

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
DEC 17 2012
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State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: GMT Exploration Company, LLC OGRID #: 260511
Address: 1560 Broadway, Suite 2000, Denver, CO 80202
Facility or well name: Asadero State Com 1H
API Number: 30-025-40889 OCD Permit Number: PI-05527
U/L or Qtr/Qtr M Section 3 Township 21S Range 34E County: Lea
Center of Proposed Design: Latitude 32° 30' 04.50" Longitude 103° 27' 54.37" NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Controlled Recovery, Inc Disposal Facility Permit Number: R-9166
Disposal Facility Name: Sundance Services, Inc. Disposal Facility Permit Number: NM-01-0003
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): Ashley E. Buckner Title: Production Technician
Signature: [Signature] Date: 12/14/12
e-mail address: abuckner@gmtexploration.com Telephone: (303) 586-9280

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)
OCD Representative Signature:  **Approval Date:** 12/17/12
Title: Petroleum Engineer **OCD Permit Number:** 91-05527

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC
Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.
 Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**
Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?
 Yes (If yes, please demonstrate compliance to the items below) No
Required for impacted areas which will not be used for future service and operations:
 Site Reclamation (Photo Documentation)
 Soil Backfilling and Cover Installation
 Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.
Name (Print): _____ Title: _____
Signature: _____ Date: _____
e-mail address: _____ Telephone: _____

GMT Exploration Company, LLC

Closed Loop System
Asadero State Com 1H
200' FSL & 380' FWL
Section 3, T21S, R34E, Lea County

Equipment Design Plan:

The Closed Loop System will consist of the following:

- 2 – Mongoose Shale Shakers
- 1 – 414 Centrifuge Package
- 1 – 518 Centrifuge Package
- 1 – Dewatering Unit
- 1 – Mud Cleaner with Transfer Pumps
- 2 – 500 BBL FW Frac Tanks
- 2 – Roll Off Bins w/ Tracks

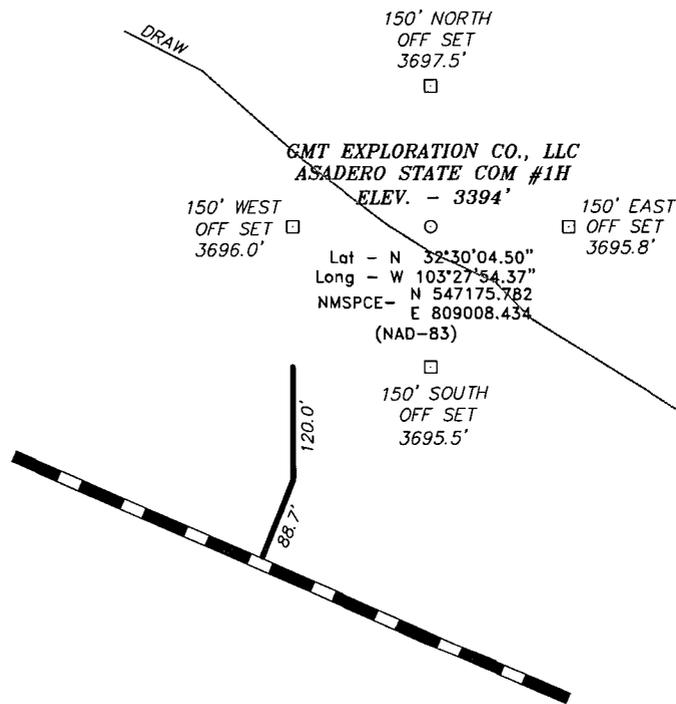
Operation Plan:

All equipment will be continuously monitored and inspected by the drilling rig crew at all times, as well as being inspected by the contractor's personnel. Any leaks or spills will be reported to the NMOCD and cleaned up without delay.

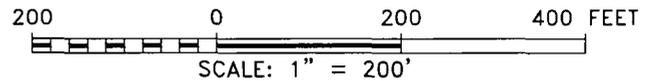
Closure Plan:

During drilling operations all liquids, drilling fluids, and cuttings will be hauled off to the approved disposal sites listed on Form C-144 CLEZ (Sundance Services, Controlled Recovery Inc, or any other approved facility).

SECTION 3, TOWNSHIP 21 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



Lat - N 32°30'04.50"
Long - W 103°27'54.37"
NMSPCE- N 547175.782
E 809008.434
(NAD-83)



Directions to Location:

FROM THE MILE MARKER OF 16 OF HWY 176, GO
SOUTHEAST 0.2 MILES TO PROPOSED LEASE ROAD.

