

LI
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 and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

C-101
Revised July 18, 2013

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 06 2014

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address EMKEY COMPANIES, LLC 12221 MERIT DRIVE, SUITE 620 DALLAS, TX 75251		² OGRID Number 310098
³ Property Code 313698		⁴ Property Name STILETTO 16 STATE
⁵ Well No. 11H		⁶ APN Number 30-015-1228

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	16	20S	25E		235'	NORTH	2335'	EAST	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
O	16	20S	25E		330'	SOUTH	2382'	EAST	EDDY

9. Pool Information

Pool Name	Pool Code
NORTH SEVEN RIVERS; GLORIETTA, YESO	97565

Additional Well Information

¹⁰ Work Type N	¹² Well Type O	¹¹ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3465'
¹⁶ Multiple NO	¹⁷ Proposed Depth 2312' TVD / 7344' MD	¹⁸ Formation YESO	¹⁹ Contractor	²⁰ Spud Date 2/7/2015
Depth to Ground water 170'		Distance from nearest fresh water well .75 MILES SW		Distance to nearest surface water NONE

☒ 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
COND	26"	20"		120'		SURF
SURF	12-1/4"	9-5/8"	36#	900'	380	SURF
PROD	8-3/4"	5-1/2"	17#	7375'	1765	SURF

Casing/Cement Program: Additional Comments

WELL WILL FLOW TO MULTIWELL FACILITY TO MINIMIZE ACREAGE REQUIRED.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
LADC CLASS 2	2000 PSI	3000 PSI RAMS / 1500 PSI ANNULAR	NATIONAL

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐ if applicable.

Signature: *Karla Atchison*

Printed name: **KARLA ATCHISON**

Title: **REGULATORY ANALYST**

E-mail Address: **katchison@emkeycompanies.com**

Date: **11/3/2014**

Phone: **214.303.5516**

OIL CONSERVATION DIVISION

Approved By:

T. C. Shepard

Title:

"Geologist"

Approved Date:

11-7-2014

Expiration Date:

11-7-2016

Conditions of Approval Attached *

Provide signed form C-102



Stiletto 16 State #11H
Unit B, Section 16
T20S-R25E, Eddy County, NM

Drilling Procedure

1. Drill 26" hole to 120'. Set 120' of 20" conductor. Cement to surface w/Redi-Mix.
2. Drill 12 $\frac{3}{4}$ " hole to 900'. Run & set 9-5/8" 36# J-55 STC casing. Cement w/220 sx lead cement @ 13.5 ppg & 1.74 ft³/sx & 160 sx tail cement @ 14.8 ppg & 1.34 ft³/sx. Circulate cement to surface.
3. Drill 8 $\frac{3}{4}$ " vertical hole to 2312' TVD. Kick off and drill curve to 90 deg at 3242' MD. Drill lateral to 7344' MD. Run & set 5 $\frac{1}{2}$ " 17# L-80 LTC casing at 7344' MD. Cement casing w/450 sx lead cement at 12.6 ppg & 1.89 ft³/sx & 1315 sx tail cement @ 14.2 ppg & 1.3 ft³/sx. Circulate cement to surface.

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-42788	Pool Code 97565	Pool Name N. Seven Rivers	GL-1650
Property Code 313698	Property Name STILETTO 16 STATE		Well Number 11H
GRID No. 310098	Operator Name emkey companies		Elevation 3467'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	20 S	25 E		235	NORTH	2335	EAST	EDDY

Bottom Hole Location If Different From Surface

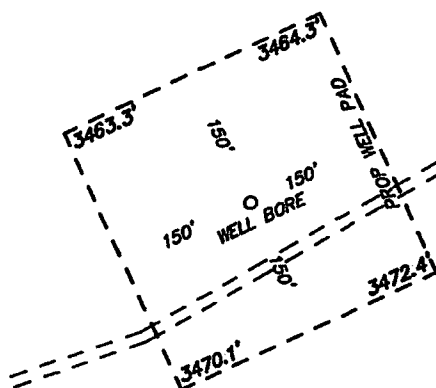
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	16	20 S	25 E		330	SOUTH	2382	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

N: 11826528.3 E: 1795045.1 UTM13 NAD 27	N: 11826500.9 E: 1797969.5 UTM13 NAD 27	N: 11826476.0 E: 1800293.3 UTM13 NAD 27	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 _____ Date _____ Printed Name _____ Email Address _____
N: 11823898.8 E: 1795073.7 UTM13 NAD 27	SURFACE LOCATION Lat - N 32°34'47.97" Long - W 104°29'18.16" UTM 13N - N 11826263.2 E 1797962.3 (NAD-27)	PROPOSED BOTTOM HOLE LOCATION Lat - N 32°34'01.42" Long - W 104°29'18.22" UTM 13N - N 11821559.8 E 1797979.8 (NAD-27)	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. SEPTEMBER 25, 2014 Date Surveyed _____ Signature _____ of Professional Surveyor 7977 Certificate No. 7977 Basin Services 0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WO Num.: 30989

