Depth: 18,000 MD  
 Objective: Drill & Complete Horizontal Well in 3rd Bone Spring Formation, 7500' lateral, 30 frac stages

**Grama Ridge State Com #3H - AFE**

Maders Development AFE		AFE Amounts
Description		
SURVEY / LOCATION / PERMITS		\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$20,000
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE		\$20,000
CONTRACT DRILLING - FOOTAGE & TURNKEY		\$0
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU		\$732,500
FUEL		\$77,500
MOB / DE-MOB		\$82,500
RENTAL TOOL & EQUIPMENT		\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$45,000
BITS		\$120,500
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
BOP TESTING		\$2,500
MUD MATERIALS & CHEMICALS		\$225,000
DISPOSAL / FLOWBACK		\$50,000
WATER		\$15,000
CREW QUARTERS		\$50,000
SPECIAL SERVICES / DIRECTIONAL		\$292,500
LOGGING / WIRELINE / PERFORATING		\$50,000
DRILL STEM & PRODUCTION TESTS		\$0
CORING & CORE ANALYSIS		\$0
MUD LOGGING		\$30,000
CEMENT & CEMENT SERVICES		\$82,500
PLUG, ABANDON & RESTORE		\$0
TRUCKING & HAULING		\$20,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$70,500
OVERHEAD		\$0
CASING CREWS / CONTRACT LABOR		\$25,000
MISCELLANEOUS / OTHER DRILLING COSTS		\$5,500
DRILLING WELL INSURANCE		\$0
CONTINGENCY		\$234,850
<b>Intangible Drilling</b>		<b>\$2,681,180</b>
SURFACE CASING		\$42,375
INTERMEDIATE CASING		\$180,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES		\$15,000
CONTINGENCY		\$26,488
<b>Tangible Drilling</b>		<b>\$291,363</b>
SURVEY / LOCATION / PERMITS		\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES		\$35,000
STIMULATION TREATMENT / FRACTURING / ACIDIZING		\$2,990,000
SAND CONTROL		\$0
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN		\$30,000
FUEL		\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT		\$7,500
SURFACE RENTAL TOOL & EQUIPMENT		\$225,000
COIL TUBING/SNUBBING		\$150,000
BITS		\$3,500
FISHING TOOLS & SERVICES		\$0
PIPE INSPECTION & COATING		\$0
BOP TESTING		\$0
MUD MATERIALS & CHEMICALS		\$50,000
DISPOSAL / FLOWBACK		\$50,000
WATER		\$200,000
CREW QUARTERS		\$0
LOGGING / WIRELINE / PERFORATING		\$156,000
CEMENT & CEMENTING SERVICES		\$85,250
SLICK LINE		\$0
TRUCKING & HAULING		\$15,000
COMPANY SUPERVISION		\$0
SUPERVISION - CONTRACT		\$12,600
OVERHEAD		\$0
CASING CREWS / CONTRACT LABOR		\$25,000
FLOWBACK / WELL TESTS		\$90,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS		\$72,500
DRILLING WELL INSURANCE		\$0
CONTINGENCY		\$410,210
<b>Intangible Completion</b>		<b>\$4,911,318</b>
PRODUCTION CASING		\$204,600
TUBING		\$80,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE		\$35,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT		\$8,500
CONTINGENCY		\$30,860
<b>Tangible Completion</b>		<b>\$339,460</b>
GAS LIFT		\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY		\$0
SUCKER RODS / POLISH RODS		\$0
MISC FITTINGS & SUPPLIES		\$77,500
SUBSURFACE EQUIPMENT		\$7,500
PACKERS		\$25,000
FACILITY LABOR COST		\$77,500
TANK BATTERY		\$65,000
SEPARATORS / HEATERS / TREATERS		\$60,000
COMPRESSOR		\$0
METERING EQUIPMENT / LACT UNIT		\$9,750
UTILITY EQUIPMENT		\$0
PIPELINES & CONNECTIONS		\$82,500
COMPANY SUPERVISION		\$7,500
CONTINGENCY		\$41,225
<b>Facilities</b>		<b>\$483,478</b>
<b>Total Estimated Well Cost</b>		<b>\$8,278,758</b>

**Black Mountain Operating, LLC**

Approved By	Title	Date
Authorization Requested From		
PLEASE INDICATE YOUR APPROVAL AND AUTHORIZATION FOR YOUR PROPORTIONATE PARTE OF THE ESTIMATED EXPENDITURE AS DETAILED ABOVE BY SIGNING BELOW AND RETURNING ONE SIGNED COPY TO BMOG, LLC		
OWNERSHIP:	COST TO COMPLETE	
DATE:	PARTICIPANT'S ESTIMATED COST	
APPROVED BY:	TITLE	



**BLACK MOUNTAIN OPERATING, LLC**

December 23, 2016

GMT Exploration Company, LLC  
Attn: Land Department  
1560 Broadway  
Denver, Colorado 80205

Re: **Notice of Intent to Drill**  
Grama Ridge State Com 3H  
E2SW4 of Section 35-21S-34E &  
E2W2 of Section 2 22S-34E  
Lea County, New Mexico

To Whom it May Concern:

Black Mountain Operating, LLC ("BMO") hereby delivers this notice describing its intent to drill the Grama Ridge Com 3H well name (the "Well"), as described below.

Well Type: ..... New Drill Horizontal  
Objective Formation: ..... 3<sup>rd</sup> Bone Spring Sand  
Estimated Total Vertical Depth: ..... 11,170'  
Estimated total Measured Depth: ..... 18,600'  
Surface Hole Location: ..... 144.3' FSL, 971' FWL  
Bottom Hole Location: ..... 2387' FSL, 1707.7' FWL  
Proposed Project Area: ..... E2 SW4 Section 35, E2 W2 Section 2

According to preliminary ownership reports it appears that **GMT Exploration Company, LLC ("GMT")** owns working interest in and to SW4 Section 2. Prior to commencing actual drilling operations the ownership interests will be verified under a drilling title opinion. Should GMT ownership be verified BMO will provide GMT an AFE detailing the proposed expenditures, a copy of BMO's JOA and an opportunity to participate in the Well, in accordance to the rules of New Mexico Oil Conservation Division.

Thank you for your careful time and consideration; we look forward to doing business with you.  
Respectfully,

**Black Mountain Operating, LLC**

Luke Mildren  
Vice President, Land

EXHIBIT 9

**BLACK MOUNTAIN OPERATING, LLC  
AUTHORIZATION FOR EXPENDITURE  
DRILL & COMPLETE NEW WELL**

AFE#: 16002

Date: 12/23/2016 County/State: Lea, NM  
 Lease: Grama Ridge Well No: 3H  
 Surface Location: SEC 2, T-22S, R-34E, 144 3' FSL & 911' FWL  
 Proposed Depth: 18,600' MD  
 Objective: Drill & Complete Horizontal Well In 3rd Bone Spring Formation, 7500' lateral, 30 frac stages

**Grama Ridge State Com #1H - AFE**

**Madera Development AFE**

Description	AFE Amounts
SURVEY / LOCATION / PERMITS	\$150,000
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$20,000
CONDUCTOR PIPE / WATER WELL / DRIVE PIPE	\$25,000
CONTRACT DRILLING - FOOTAGE & TURNKEY	\$0
CONTRACT DRILLING - DAYWORK (DRILLING, LOGGING, RU)	\$752,500
FUEL	\$77,500
MOB / DE-MOB	\$82,500
RENTAL TOOL & EQUIPMENT	\$175,000
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$45,000
BITS	\$120,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$2,500
MUD MATERIALS & CHEMICALS	\$225,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$15,000
CREW QUARTERS	\$50,000
SPECIAL SERVICES / DIRECTIONAL	\$292,500
LOGGING / WIRELINE / PERFORATING	\$50,000
DRILL STEM & PRODUCTION TESTS	\$0
CORING & CORE ANALYSIS	\$0
MUD LOGGING	\$30,000
CEMENT & CEMENT SERVICES	\$82,500
PLUG, ABANDON & RESTORE	\$0
TRUCKING & HAULING	\$20,000
COMPANY SUPERVISION	\$0
SUPERVISION - CONTRACT	\$70,500
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
MISCELLANEOUS / OTHER DRILLING COSTS	\$5,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$236,650
<b>Intangible Drilling</b>	<b>\$2,603,150</b>
SURFACE CASING	\$42,375
INTERMEDIATE CASING	\$180,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$27,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT SHOES	\$15,000
CONTINGENCY	\$26,488
<b>Tangible Drilling</b>	<b>\$291,363</b>
SURVEY / LOCATION / PERMITS	\$0
LEGAL / TITLE / SURFACE DAMAGES / DAMAGES	\$35,000
STIMULATION TREATMENT / FRACTURING / ACIDIZING	\$2,990,000
SAND CONTROL	\$0
CONTRACT DAYWORK (DRILLING, LOGGING, RUNNING CASIN	\$30,000
FUEL	\$0
DOWN HOLE RENTAL TOOL & EQUIPMENT	\$7,500
SURFACE RENTAL TOOL & EQUIPMENT	\$225,000
COIL TUBING/SNUBBING	\$150,000
BITS	\$3,500
FISHING TOOLS & SERVICES	\$0
PIPE INSPECTION & COATING	\$0
BOP TESTING	\$0
MUD MATERIALS & CHEMICALS	\$80,000
DISPOSAL / FLOWBACK	\$50,000
WATER	\$200,000
CREW QUARTERS	\$0
LOGGING / WIRELINE / PERFORATING	\$156,000
CEMENT & CEMENTING SERVICES	\$85,250
SLICK LINE	\$0
TRUCKING & HAULING	\$15,000
COMPANY SUPERVISION	\$0
SUPERVISION - CONTRACT	\$12,600
OVERHEAD	\$0
CASING CREWS / CONTRACT LABOR	\$25,000
FLOWBACK / WELL TESTS	\$90,000
MISCELLANEOUS / OTHER COSTS / FRAC PLUGS	\$72,500
DRILLING WELL INSURANCE	\$0
CONTINGENCY	\$419,210
<b>Intangible Completion</b>	<b>\$4,811,310</b>
PRODUCTION CASING	\$204,600
TUBING	\$60,000
CASING HEAD / TUBING HEAD / CHRISTMAS TREE	\$35,500
OTHER TANGIBLE / CENTRALIZERS / FLOAT EQUIPMENT	\$8,500
CONTINGENCY	\$30,860
<b>Tangible Completion</b>	<b>\$339,460</b>
GAS LIFT	\$0
PUMPING UNIT / PRIME MOVER / ASSEMBLY	\$0
SUCKER RODS / POLISH RODS	\$0
MISC FITTINGS & SUPPLIES	\$77,500
SUBSURFACE EQUIPMENT	\$7,500

