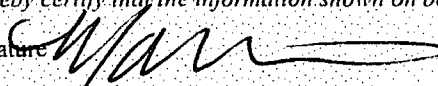


Submit To Appropriate District Office Two Copies <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised August 1, 2011 1. WELL API NO. 30-025-41450 2. Type of Lease ☒ STATE ☐ FEE ☐ FED/INDIAN 3. State Oil & Gas Lease No. B-1040-14; VB-2073; E-1932								
WELL COMPLETION OR RECOMPLETION REPORT AND LOG										
4. Reason for filing: ☒ COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) ☐ C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)		5. Lease Name or Unit Agreement Name Merchant Gap 25 State COM 6. Well Number: 1H HOBBS OCD								
7. Type of Completion: ☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER										
8. Name of Operator GMT Exploration Company LLC		9. OGRID 260511								
10. Address of Operator 1560 Broadway Suite 2000, Denver, CO 80202		11. Pool name or Wildcat Ojo Chiso; Bone Spring South								
MAY 27 2014										
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	M	25	22S	34E		40	S	350	W	Lea
BH:	D	25	22S	34E		330 353	N	350 357	W	Lea
13. Date Spudded 2/9/2014		14. Date T.D. Reached 3/17/2014		15. Date Rig Released 3/20/2014		16. Date Completed (Ready to Produce) 4/3/2014		17. Elevations (DF and RKB, RT, GR, etc.) 3417' GR		
18. Total Measured Depth of Well 15,088' (TVD 10,384')				19. Plug Back Measured Depth 15,088'		20. Was Directional Survey Made? Yes		21. Type Electric and Other Logs Run N/A		
22. Producing Interval(s), of this completion - Top, Bottom, Name Bone Spring										
23. CASING RECORD (Report all strings set in well)										
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED					
13 3/8	54.5	1843	17 1/2	Lead: Class "C", 700 sx, 12.9 ppg, 10.61 gal/sk. Additives: 2% D020 Gel + 0.2% BWOC D046 Anti Foamer + 3 lb/sk D042 Kollite + 1% CaCl + 0.125 lb/sk D130 Polyflake Tail: Class "C", 450 sx, 14.8ppg, 6.36 gals/sk. Additives: 1% CaCl						
8 5/8	32	5107	11	Lead: Class "C", 1300 sx, 12.0 ppg, 10.79 gals/sk. Additives: .2% BWOC D46, 3% BWOC D020, 5 LB/DS WTSK D044, .125% WTSK D130, 75 LB/SK D049 WTSK, .5% BWOC D800 Tail: 200 sx, 14.8 ppg, 6.39 gals/sk. Additives: 94 LB/SK D903 WTSK, .15% BWOC D013, .2% BWOC D046, .13 LB/SK WTSK D130, 1% BWOC D020						

KZ

MAY 27 2014

KZ

5 1/2	20	15088	7 7/8	Lead: 680 sx, 11.8 ppg, 42 LB/SK DO35-CF Lite Poz 3 extender, 5% Salt, 10% Gel, .5% DO207 FLA, 3 LB/SK Kolite, .125 LB/SK poly-flakes, .2% DO46 anti-foamter, .1% D208 viscosifier, .6% B784B retarder. Tail: 800 sx, 13.5 ppg, Additives: 1.5% D174 Expanding agent, .4% D201 retarder, 1% D112 FLA, .2% DO46 anti-foamer.
24. LINER RECORD				
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
26. Perforation record (interval, size, and number) 10818' - 14,990', 0.74, 540				
25. TUBING RECORD				
SIZE		DEPTH SET		PACKER SET
N/A		N/A		N/A
N/A		N/A		N/A
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.				
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED		
10818'-14990'		Frac with 1107 bbls of 7.5% HCL acid		
		285,907lbs 100 mesh sand, 2,926,347 lbs		
		20/40 sand, 175,398 bbls load		
28. PRODUCTION				
Date First Production 4/15/2014		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing		Well Status (Prod. or Shut-in) Producing
Date of Test 4/22/2014	Hours Tested 24	Choke Size 25	Prod'n For Test Period	Oil - Bbl 392
				Gas - MCF 560
				Water - Bbl 1000
				Gas - Oil Ratio
Flow Tubing Press. N/A	Casing Pressure 520	Calculated 24- Hour Rate	Oil - Bbl 392	Gas - MCF 560
				Water - Bbl 1000
				Oil Gravity - API - (Corr.) 42
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold				30. Test Witnessed By Matt Tate
31. List Attachments Directional Survey, Wellbore Diagram				
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.				
33. If an on-site burial was used at the well, report the exact location of the on-site burial:				
Latitude		Longitude		NAD 1927 1983
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief				
Signature 		Printed Name Marissa Walters		Title Petrotech
E-mail Address mwalters@gmtexploration.com				Date 5/6/2014