GMT EXPLORATION CO., LLC

REF: ASADERO STATE COM #1H / WELL PAD TOPO

THE ASADERO STATE COM #1H LOCATED 200'
FROM THE SOUTH LINE AND 380' FROM THE WEST LINE OF
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

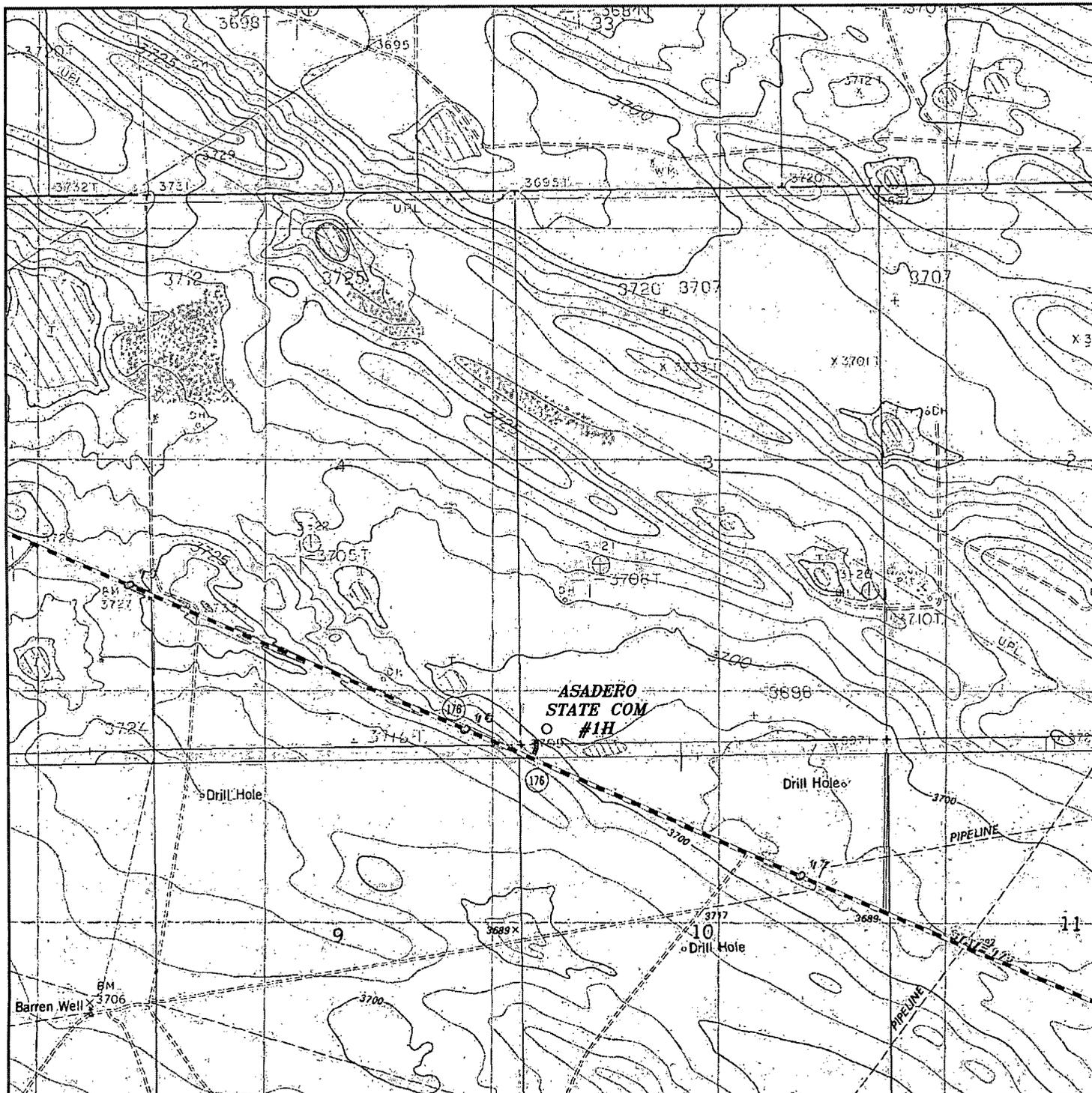
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 26835 Drawn By: J. SMALL

Date: 11-14-2012 Disk: JMS 26835

Survey Date: 11-12-2012

Sheet 1 of 1 Sheets



ASADERO STATE COM #1H
 Located 200' FSL and 380' FWL
 Section 3, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 26835