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name GRAMA RIDGE STATE COM	
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name BLACK MOUNTAIN OPERATING, LLC	<sup>6</sup> Well Number 3H <sup>9</sup> Elevation 3571'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	22 SOUTH	34 EAST, N.M.P.M.		144.3'	SOUTH	971'	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	35	21 SOUTH	34 EAST, N.M.P.M.		2387'	SOUTH	1707.7'	WEST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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><b>PROPOSED BOTTOM HOLE LOCATION</b></p> <p>X= 774,641 NAD 27 Y= 522,972 LAT 32.434618 LONG. 103.443172</p> <p>X= 815,823 NAD83 Y= 523.033 LAT. 32.434742 LONG 103.443652</p>	<p><b>GRAMA RIDGE STATE COM 3H WELL</b></p> <p>X= 773,956 NAD 27 Y= 515,375 LAT 32.413752 LONG. 103.445593</p> <p>X= 815,139 NAD83 Y= 515,436 LAT. 32.413876 LONG 103.446074</p> <p>ELEVATION +3571' NAVD 88</p>		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>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 or has a right to drill this well at that 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>10-21-2016 Date of Survey</p> <p>Signature and Seal of Professional Surveyor ROBERT LASGRAPES NEW MEXICO 23006 11-16-2016</p> <p>23006 Certificate Number</p>
--	--	--	--

CORNER COORDINATES TABLE (NAD 27)

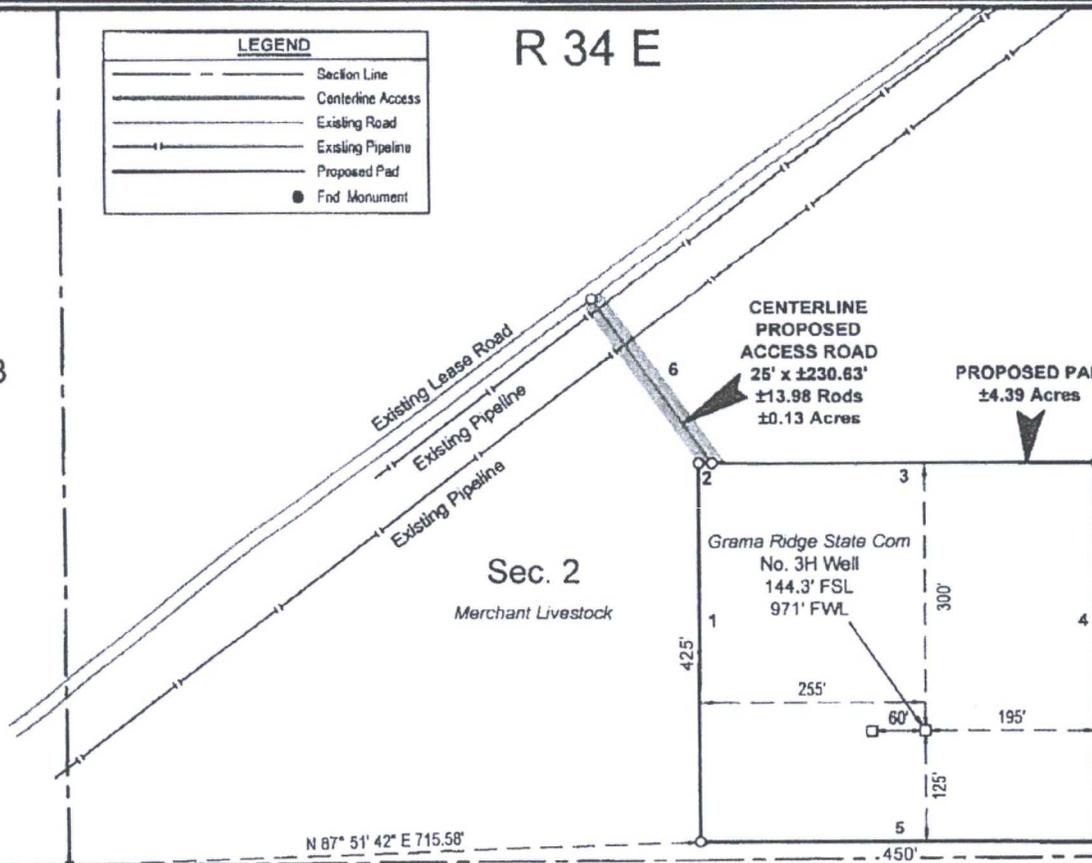
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- B - Y=523237.18, X=775569.80
- C - Y=516558.54, X=772978.13
- D - Y=516570.20, X=774297.35
- E - Y=515222.60, X=772986.37
- F - Y=515233.32, X=774305.43
- G - Y=515244.04, X=775624.49

LEGEND	
	Section Line
	Centerline Access
	Existing Road
	Existing Pipeline
	Proposed Pad
	Fnd Monument

R 34 E

Sec. 3

T  
22  
S



N 87° 51' 42" E 715.58'

Sec. 10

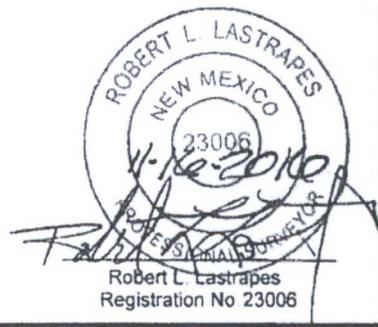
Point of Commencement/  
Fnd. 2" Iron Pipe  
w/Cap @ the SW  
Corner of Sec. 2

Sec. 11

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.

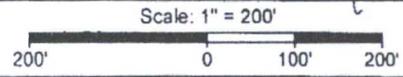


NW PAD CORNER		NE PAD CORNER		GRAMA RIDGE STATE COM NO 3H WELL	
X=	773,701 NAD 27	X=	774,151 NAD 27	X=	773,956 NAD 27
Y=	515,674	Y=	515,674	Y=	515,375
ELEVATION	+3573' NAVD 88	ELEVATION	+3572' NAVD 88	LAT	32.413752
				LONG	103.445593
SW PAD CORNER		SE PAD CORNER		X=	815,139 NAD83
X=	773,701 NAD 27	X=	774,151 NAD 27	Y=	515,436
Y=	515,249	Y=	515,249	LAT	32.413876
ELEVATION	+3565' NAVD 88	ELEVATION	+3569' NAVD 88	LONG	103.446074
				ELEVATION	+3571' NAVD 88



Page 1 of 2

SURFACE USE PLAT



**BLACK MOUNTAIN OPERATING, LLC**  
 PROPOSED PAD & ACCESS ROAD  
 GRAMA RIDGE STATE COM NO. 3H WELL  
 SECTION 2, T22S-R34E  
 LEA COUNTY, NEW MEXICO



C H Fenstermaker & Associates, L.L.C  
 135 Regency Sq Lafayette, LA 70508  
 Ph 337-237-2200 Fax 337-232-3299  
 www.fenstermaker.com

DRAWN BY: BOR		REVISIONS	
PROJ. MGR.: VHV	No 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No.	DATE	REVISED BY:
FILENAME: T:\2016\2164850\DWG\Grama Ridge State Com 3H_SUP.dwg			

**NOTE:**

Please be advised, that while reasonable efforts are made to locate and verify pipelines and anomalies using our standard pipeline locating equipment, it is impossible to be 100 % effective. As such, we advise using caution when performing work as there is a possibility that pipelines and other hazards, such as fiber optic cables, PVC pipelines, etc. may exist undetected on site.

**NOTE:**

Many states maintain information centers that establish links between those who dig (excavators) and those who own and operate underground facilities (operators). It is advisable and in most states, law, for the contractor to contact the center for assistance in locating and marking underground utilities.

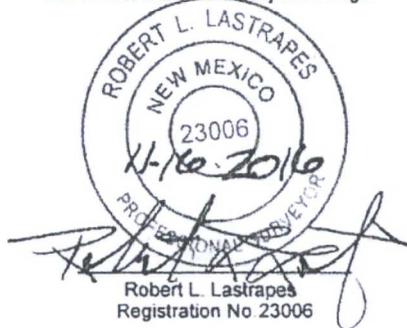
For guidance: New Mexico One Call - [www.nmonecall.org](http://www.nmonecall.org)

**DISCLAIMER:** At this time, C. H. Fenstermaker & Associates, L.L.C. has not performed nor was asked to perform any type of engineering, hydrological modeling, flood plain, or "No Rise" certification analyses, including but not limited to determining whether the project will impact flood hazards in connection with federal/FEMA, state, and/or local laws, ordinances and regulations. Accordingly, Fenstermaker makes no warranty or representation of any kind as to the foregoing issues, and persons or entities using this information shall do so at their own risk.