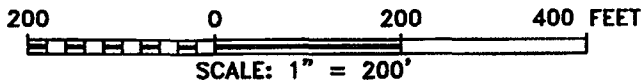
**SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



EMKEY COMPANIES
STILETTO 16 STATE 11H
ELEV. - 3467'

Lat - N 32°34'47.97"
Long - W 104°29'18.16"
UTM 13N - N 11826263.2
E 1797962.3
(NAD-27)

7 RIVERS, NM IS ±4 MILES TO THE EAST OF LOCATION.



Directions to Location:

FROM THE JUNCTION OF WHITE PINE AND PICKETT,
GO NORTHWEST 1.1 MILES TURNING NORTHEAST 0.3
MILES TO PROPOSED LEASE ROAD.

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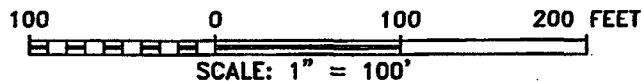
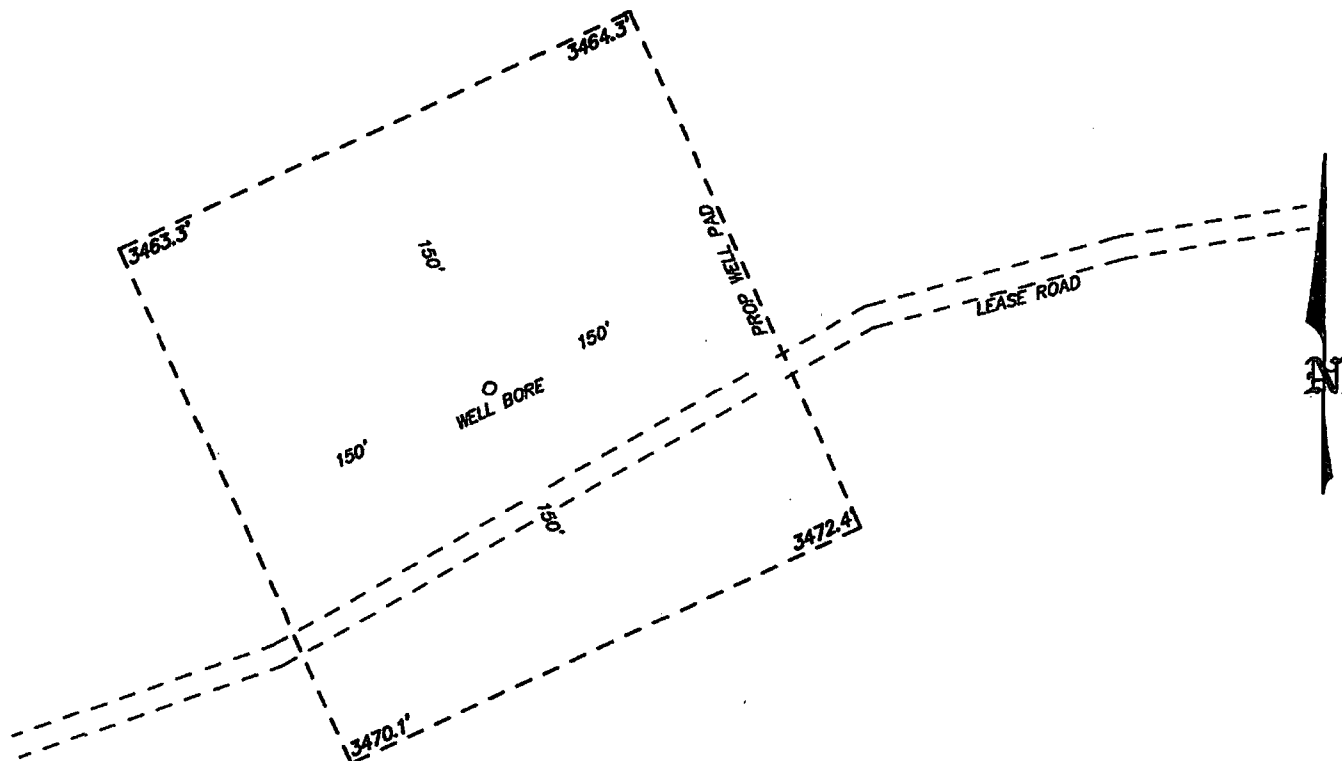
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

emkey companies

REF: STILETTO 16 STATE 11H / WELL PAD TOPO

THE STILETTO 16 STATE 11H LOCATED 235' FROM
THE NORTH LINE AND 2335' FROM THE EAST LINE OF
SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