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt 3650	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 4080	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinébry	T. Gr. Wash	T. Dakota	
T. Tubb	T. Delaware Sand 5715	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

GMT Exploration Company
Well Bore Schematic - Not to Scale - Horizontal Well

Well Name : Merchant Gap 25 State Com 1H
API No. : 30-025-41450
OGRID No. : 260511
Property Code : 40120
Surface Location : 40' FSL & 350' FWL
S/T/R : 25-22S-34E
Field : Ojo Chiso; Bone Spring South
Pool Code : 97293
County : Lea
State : New Mexico

Spud Date : 2/9/2014
Completion Date : 3/22/2014
G.L. Elevation : 3417
K.B. Elevation : 3436.5
Diagram Date : 4/7/2014
Revisions : HC

Casing Design

Type	Hole Size	Csg Size	Weight	Grade	Depth	Jts.	Cementing Details
Surface	17 1/2	13 3/8	54.5	J-55 & L80	1843.02	42	Lead: Class "C", 700 sx, 12.9 ppg, 10.61 gal/sk. Additives: 2% D020 D046 Anti Foamer + 3 lb/sk D042 Kollite+ 1% CaCl + 0.125 lb/sk D13 Tail. Class "C", 450 sx, 14.8 ppg, 6.36 gal/sk. Additives: 1% CaCl Lead: Class "C", 1300 sx, 12.0 ppg, 10.79 gal/sk. Additives: 3% BWOC D020, 5 LB/DS WTSK D044, .125% WTSK D130, 7% WTSK, .5% BWOC D800 Tail: 200 sx, 14.8 ppg, 6.39 gal/sk. Additives: 94 LB/SK D90 BWOC D013, .2% BWOC D046, .13 LB/SK WTSK D130, 1% B Lead: 680 sx, 11.8 ppg, 42 LB/SK D035-CF Lite Poz 3 extende Gel, .5% D0207 FLA, 3 LB/SK Kollite, .125 LB/SK poly-flakes, foamter, .1% D208 viscosifier, .6% B7848 retarder.
Intermediate	11	8 5/8	32	J55 & HCK	5107	124	Tail: 800 sx, 13.5 ppg, Additives: 1.5% D174 Expanding agen retarder, 1% D112 FLA, .2% D046 anti-foamer.
Production	7 7/8	5 1/2	20	P110	15088	346	

Tubing String Design

Size	Weight	Grade	No. of Jts	Length	Depth	Type
------	--------	-------	------------	--------	-------	------

Rods String Design

Jts	Length	Item

Kick off Point 9,840 MD 9,840 TVD
Lateral TD 15,088 MD 10,384 TVD
Float Collar 15,064 MD

See Frac Details Tab for Stimulation

**McVAY DRILLING COMPANY**

P.O. Box 2450
Hobbs, New Mexico 88241
(575) 397-3311
FAX: 39-DRILL

Well Name and Num: Merchant Gap 25 Com 1H
Location: Sec 25, T22S, R34E
Operator: GMT
Drilling Contractor: McVay Drilling Company

The undersigned certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>Degrees @</u>	<u>Depth</u>	<u>Degrees @</u>	<u>Depth</u>	<u>Degrees @</u>	<u>Depth</u>
0.10	142	2.68	6194	89.24	10886
0.70	444	1.50	6674	81.24	11265
0.20	717	1.59	6962	91.89	11644
0.20	1261	0.96	7626	90.10	11926
0.20	1822	0.28	7816	91.31	12494
0.28	1960	0.42	8481	89.73	12872
0.54	2152	0.87	8766	90.14	13194
0.83	2632	1.10	9145	90.52	13629
1.27	3015	1.36	9239	90.89	13914
2.06	3496	0.42	9619	90.03	14578
1.68	3784	0.40	9714	92.06	15031
1.41	4168	16.33	9968		
1.58	4456	28.55	10126		
3.30	4744	46.41	10379		
2.02	5049	62.84	10569		
1.26	5139	82.41	10695		
0.25	5523	86.35	10727		

By: Hunter Crane

Subscribed and sworn to before me this 24th day of March, 2014

Tina FLEMENS
Notary Public, Lea County, New Mexico