PROPOSED PAD		
COURSE	BEARING	DISTANCE
1	NORTH	425.00'
2	EAST	15.42'
3	EAST	434.58'
4	SOUTH	425.00'
5	WEST	450.00'

CENTERLINE PROPOSED ACCESS ROAD		
COURSE	BEARING	DISTANCE
6	N 35° 51' 38" W	230.63'

FOR THE EXCLUSIVE USE OF  
BLACK MOUNTAIN OPERATING, LLC  
I, Robert L. Lastrapes, Professional  
Surveyor, do hereby state this plat is true  
and correct to the best of my knowledge.



**SURFACE USE PLAT**

**BLACK MOUNTAIN OPERATING, LLC**  
**PROPOSED PAD & ACCESS ROAD**  
**GRAMA RIDGE STATE COM NO. 3H WELL**  
**SECTION 2, T22S-R34E**  
**LEA COUNTY, NEW MEXICO**



C H Fenstermaker & Associates, L.L.C  
 135 Regency Sq Lafayette LA 70508  
 Ph 337-237-2200 Fax 337-232-3299  
[www.fenstermaker.com](http://www.fenstermaker.com)

DRAWN BY: BOR		REVISIONS	
PROJ. MGR.: VHV	No 1	DATE: 11/15/2016	REVISED BY: BOR
DATE: 10/31/2016	No	DATE:	REVISED BY:
FILENAME: T:\2016\2164850\DWG\Grama Ridge State Com 3H_SUP.dwg			

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF GMT EXPLORATION COMPANY LLC  
FOR A NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**Case No. 15,659**

**APPLICATION OF GMT EXPLORATION COMPANY LLC  
FOR A NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

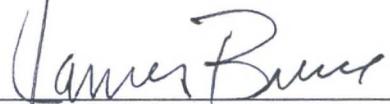
**Case No. 15,660**

**AFFIDAVIT OF NOTICE**

COUNTY OF SANTA FE    )  
  ) ss.  
STATE OF NEW MEXICO    )

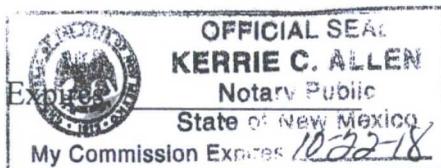
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for GMT Exploration Company LLC.
3. GMT Exploration Company LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owner, at its correct address, by certified mail. Copies of the notice letter and certified return receipt are attached hereto as Attachment A.
5. Applicant has complied with the notice provisions of Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.

  
\_\_\_\_\_  
James Bruce

SUBSCRIBED AND SWORN TO before me this 10<sup>th</sup> day of May, 2017 by James Bruce.

My Commission Expires



  
\_\_\_\_\_  
Notary Public

EXHIBIT 10

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

March 9, 2017

To: Persons on Exhibit A

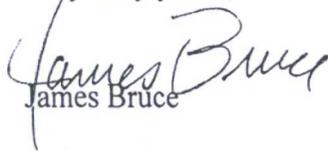
Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard oil spacing and proration unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by GMT Exploration Company LLC, regarding a Bone Spring well in the W $\frac{1}{2}$ W $\frac{1}{2}$  of Section 2, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 30, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, March 23, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for GMT Exploration Company LLC

ATTACHMENT *A*

Exhibit A

Black Mountain Operating LLC  
Suite 500  
500 Main Street  
Fort Worth, Texas 76102

Devon Energy Production Company, L.P.  
333 West Sheridan Avenue  
Oklahoma City, Oklahoma 73102

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Black Mountain Operating LLC  
Suite 500  
500 Main Street  
Fort Worth, Texas 76102

9590 9402 1676 6053 6588 56

2. Article

7014 0510 0000 9535 1852

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[Signature]*  Agent  
 Addressee

B. Received by (Printed Name) *mwigles* C. Date of Delivery *3/13*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

(over 500)

stricted Delivery

*GMT WW*

Domestic Return Receipt

7014 0510 0000 9535 1869

**U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT**  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To *Devon Energy Production Company, L.P.*  
*333 West Sheridan Avenue*  
Street, Apt. No.; or PO Box No. *Oklahoma City, Oklahoma 73102*  
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

7014 0510 0000 9535 1852

**U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT**  
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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To *Black Mountain Operating LLC*  
*Suite 500*  
Street, Apt. No.; or PO Box No. *500 Main Street*  
*Fort Worth, Texas 76102*  
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

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1. Article Addressed to:

Devon Energy Production Company, L.P.  
333 West Sheridan Avenue  
Oklahoma City, Oklahoma 73102

9590 9402 1676 6053 6588 32

2. Article

7014 0510 0000 9535 1869

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *[Signature]*  Agent  
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

(over 500)

stricted Delivery

*GMT WW*

Domestic Return Receipt

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

March 9, 2017

CERTIFIED MAIL

Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87504

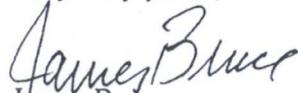
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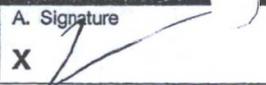
This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 30, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest in the well unit, you may appear and present testimony. **YOUR INTEREST IS NOT BEING POOLED.** Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

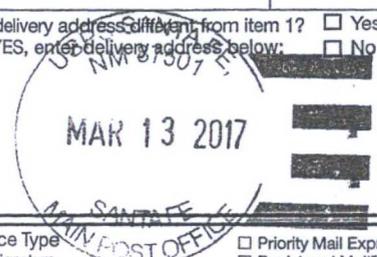
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Very truly yours,

  
James Bruce

Attorney for GMT Exploration Company LLC

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Commissioner of Public Lands P.O. Box 1148 Santa Fe, New Mexico 87504   9590 9402 1676 6053 6589 86		B. Received by (Printed Name)	C. Date of Delivery
2. Art 7014 0510 0000 9535 2019		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery	
		<input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	



PS Form 3811, July 2015 PSN 7530-02-000-9053 *SMT. WW* Domestic Return Receipt

7014 0510 0000 9535 2019

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Sent To	Commissioner of Public Lands P.O. Box 1148 Santa Fe, New Mexico 87504
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

March 9, 2017

To: Persons on Exhibit A

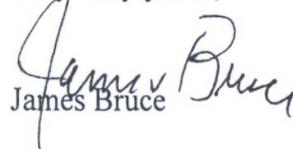
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Very truly yours,

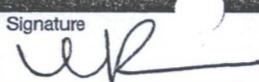
  
James Bruce

Attorney for GMT Exploration Company LLC

Exhibit A

Black Mountain Operating LLC  
Suite 500  
500 Main Street  
Fort Worth, Texas 76102

Devon Energy Production Company, L.P.  
333 West Sheridan Avenue  
Oklahoma City, Oklahoma 73102

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Black Mountain Operating LLC Suite 500 500 Main Street Fort Worth, Texas 76102		B. Received by (Printed Name) C. Date of Delivery mwiegner 3/13	
2. Article Number (Transfer from service label) 7014 0510 0000 9535 1883		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	

Black Mountain Operating LLC  
Suite 500  
500 Main Street  
Fort Worth, Texas 76102

9590 9402 1676 6053 6588 49

7014 0510 0000 9535 1883

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT EW

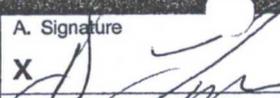
Domestic Return Receipt

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102	
Street, Apt. No., or PO Box No. Oklahoma City, Oklahoma 73102 City, State, ZIP+4	
PS Form 3800, August 2006	
See Reverse for Instructions	

7014 0510 0000 9535 1876

7014 0510 0000 9535 1883

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Black Mountain Operating LLC Suite 500 500 Main Street Fort Worth, Texas 76102	
Street, Apt. No., or PO Box No. Fort Worth, Texas 76102 City, State, ZIP+4	
PS Form 3800, August 2006	
See Reverse for Instructions	

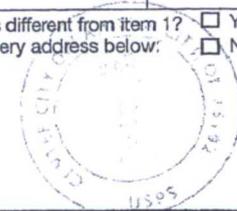
<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to:  Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102		B. Received by (Printed Name) C. Date of Delivery  	
2. Article Number 7014 0510 0000 9535 1876		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	

9590 9402 1676 6053 6588 63

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT EW

Domestic Return Receipt



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

March 9, 2017

CERTIFIED MAIL

Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87504

Ladies and gentlemen:

Enclosed is a copy of an application for a non-standard oil spacing and proration unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by GMT Exploration Company LLC, regarding a Bone Spring well in the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 2, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, March 30, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest in the well unit, you may appear and present testimony. **YOUR INTEREST IS NOT BEING POOLED.** Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, March 23, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for GMT Exploration Company LLC

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Commissioner of Public Lands  
 P.O. Box 1148  
 Santa Fe, New Mexico 87504

9590 9402 1676 6053 6589 93

2. Article Number (Transfer from service label)

7014 0510 0000 9535 2002

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

GNT-EN

Domestic Return Receipt

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

7014 0510 0000 9535 2002

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To  
 Commissioner of Public Lands  
 P.O. Box 1148  
 Santa Fe, New Mexico 87504

Street, Apt. No., or PO Box No.  
 City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