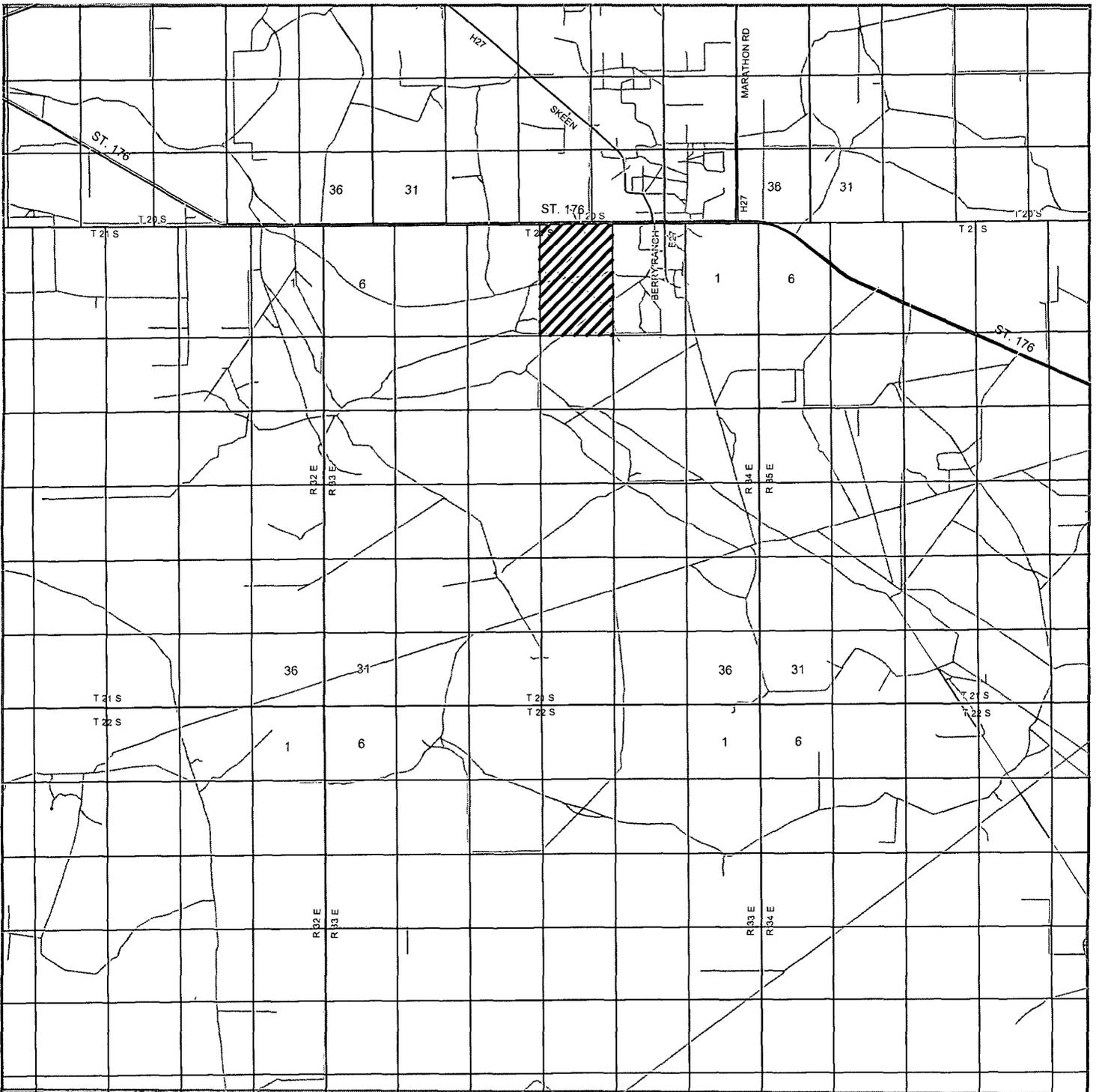
Survey Date: 11-12-2012

Scale: 1" = 2000'

Date: 11-14-2012



GMT
EXPLORATION
CO., LLC



ASADERO STATE COM #1H
 Located 200' FSL and 380' FWL
 Section 3, Township 21 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 26835

Survey Date: 11-12-2012

Scale: 1" = 2 Miles

Date: 11-14-2012

GMT
EXPLORATION
CO., LLC