

UNITED STATES **Carlsbad Field Office**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD Hobbs**

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM127446

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM130199

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
GMT EXPLORATION COMPANY, LLC Contact: MARISSA WALTERS

3a. Address
1560 BROADWAY, SUITE 2000
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303.586.9275

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 1 T23S R34E Lot 4 20FNL 430FWL

8. Well Name and No.
PRYOR FEDERAL STATE COM 4H

9. API Well No.
30-025-40862-00-S1

10. Field and Pool, or Exploratory
OJO CHISO

11. County or Parish, and State
LEA COUNTY, NM

HOBBS OCD
MAY 12 2014

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input checked="" type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the BLM request and in response to 14MLD008W below is the information for water disposal on this well in accordance to Water Disposal Onshore Order #7.

The water disposed from this well is produced from the Avalon formation averaging 16 BBLS of water per day. The water is stored in location in a tank and moved to the disposal facility by truck. We use Guns Up Services out of Eunice, NM as our trucking company. Below are the 3 facilities were we dispose of produced water from the above well.

Delaware Water Company - Cities Federal #2: Lea County, NM; Sec 20 T22S R36E, 660' FSL & 660' FWL; NMOCD permit number SWD-746

Piper Energy - Penroc State E TR 27 #2: Lea County, NM; Sec 18 T21S R37E, 330' FSL & 880' FWL

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE
APPROVAL BY STATE**

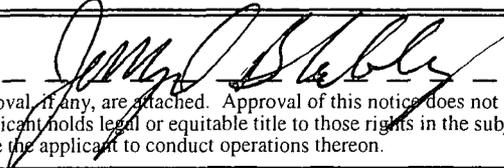
14. I hereby certify that the foregoing is true and correct.

Electronic Submission #237427 verified by the BLM Well Information System
For GMT EXPLORATION COMPANY, LLC, sent to the Hobbs
Committed to AFMSS for processing by CHRISTOPHER WALLS on 03/19/2014 (14CRW0125SE)

Name (Printed/Typed) HUGO CARTAYA Title ENGINEER

Signature (Electronic Submission) Date 03/03/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By  Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

APPROVED
MAY 2 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

MKB/OCD 5/13/2014

MAY 13 2014

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

5/2/2014 Approved subject to conditions of approval JDB:

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. This **approval is for produced water disposal only** and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

JDB2014