# Notification Buffer

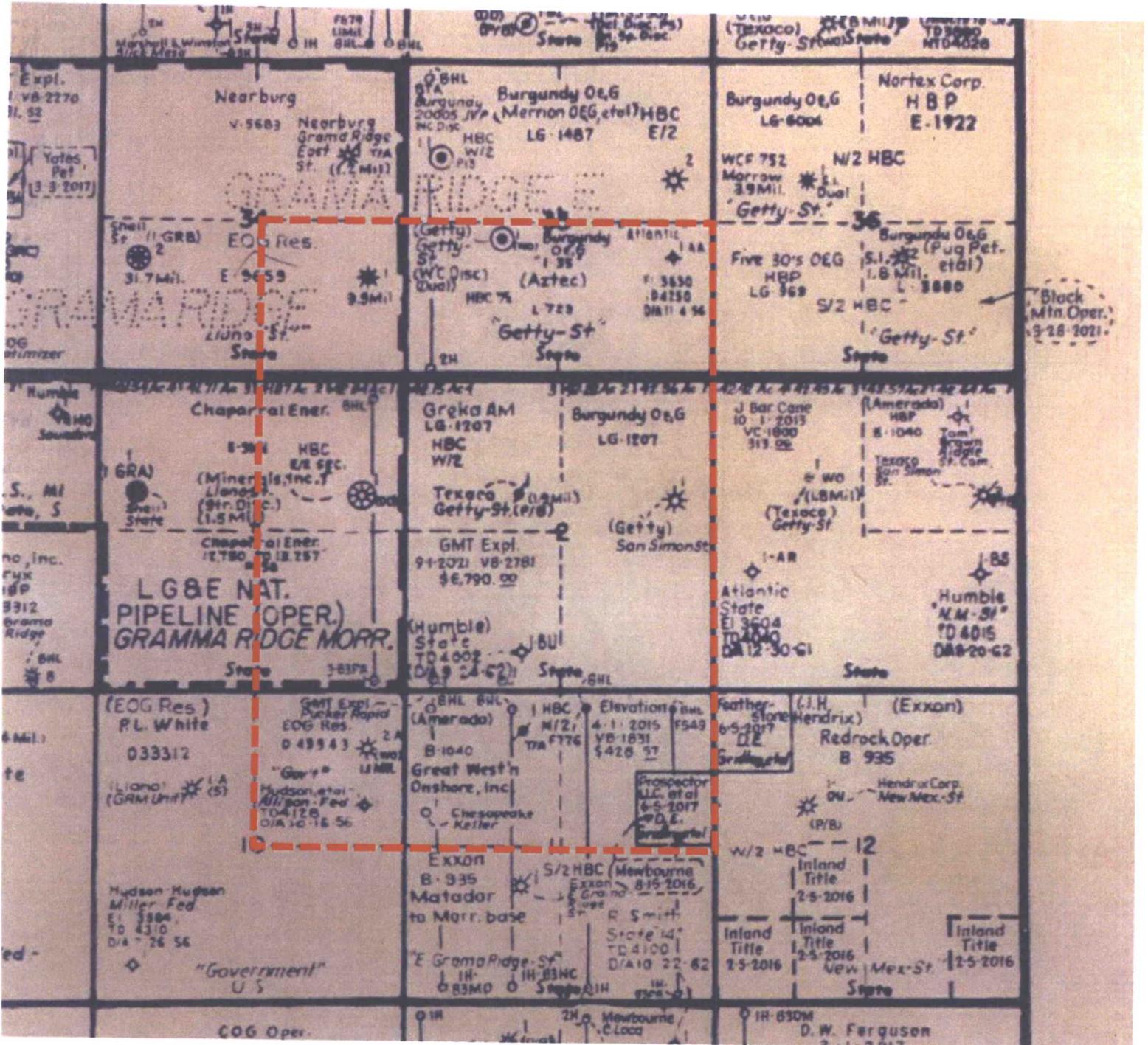
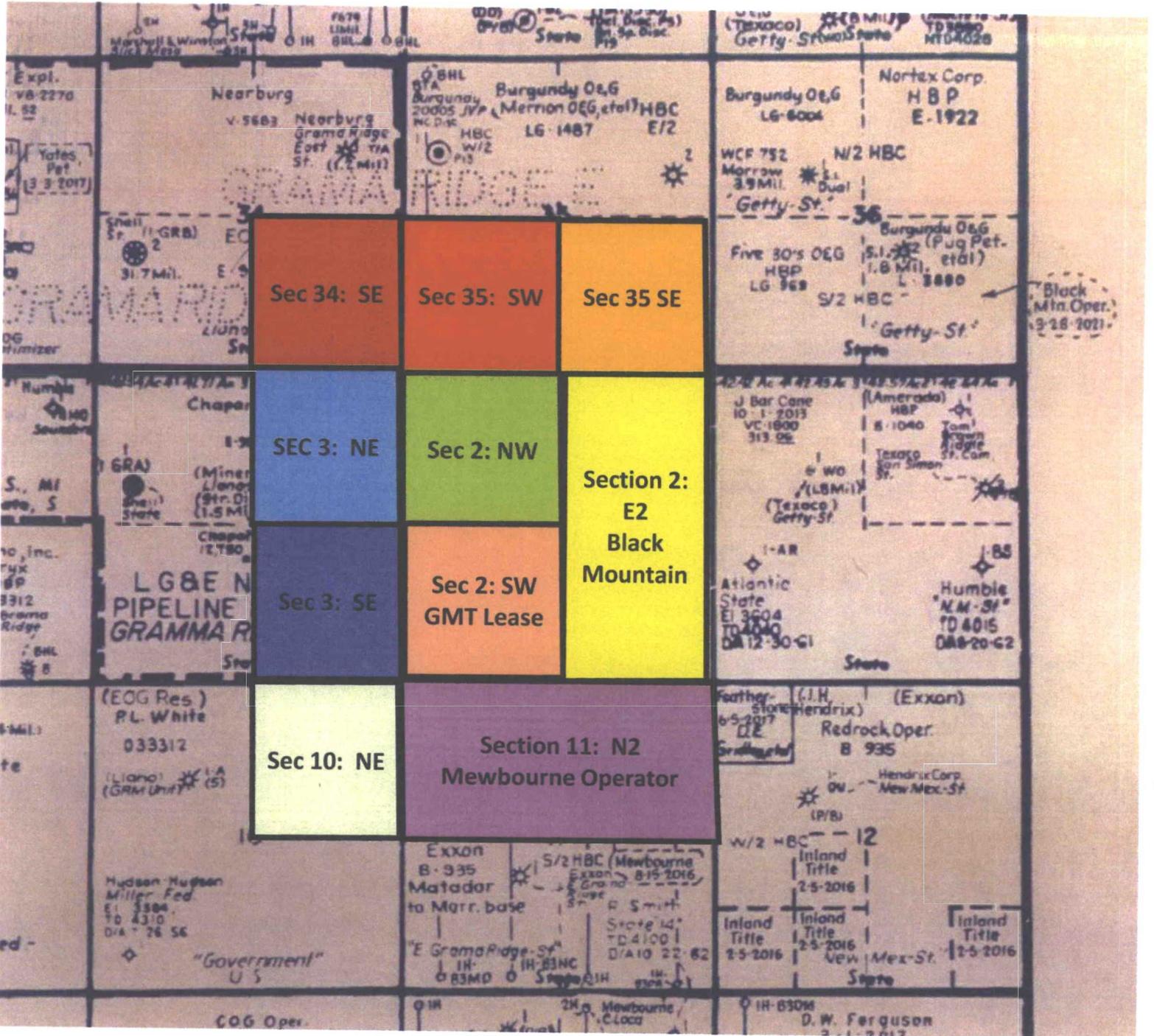


EXHIBIT 11

# Title Coverage



Offsets

Briller, Inc. (S/2 Sec. 35)  
2701 Patton Way  
Bakersfield, CA 93308

Capco Resources Corporation (S/2 Sec. 35)  
Suite 202  
2922 East Chapman Avenue  
Orange, CA 92869

COG Operating LLC (S/2 Sec. 35)  
600 West Illinois  
Midland, TX 79701

Continental Land & Fur Co., Inc. (SE/4 Sec. 34)  
4 Greenspoint Place, Suite 1500  
16945 Northchase  
Houston, Texas 77060

Don Pumphrey (S/2 Sec. 35)  
2413 SW 97<sup>th</sup> Street  
Oklahoma City, OK 73159

EOG Resources, Inc. (NE/4 Sec. 10)  
P.O. Box 2267  
Midland, TX 79702

Great Western Drilling (SE/4 Sec. 34)  
P.O. Box 1659  
Midland, TX 79702

Mewbourne Oil Company (N/2 Sec. 11 and E/2 Sec. 3)  
Suite 1020  
500 West Texas Avenue  
Midland, TX 79701

Nova International Corporation (S/2 Sec. 35)  
Suite D  
1212 South Cyprus Avenue  
Ontario, CA 91762

Rizwan Vakil (S/2 Sec. 35)  
548 C.L. Fleming Circle  
Corona, CA 92881

Wayne Karst (S/2 Sec. 35)  
8517 Brookridge Drive  
Oklahoma City, OK 73132



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

March 9, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for a non-standard unit, *etc.*, filed with the New Mexico Oil Conservation Division by GMT Exploration Company LLC, regarding Bone Spring wells in the W $\frac{1}{2}$ W $\frac{1}{2}$  and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 2, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, March 30, 2017, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, **but as an offset owner or operator who may be affected by this application**, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, March 23, 2017. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for GMT Exploration Company LLC

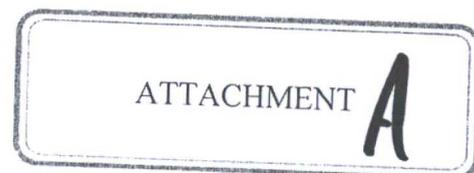


EXHIBIT A

Briller, Inc.  
2701 Patton Way  
Bakersfield, CA 93308

Wayne Karst  
8517 Brookridge Drive  
Oklahoma City, OK 73132

Capco Resources Corporation  
Suite 202  
2922 East Chapman Avenue  
Orange, CA 92869

COG Operating LLC  
600 West Illinois  
Midland, TX 79701

Continental Land & Fur Co., Inc.  
4 Greenspoint Place, Suite 1500  
16945 Northchase  
Houston, Texas 77060

Don Pumphrey  
2413 SW 97<sup>th</sup> Street  
Oklahoma City, OK 73159

EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702

Great Western Drilling  
P.O. Box 1659  
Midland, TX 79702

Mewbourne Oil Company  
Suite 1020  
500 West Texas Avenue  
Midland, TX 79701

Nova International Corporation  
Suite D  
1212 South Cyprus Avenue  
Ontario, CA 91762

Rizwan Vakil  
548 C.L. Fleming Circle  
Corona, CA 92881

**SENDER: COMPLETE THIS SECTION**

- 1. Complete items 1, 2, and 3.
- 2. Print your name and address on the reverse so that we can return the card to you.
- 3. Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Briller, Inc.  
2701 Patton Way  
Bakersfield, CA 93308

9590 9402 1676 6053 6589 62

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*X Schanley*  Agent  Addressee

B. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery 3-13-17

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

A 7014 0510 0000 9535 1982

Form 3811, July 2015 PSN 7530-02-000-9053

*GMT*

Domestic Return Receipt

**U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To Rizwan Vakil  
548 C.L. Fleming Circle  
Corona, CA 92881

PS Form 3800, August 2006

See Reverse for Instructions

7014 0510 0000 9535 1890

**SENDER: COMPLETE THIS SECTION**

- 1. Complete items 1, 2, and 3.
- 2. Print your name and address on the reverse so that we can return the card to you.
- 3. Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Rizwan Vakil  
548 C.L. Fleming Circle  
Corona, CA 92881

9590 9402 1676 6053 6588 70

2. Article Number (Transfer from service label)  
7014 0510 0000 9535 1890

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*X Rizwan Vakil*  Agent  Addressee

B. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery 3/15

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below: \_\_\_\_\_

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

7014 0510 0000 9535 1982

**U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To Briller, Inc.  
2701 Patton Way  
Bakersfield, CA 93308

PS Form 3800, August 2006

See Reverse for Instructions

*GMT*

Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mewbourne Oil Company  
Suite 1020  
500 West Texas Avenue  
Midland, TX 79701

9590 9402 1676 6053 6588 94

2. Art

7014 0510 0000 9535 1913

Restricted Delivery  
(over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *Alexandra Kirksey*  Agent  
 Addressee  
 B. Received by (Printed Name) *Alexandra Kirksey* C. Date of Delivery *3/14*  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

Postmark Here

Sent To *EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702*  
 Street, Apt. No., or PO Box No.  
 City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

7014 0510 0000 9535 1937

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702

9590 9402 1676 6053 6589 17

2. Article Number (Transfer from service label)

7014 0510 0000 9535 1937

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT

Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 *Robert Force*  Agent  
 Addressee  
 B. Received by (Printed Name) *R. Force* C. Date of Delivery *3-15-17*  
 D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

Delivery

7014 0510 0000 9535 1913

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

Postmark Here

Sent To *Mewbourne Oil Company  
Suite 1020  
500 West Texas Avenue  
Midland, TX 79701*  
 Street, Apt. No., or PO Box No.  
 City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Great Western Drilling  
P.O. Box 1659  
Midland, TX 79702

9590 9402 1676 6053 6589 00

2. Article Number (Transfer from service label)  
7014 0510 0000 9535 1920

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *Eric Madaz*  Agent  Addressee

B. Received by (Printed Name)  
Eric Madaz

C. Date of Delivery  
3-15-17

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

7014 0510 0000 9535 1920  
GNT Domestic Return Receipt

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Continental Land & Fur Co., Inc.  
4 Greenspoint Place, Suite 1500  
16945 Northchase  
Houston, Texas 77060

PS Form 3800, August 2006 See Reverse for Instructions

7014 0510 0000 9535 1920

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Great Western Drilling  
P.O. Box 1659  
Midland, TX 79702

PS Form 3800, August 2006 See Reverse for Instructions

7014 0510 0000 9535 1920

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Continental Land & Fur Co., Inc.  
4 Greenspoint Place, Suite 1500  
16945 Northchase  
Houston, Texas 77060

9590 9402 1676 6053 6589 31

2. Article Number (Transfer from service label)  
7014 0510 0000 9535

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
X *R. Ardito*  Agent  Addressee

B. Received by (Printed Name)  
R. Ardito

C. Date of Delivery  
3-14-17

D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery

7014 0510 0000 9535 1920  
GNT Domestic Return Receipt

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Wayne Karst  
8517 Brookridge Drive  
Oklahoma City, OK 73132

9590 9402 1676 6053 6589 79

Article Number (Transfer from service label)

7014 0510 0000 9535 1999

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Wayne D. Karst*

Agent  
 Addressee

B. Received by (Printed Name)

*Wayne D. Karst*

C. Date of Delivery

*3-13-17*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

(over \$500)

Domestic Return Receipt

GMT

**U.S. Postal Service™**

**CERTIFIED MAIL™ RECEIPT**

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For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To

COG Operating LLC  
600 West Illinois  
Midland, TX 79701

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

7014 0510 0000 9535 1999

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here

Sent To

Wayne Karst  
8517 Brookridge Drive  
Oklahoma City, OK 73132

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

7014 0510 0000 9535 1999

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG Operating LLC  
600 West Illinois  
Midland, TX 79701

9590 9402 1676 6053 6589 48

2. Article Number (Transfer from service label)

7014 0510 0000 9535 1968

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X *Donna Simmons*

Agent  
 Addressee

B. Received by (Printed Name)

*Donna Simmons*

C. Date of Delivery

*3-14-17*

D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

Restricted Delivery

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

7014 0510 0000 9535 1975

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To <b>Capco Resources Corporation</b>		
Suite 202		
2922 East Chapman Avenue		
Orange, CA 92869		
Street, Apt. No.; or PO Box No.		
City, State, ZIP+4		

PS Form 3800, August 2006

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Capco Resources Corporation  
 Suite 202  
 2922 East Chapman Avenue  
 Orange, CA 92869

9590 9402 1676 6053 6589 55

2. Article Number (Transfer from service label)

7014 0510 0000 9535 1975

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                         | <input type="checkbox"/> Priority Mail Express®                     |
| <input type="checkbox"/> Adult Signature Restricted Delivery     | <input type="checkbox"/> Registered Mail™                           |
| <input checked="" type="checkbox"/> Certified Mail®              | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery      | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Collect on Delivery                     | <input type="checkbox"/> Signature Confirmation™                    |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

(over 500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

GMT

Domestic Return Receipt

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT** *GMT*  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

7014 0510 0000 9535 1906

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

Sent To Nova International Corporation  
 Suite D  
 Street, Apt. No.;  
 or PO Box No. 1212 South Cyprus Avenue  
 City, State, ZIP+4 Ontario, CA 91762

PS Form 3800, August 2006

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nova International Corporation  
 Suite D  
 1212 South Cyprus Avenue  
 Ontario, CA 91762

9590 9402 1676 6053 6588 87

2. Article Number (Transfer from service label)

7014 0510 0000 9535 1906

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

1 Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

*GMT*

Domestic Return Receipt

7014 0510 0000 9535 1944

**U.S. Postal Service™**  
**CERTIFIED MAIL™ RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For delivery information visit our website at [www.usps.com](http://www.usps.com)

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark  
Here

<i>Sent To</i>	<b>Don Pumphrey</b>
<i>Street, Apt. No., or PO Box No.</i>	<b>2413 SW 97<sup>th</sup> Street</b>
<i>City, State, ZIP+4</i>	<b>Oklahoma City, OK 73159</b>

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

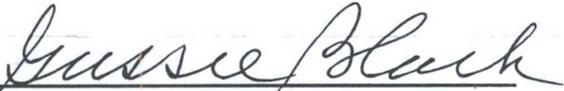
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
March 16, 2017  
and ending with the issue dated  
March 16, 2017.



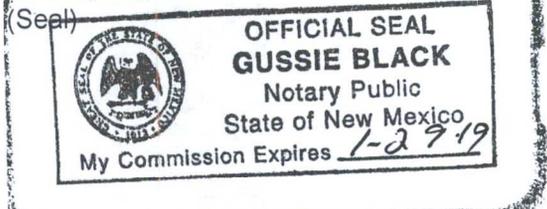
Publisher

Sworn and subscribed to before me this  
16th day of March 2017.



Business Manager

My commission expires  
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGALS

LEGAL NOTICE  
March 16, 2017

### NOTICE

To: Briller, Inc., Capco Resources Corporation, Don Pumphrey, Great Western Drilling, Nova International Corporation, Rizwan Vakil, and Wayne Karst, or your heirs, devisees, or successors: GMT Exploration Company, LLC has filed applications with the New Mexico Oil Conservation Division seeking orders approving two non-standard spacing and proration units for Bone Spring wells (i) in the W/2W/2 of Section 2 (Case No. 15659), and (ii) in the E/2W/2 of Section 2 (Case No. 15660), both in Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. The applications are scheduled to be heard at 8:15 a.m. on March 30, 2017 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner to the well units you have the right to enter an appearance and participate in the cases. Failure to appear will preclude you from contesting these matters at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 12 miles west-southwest of Oil Center, New Mexico. #31643

EXHIBIT 13

01101711

00190166

JAMES BRUCE  
JAMES BRUCE, ATTORNEY AT LAW  
P.O. BOX 1056  
SANTA FE, NM 87504

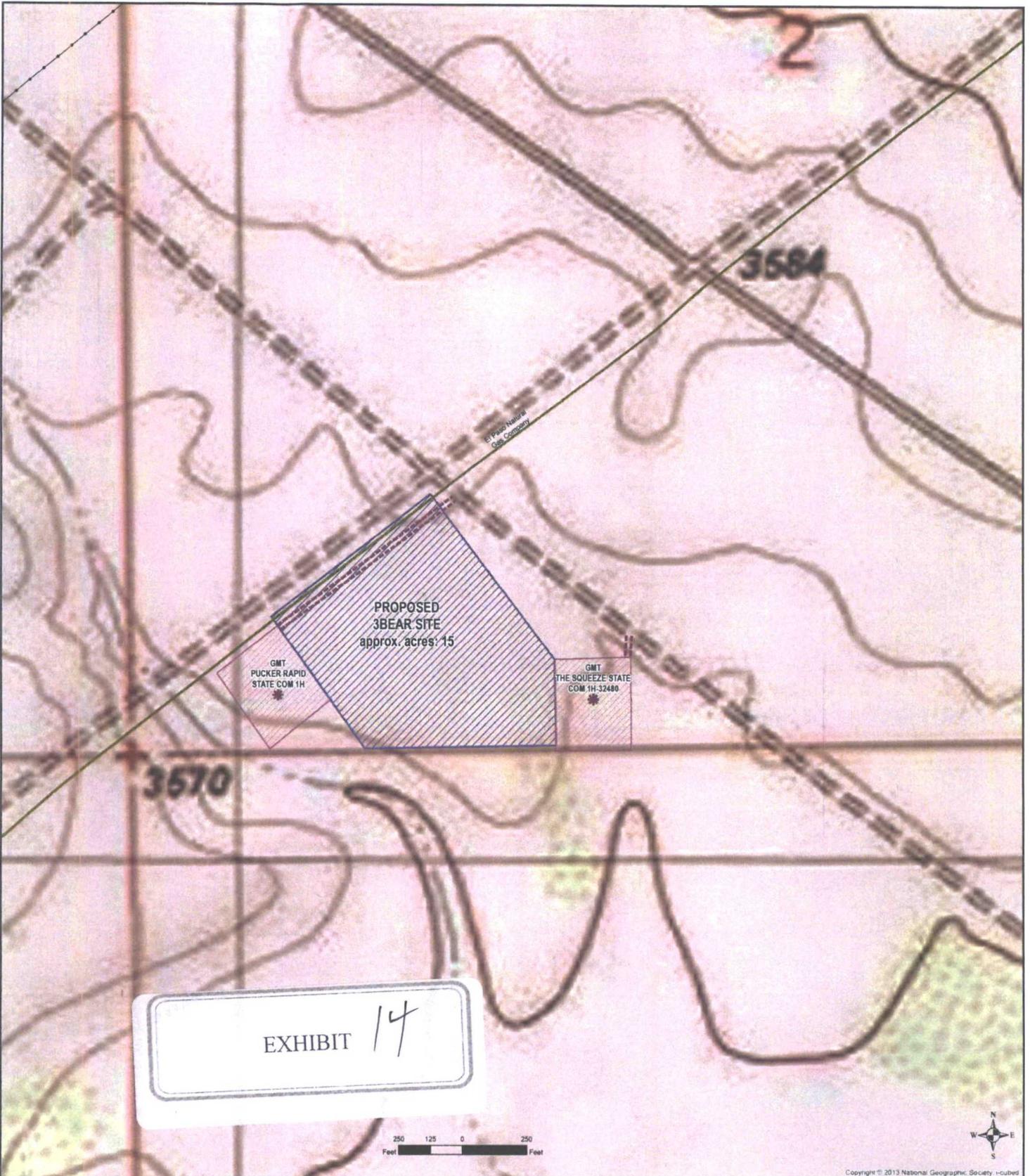
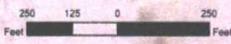


EXHIBIT 14



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**3 BEAR ENERGY PROPOSED FACILITY SITE**  
**T22S, R34E, SWSW SECTION 2**  
 LEA COUNTY, NEW MEXICO

**LOCATION MAP**

PREPARED FOR

PREPARED BY

GMT WELL	TOWNSHIP LINE	TOPOGRAPHIC CONTOUR INDEX LINE
EL PASO PIPELINE	SECTION LINE	TOPOGRAPHIC CONTOUR INTERMEDIATE LINE
PROPOSED 3BEAR SITE	PIPELINE	TOPOGRAPHIC CONTOUR DEPRESSION
GMT EXPLORATION WELL PAD	LIGHT DUTY ROAD	TRANSMISSION LINE - CONSTRUCTED
SECTION CORNER	UNIMPROVED ROAD	TRANSMISSION LINE - UNDER CONSTRUCTION
THIRD ORDER OR BETTER ELEVATION, W/ TABLET	WELL PAD ACCESS ROAD	TRANSMISSION LINE - PERMITTED
THIRD ORDER OR BETTER ELEVATION, RECOVERABLE MARK, NO TABLET	TRAIL	SHRUBLAND
BENCH MARK COINCIDENT WITH FOUND SECTION CORNER	INTERMITTENT STREAM	INTERMITTENT LAKE/POND
SPOT ELEVATION		



## SURFACE USE AND COMPENSATION AGREEMENT

This Agreement is made and entered into between The Merchant Livestock Co., Inc., whose address is P.O. Box 1105 Eunice, New Mexico 88231, hereinafter referred to as "Merchant", and GMT Exploration Company, LLC, whose address is 1560 Broadway, Suite 2000 Denver, Colorado 80202, hereinafter referred to as "Operator".

### IT IS AGREED AS FOLLOWS:

1. **The Land.** Operator holds interests in oil and gas lease(s) covering lands in Lea County, New Mexico and further described in any Addendum(s) attached hereto and referred to as "the Land". Merchant has ownership of the surface, as either 1) Lessee of the surface, or 2) Fee owner, as further described on the Exhibit "A". This Agreement covers Operators' activities on and access to only the Land as described on any Addendum(s) attached hereto.
2. **Rights.** Notwithstanding any other provision of this Agreement, the rights granted to Operator hereunder shall be limited to operations related to the drilling, completion and producing of wells.
3. **Right-of-Way.** Merchant grants Operator, its employees and designated agents, a right-of-way to enter upon and use the Land for the purpose of drilling, completing and producing oil and gas wells. Although this Agreement covers and pertains to all of Merchant's fee surface and Merchant's leased surface as described Exhibit "A", Operator agrees to use only as much of the Land as is absolutely necessary for its operations.
4. **Notifications and Consultation.** Operator shall notify Merchant prior to entry upon the Land and shall consult with Merchant as to the location of the wells, roads, pipelines, frac ponds and power lines, to be placed on the Land. To the maximum extent possible, Operator shall be accommodating to reasonable requests made by Merchant as to the placement of any such locations. To the maximum extent possible, Operator will use existing roads on the Land for its operations, and if construction of a new road and/or water pit on the Land is required, Operator will consult with Merchant on the location of the new road and/or water pit and shall construct same in a manner so as to cause the least interference with Merchant's operations on the affected lands. If a pipeline is to be installed by Operator, Operator will locate the pipeline in a manner so as to cause the least interference with Merchant's operations on the affected land. Operator shall notify Merchant when the drilling and production operation for each well drilled on the Land has been completed and when Operator is permanently absent from the surface.
5. **Termination of Rights.** The rights granted by Merchant to Operator shall terminate when the Operator's oil and gas lease(s) terminate, Operator ceases its operations on the Land, or upon Operator's notification to Merchant of Operator's intention to cease operations on the Land.
6. **Nonexclusive Rights.** The rights granted by Merchant to Operator are nonexclusive, and Merchant reserves the right to use all access roads and all surface and subsurface uses of the land affected by this Agreement and in consultation with Operator, the right to grant successive easements thereon or across on such terms and conditions as Merchant deems necessary or advisable. The granting of use of any new roads and/or existing roads by Merchant will not constitute a prescriptive easement for Operator and/or any other entity.
7. **Payments.** All payments provided for herein shall be considered compensation for disturbance of ranch operations. A schedule of payments associated with each well drilled under this Agreement will be periodically attached hereto as an Addendum(s). Operator will pay to Merchant the following:
  - a. **Well Location:** \$5,000.00 for each well location constructed on the Land by Operator. This amount shall be paid by Operator to Merchant on a well-by-well basis prior to the commencement of actual drilling operations. The dimensions of the pad site for well locations on the Land shall not exceed 340' x 340' (the "Contained Facility"). Operator shall pay Merchant \$1200 per year surface rental for each well location on Merchant's fee surface. Operator shall pay Merchant \$0.15 per square foot for disturbances to Merchant's fee surface outside of the Contained Facility. Such disturbances shall include, but are not limited to, stacking of pipe or other drilling materials, parking of equipment or vehicles on Merchant's fee surface outside of a Contained Facility.
  - b. **Roads:** \$40.00 per rod for any new road constructed on the Land by Operator. Operator shall pay Merchant an annual road use fee of \$1,200 per well for each well accessed by Operator by using any existing or newly constructed road located on Merchant's fee surface where Operator does not own a leasehold interest in an oil and gas lease(s). The first payment is due upon signing of this agreement and each June 1st thereafter, beginning June 1st, 2013.

EXHIBIT 15

**c. Pipelines:** \$40.00 per rod for pipelines installed (buried) on the Land by Operator, and \$20.00 per rod for surface flow lines laid on the Land by Operator. Operator shall not be required to pay Merchant for any temporary galvanized water pipelines laid on the Land.

**d. Power Lines:** \$200 per hole for each hole drilled on the Land by Operator for the installation of overhead power lines. Operator will consult with Merchant and with the independent power company supplying power to Operator with respect to the location of overhead power lines prior to construction. Overhead Power Lines will be constructed so as to cause the least possible interference with Merchant's visual landscape and Merchant's existing and future ranching operations, and, to the maximum extent possible, overhead power lines will be constructed along fence lines, roads or property lines.

**e. Frac Ponds:** \$5,000.00 for each frac pond constructed on the Land by Operator. Operator shall pay this amount to Merchant after the location of the frac pond has been agreed to between Merchant and Operator, but before construction of the frac pond begins. Operator shall pay Merchant \$1200 per year surface rental for each frac pond located on Merchant's fee surface.

**8. Limitation on Rights.** Unless this Agreement is amended by mutual written agreement, the Land may not be used in connection with operations on other premises not owned or leased by Merchant without Merchant's written consent, which shall not be unreasonably withheld.

**9. Construction.** Operator agrees to have all construction equipment thoroughly washed before entering the Land to prevent the introduction of invasive and noxious vegetation. This paragraph does not apply to drilling, completion or production equipment brought onto the Land.

**10. Purchase of Caliche, Top Soil.** For so long as caliche and top soil is available in sufficient quantity and/or quality to support Operator's operations as contemplated by this Agreement, Operator agrees to purchase caliche and top soil from Merchant at a rate of \$5.00 per cubic yard. In the event that Merchant is unable to provide caliche and/or top soil of sufficient a quantity and/or quality and Operator has to purchase caliche and top soil from an entity other than Merchant, Operator agrees to take all actions necessary to prevent the introduction of invasive and noxious vegetation on the Land. The top soil and caliche that is readily available for construction of the pad site at the well location (340'x 340') is not included as part of payment to Merchant.

**11. Locations.** No wells shall be drilled within 1,000 feet of any existing water well, residence, house or barn located on Merchant's fee surface without the prior written consent of Merchant. No permanent housing or dwelling unit shall be constructed or placed on the Land by Operator.

**12. Operations.** Operator shall at all times keep the well sites and the road rights-of-way safe and in good order, free of invasive and noxious vegetation, litter and debris, and shall spray for invasive and noxious vegetation upon reasonable demand thereof by Merchant. All cattle guards and fences installed by Operator shall be kept clean and in good repair. Operator shall not permit the release or discharge of any toxic or hazardous chemicals or wastes on the Land. Operator shall remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Operator agrees to erect speed limit signs, not to exceed 25 MPH, at entrance from state highway and exit of each well location. Operator agrees to maintain and enforce the speed limit on the Land for vehicles of Operator and its invitees or such lesser speed as necessary to prevent the raising of excess dust. Operator will place fresh water as is reasonable on the roads it uses in order to reduce dust upon request of Merchant.

**13. Consolidation of Facilities.** Whenever possible, Operator will consolidate its facilities for as many wells as Operator deems practical. Incoming power will be located at centralized points to minimize to the maximum extent possible the construction of above ground power lines. Battery sites will serve as many wells as Operator deems practical. The consolidated facilities may not be used for operations connected with lands not owned or leased by Merchant, unless this Agreement is amended by mutual written agreement. The exception to this will be oil and gas leases that extend beyond the Land. In this case, facilities may need to be consolidated to avoid cumulative impacts.

**14. New Roads.** Any new roads constructed on the Land by or for Operator shall be limited to twenty (20) feet in width for the actually traveled roadbed, together with a reasonable width, not to exceed fifteen (15) feet from the edge of the actually traveled roadbed for fills, shoulders and crosses. No permanent roads will be constructed on Merchant's fee surface unless absolutely necessary and Merchant consents to the construction and location of the road. Operator shall annually maintain existing and newly constructed roads used by Operator to the satisfaction of Merchant, and the maintenance may include shaling, ditching, graveling, blading,

installing and cleaning culverts, and spraying for invasive and noxious vegetation. Pullouts along roadways may need to be constructed for traffic control and to minimize off road traffic.

**15. Cattle guards.** Operator shall construct cattle guards with wings at all fence crossings designated by Merchant. Installation of the cattle guards shall be at the sole cost and expense of Operator. Cattle guards shall not be less than 16 feet wide by 8 feet across and shall be set on concrete sills not less than 24 inches high by 16 inches wide set on top of ground. Fence braces shall be installed on each side of the cattle guards at a sufficient distance to allow Operator's equipment to pass between them. Fence braces shall be an H-brace with a kicker constructed of pipe of no less than 27/8" OD, posts must be a minimum of 7 feet apart, set in concrete at a minimum depth of 3 feet with a minimum of 4 feet above ground, cross brace shall be a minimum of 3 feet above ground. H-braces shall be installed in such a manner as not to lose tension on fence. Operator shall be responsible for maintenance of all cattle guards used by Operator, together with wings and attached braces.

**16. Improvements.** No fences, cattle guards or other improvements on the Land shall be cut or damaged by Operator without the prior consent of Merchant. Upon final termination of Operator's rights under this Agreement, Operator shall return all roads and other rights-of-way or sites as near as practical to the condition that they were in prior to the execution of this Agreement, unless otherwise agreed by Merchant. Unless otherwise agreed by Merchant, all disturbed areas caused by Operator's activities will be reseeded with "Homesteaders Choice" seed mix applied at the rate of 20 pounds per acre. Cattle guards shall be removed and fences restored as near as practical to the original condition unless otherwise agreed by Merchant, in which case all cattle guards and roadways installed by Operator shall become the property of Merchant. All cattle guards and fences installed by Operator shall be kept clean and in good repair.

**17. Fencing of Access Roads.** Operator will not fence any access roads without the prior consent of Merchant.

**18. Payments.** The payments herein provided are acknowledged by Merchant and Operator as sufficient and in full satisfaction for disturbances to Merchant caused or created by the reasonable and customary entry, rights-of-way and operation and use of the roads and well sites, but do not include loss of livestock, damage to buildings or improvements, or injuries to persons; or to any damages that may result to Merchant's water wells in relation to water quality if it is proven that the Operator's activity caused the impact to water resources. Operator is not responsible for past actions that may impact water quality on Merchant's water wells if the appropriate practices were implemented and approved by the governmental agencies at that time. This Agreement does not relieve Operator from liability due to Operator's negligence or due to spills or discharges of any hydrocarbon or toxic or hazardous chemicals or wastes, or from leaks or breaks in Operator's pipelines. Operator shall pay for loss of livestock and crops, caused by Operator's activities, at current market value. Loss of forage due to fire caused by Operator's activities shall be paid to Merchant at the rate of \$500 per acre. Disturbances due to spills or discharges of any hydrocarbon or toxic or hazardous chemicals or wastes caused by Operator's activities, outside of Operator's Contained Facility shall be paid to Merchant at the rate of \$0.15 per cubic foot. Notwithstanding the foregoing payment schedule, effective January 1, 2015, compensation for use and disturbance to the Land shall be increased by 3% compounded annually.

**19. Restoration.** Unless Merchant otherwise agrees in writing, upon termination of any of Operator's activities on the Land, Operator shall fully restore and level the surface of the land affected by such terminated operations as near as possible to the contours which existed prior to such operations. Operator shall use water bars and such other measures as appropriate to prevent erosion and nonsource pollution. Operator shall fully restore all private roads and drainage and irrigation ditches disturbed by Operator's activities as near as possible to the condition that existed prior to such activities. All surface restoration shall be reseeded per paragraph 16 above and accomplished to the satisfaction of Merchant.

**20. No Warranty.** Merchant makes no warranty of title or otherwise in entering into this Agreement.

**21. Firearms and Explosives.** None of Operator's employees or authorized agents or any other person under the direction or control of Operator shall be permitted to carry firearms or any weapon while crossing the Land and such persons shall not hunt or fish on the Land and shall not trespass on the Land for the purposes of hunting or fishing or recreational uses. No dogs will be permitted on the Land at any time. No explosives shall be used on the Land. Operator will notify all of its contractors, agents and employees that no dogs, firearms, weapons, hunting, fishing or recreational activities will be allowed on the Land.

**22. Indemnification.** To the maximum extent permitted by law, Operator will indemnify, defend and hold Merchant, and if applicable, Merchant's officers, directors, employees, agents, successors, and assigns harmless from any and all claims, liabilities, demands, suits, losses, damages and costs (including, without limitation, any attorney fees) which may arise out of or be related to Operator's activities on the Land (including, without limitation any claims that Operator's activities hereunder are either illegal,

unauthorized, or constitute an improper interference with any parties' rights, or have damaged the lands or operations of adjacent landowners).

**23. Compliance with Law.** Operator shall conduct operations and activities in accordance with existing local, state and federal laws, rules and regulations.

**24. Release.** To the maximum extent permitted by law, Operator releases and waives and discharges Merchant, and, if applicable, Merchant's officers, directors, employees, agents, successors and assigns from any and all liabilities for personal injury, death, property damage or otherwise arising out of Operator's activities under this Agreement or use of the Land.

**25. Notice.** Notice may be given to either party to this Agreement by depositing the same in the United States mail postage prepaid, duly addressed to the other party at the address set out below the party's signature on this Agreement. Such notice shall be deemed delivered when deposited in the United States mail.

**26. Designated Contact Person.** Operator and Merchant will each from time to time designate an individual, with appropriate twenty-four hour telephone numbers, who is to be the primary contact person for discussions and decisions concerning matters related to this Agreement.

**27. Recording.** This Agreement may not be recorded without the written consent of Merchant and Operator.

**28. Construction of Agreement.** This Agreement shall be construed under the laws of the State of New Mexico.

**29. Assignability.** Operator shall not assign this Agreement to any other entity either in whole or in part, unless Merchant consents in writing to such assignment, which consent will not be unreasonably withheld.

**30. Amendment.** This agreement may be amended at any time by mutual written agreement of both parties.

**31. Binding Effect.** This Agreement is binding upon the successors and assigns of the parties.

DATED this 18<sup>th</sup> day of June, 2012

**GRANTOR:**

**THE MERCHANT LIVESTOCK CO., INC.**

By:   
Clabe Pearson, President

**Address:**

P.O. Box 1105  
Eunice, NM 88231

**GRANTEE:**

**GMT EXPLORATION COMPANY, LLC**

By:   
Philip G. Wood, Vice-President

**Address:**

1560 Broadway, Suite 2000  
Denver, CO 80202

**EXHIBIT "A"**

Attached to and made part of that certain Surface Use and Compensation Agreement dated June 18, 2012, between Merchant Livestock Company, Inc., as Grantor, and GMT Exploration Company, LLC, as Grantee

**I.) Merchant's Fee Surface:**

**Township 21 South, Range 33 East, N.M.P.M.**

Section 1: Lot 10  
Section 8: S/2S/2  
Section 9: SE/4SW/4  
Section 10: SW/4SW/4  
Section 11: SW/4, NW/4SE/4  
Section 12: NW/4NE/4, S/2  
Section 13: SW/4NE/4  
Section 14: W/2W/2, SE/4SW/4  
Section 16: All  
Section 21: E/2W/2  
Section 23: E/2W/2, S/2NE/4  
Section 24: S/2NW/4, SE/4  
Section 25: All  
Section 27: All  
Section 28: W/2W/2, NE/4NW/4  
Section 31: N/2S/2  
Section 32: All  
Section 33: E/2  
Section 35: All

**Township 21 South, Range 34 East, N.M.P.M.**

Section 1: Lot 16  
Section 2: All  
Section 3: Lot 15  
Section 6: Lot 9  
Section 7: N/2S/2  
Section 8: N/2S/2  
Section 9: N/2S/2  
Section 10: N/2S/2  
Section 11: W/2E/2  
Section 12: NW/4NE/4  
Section 14: NW/4SE/4, E/2E/2  
Section 15: S/2S/2  
Section 16: All  
Section 21: NE/4NW/4, E/2E/2  
Section 23: E/2NE/4, SE/4  
Section 24: N/2N/2  
Section 27: NE/4NE/4  
Section 28: W/2E/2  
Section 33: W/2E/2  
Section 34: S/2S/2  
Section 36: All

**Township 21 South, Range 35 East, N.M.P.M.**

Section 2: Lots 4-16, S/2  
Section 3: NW/4NE/4  
Section 10: NW/4, N/2S/2

Section 11: NW/4NE/4, E/2E/2  
Section 12: N/2S/2  
Section 13: NW/4NW/4  
Section 14: E/2E/2, SW/4SE/4, NW/4NW/4  
Section 16: All  
Section 17: N/2S/2  
Section 18: S/2S/2  
Section 19: All  
Section 23: W/2W/2, E2/NW/4  
Section 24: NW/4, NW/4NE/4, SE/4NE/4  
Section 27: NE/4NE/4, SW/4NE/4, N/2SW/4, S/2S/2  
Section 28: S/2S/2  
Section 30: All  
Section 31: S/2S/2  
Section 32: All  
Section 36: All

Township 22 South, Range 33 East. N.M.P.M.

Section 3: N/2N/2  
Section 5: SE/4NW/4  
Section 11: NW/4NW/4  
Section 13: All  
Section 20: NW/4

Township 22 South, Range 34 East. N.M.P.M.

Section 2: All  
Section 8: NE/4  
Section 11: SE/4NE/4  
Section 12: NW/4NW/4, W/2SW/4  
Section 13: W/2W/2  
Section 14: E/2SE/4  
Section 18: All  
Section 23: All  
Section 24: S/2S/2  
Section 26: E/2E/2

Township 22 South, Range 35 East. N.M.P.M.

Section 2: All  
Section 4: All  
Section 6: SE/4SE/4  
Section 9: All  
Section 11: W/2  
Section 13: N/2N/2  
Section 14: SW/4SW/4, E/2W/2, N/2NE/4  
Section 15: S/2S/2  
Section 16: All  
Section 19: S/2S/2  
Section 20: All  
Section 23: W/2E/2  
Section 29: E/2E/2, SW/4NW/4  
Section 30: W/2W/2, SE/4SW/4, S/2SE/4  
Section 34: NE/4NW/4, N/2NE/4  
Section 35: N/2N/2  
Section 36: All

II.) Merchant's Leased Surface:

Township 21 South, Range 33 East, N.M.P.M.

Section 1: Lots 1-2, 7-9, 15-16, SE/4  
Section 8: N/2S/2  
Section 9: N/2S/2, SW/4SW/4, S/2SE/4  
Section 10: N/2S/2, SE/4SW/4, S/2SE/4  
Section 11: NE/4SE/4, S/2SE/4  
Section 12: NE/4NE/4, S/2NE/4  
Section 13: W/2, N/2NE/4, SE/4NE/4, SE/4  
Section 14: E/2NW/4, NE/4SW/4, E/2  
Section 15: All  
Section 17: All  
Section 18: S/2  
Section 19: All  
Section 20: All  
Section 21: W/2W/2, E/2  
Section 22: All  
Section 23: W/2W/2, N/2NE/4, SE/4  
Section 24: SW/4, N/2N/2, S/2NE/4  
Section 26: All  
Section 28: SE/4NW/4, E/2SW/4, E/2  
Section 29: All  
Section 30: All  
Section 31: N/2, S/2S/2  
Section 36: All

Township 21 South, Range 34 East, N.M.P.M.

Section 1: Lots 1-15, S/2  
Section 3: Lots 1-14, 16, S/2  
Section 4: Lots 1-16, S/2 (All)  
Section 5: All  
Section 6: All, except Lot 9  
Section 7: N/2, S/2S/2  
Section 8: N/2, S/2S/2  
Section 9: N/2, S/2S/2  
Section 10: N/2, S/2S/2  
Section 11: W/2, E/2E/2  
Section 12: W/2, SE/4, S/2NE/4, NE/4NE/4  
Section 13: ALL  
Section 14: W/2, SW/4NE/4, W/2SE/4  
Section 15: N/2, N/2S/2  
Section 17: All  
Section 18: All  
Section 19: All  
Section 20: All  
Section 21: NW/4NW/4, S/2NW/4, SW/4, W/2E/2  
Section 22: All  
Section 23: W/2, W/2NE/4  
Section 24: S/2N/2, S/2  
Section 25: All  
Section 26: All  
Section 27: W/2, W/2E/2, SE/4NE/4, E/2SE/4  
Section 28: W/2, E/2E/2  
Section 29: All  
Section 30: All

Section 31: All  
Section 32: All  
Section 33: W/2, E/2E/2  
Section 34: N/2, N/2S/2  
Section 35: All

Township 21 South, Range 35 East, N.M.P.M.

Section 1: Lots 1-3, 5-16, S/2  
Section 3: Lots 1-16, SW/4, S/2SE/4, NE/4NE/4  
Section 4: All  
Section 5: All  
Section 6: All  
Section 7: All  
Section 8: All  
Section 9: All  
Section 10: NE/4, S/2S/2  
Section 11: W/2, W/2SE/4, SW/4NE/4  
Section 12: N/2, S/2S/2  
Section 13: E/2, E/2W/2, SW/4NW/4, W/2SW/4  
Section 14: SW/4, SW/4NW/4, NE/4NW/4, NW/4SE/4, W/2NE/4  
Section 15: All  
Section 17: N/2, S/2S/2  
Section 18: N/2, N/2S/2  
Section 20: All  
Section 21: All  
Section 22: All  
Section 24: S/2, SW/4NE/4, NE/4NE/4  
Section 25: All  
Section 26: N/2, N/2S/2  
Section 27: NW/4, NW/4NE/4, SE/4NE/4, N/2SE/4  
Section 28: N/2, N/2S/2  
Section 29: All  
Section 31: N/2, N/2S/2  
Section 33: All  
Section 34: All  
Section 35: All

Township 22 South, Range 33 East, N.M.P.M.

Section 2: All  
Section 4: N/2N/2  
Section 5: All, Except SE/4NW/4  
Section 6: All  
Section 7: All  
Section 8: All  
Section 10: S/2N/2, N/2S/2  
Section 11: W/2SW/4, SE/4NW/4  
Section 12: N/2  
Section 14: N/2N/2  
Section 15: N/2N/2  
Section 16: All  
Section 17: All  
Section 18: All  
Section 19: All  
Section 20: NE/4  
Section 21: N/2  
Section 24: N/2

Township 22 South, Range 34 East, N.M.P.M.

Section 1: All  
Section 3: All  
Section 4: NE/4  
Section 5: E/2  
Section 7: All  
Section 8: W/2, SE/4  
Section 11: W/2, W/2E/2, NE/4NE/4, E/2,SE/4  
Section 12: E/2, E/2W/2, SW/4NW/4  
Section 13: E/2, E/2W/2  
Section 14: W/2, W/2E/2, E/2NE/4  
Section 15: W/2W/2  
Section 16: All  
Section 17: W/2  
Section 19: N/2  
Section 20: N/2  
Section 24: N/2, N/2S/2  
Section 25: All  
Section 27: SE/4  
Section 36: N/2

Township 22 South, Range 35 East, N.M.P.M.

Section 1: All  
Section 3: All  
Section 5: All  
Section 6: W/2, W/2E/2, E/2NE/4, NE/4SE/4  
Section 7: All  
Section 8: All  
Section 10: All  
Section 11: E/2  
Section 12: All  
Section 13: S/2, S/2N/2  
Section 14: W/2NW/4, NW/4SW/4, S/2NE/4, SE/4  
Section 15: N/2, N/2S/2  
Section 17: All  
Section 18: All  
Section 19: N/2, N/2S/2  
Section 21: All  
Section 22: All  
Section 23: W/2, E/2W/2  
Section 24: All  
Section 25: All  
Section 26: W/2, W/2NE/4, E/2SE/4  
Section 27: All  
Section 28: All  
Section 29: NW/4NW/4, W/2SW/4, E/2W/2, W/2E/2  
Section 30: NE/4, E/2NW/4, NE/4SW/4, N/2SE/4  
Section 32: All  
Section 33: All  
Section 34: S/2, N/2S/2, NW/4NW/4  
Section 35: S/2, S/2N/2