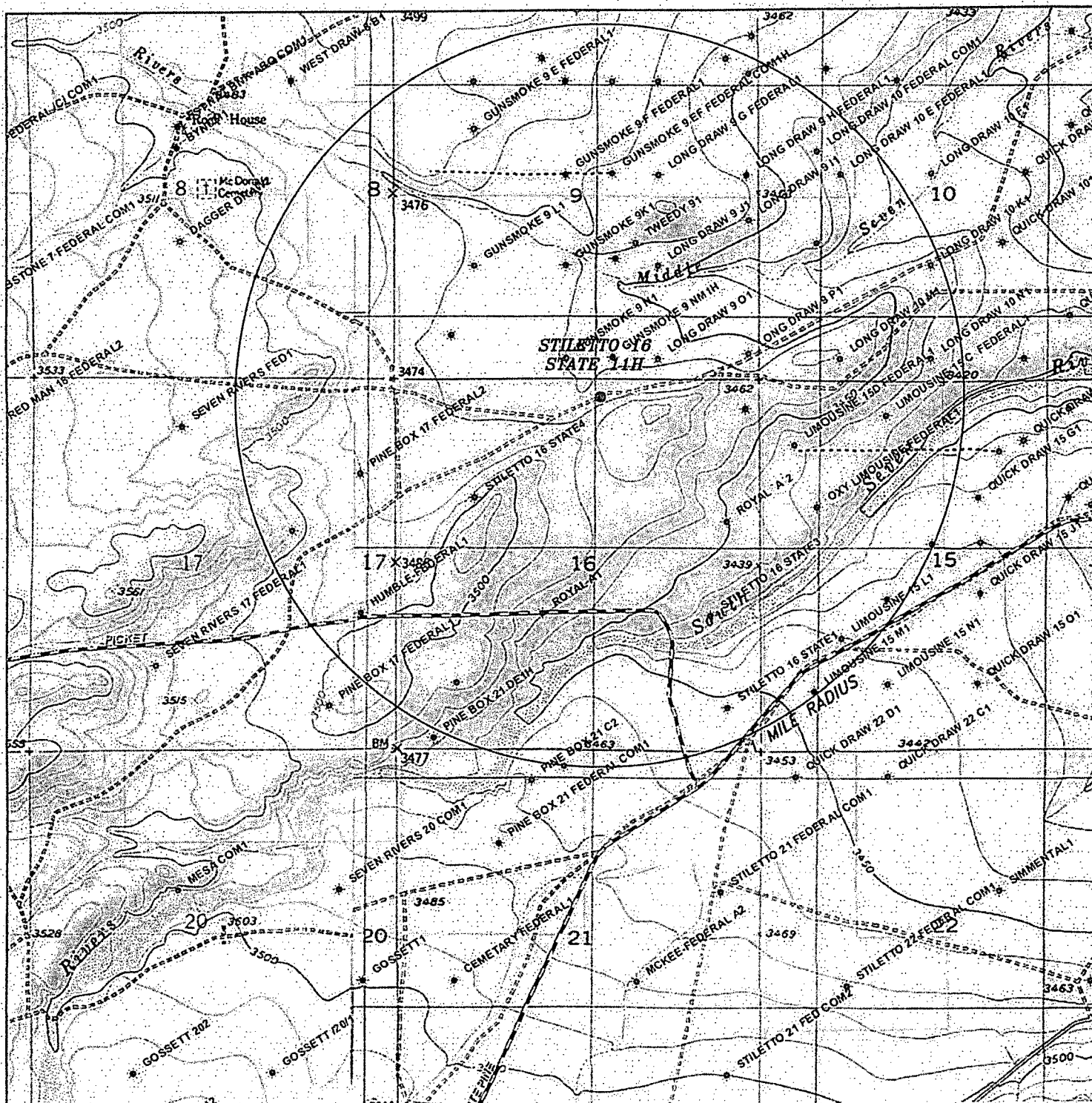


REF: STILETTO 16 STATE 11H / WELL PAD TOPO

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THE NORTH LINE AND 2335' FROM THE EAST LINE OF
SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.



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Hobbs, New Mexico 88241 basin-surveys.com



STILETTO 16 STATE 11H

Located 235' FNL and 2335' FEL

Section 16, Township 20 South, Range 25 East,
N.M.P.M., Eddy County, New Mexico.

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0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'

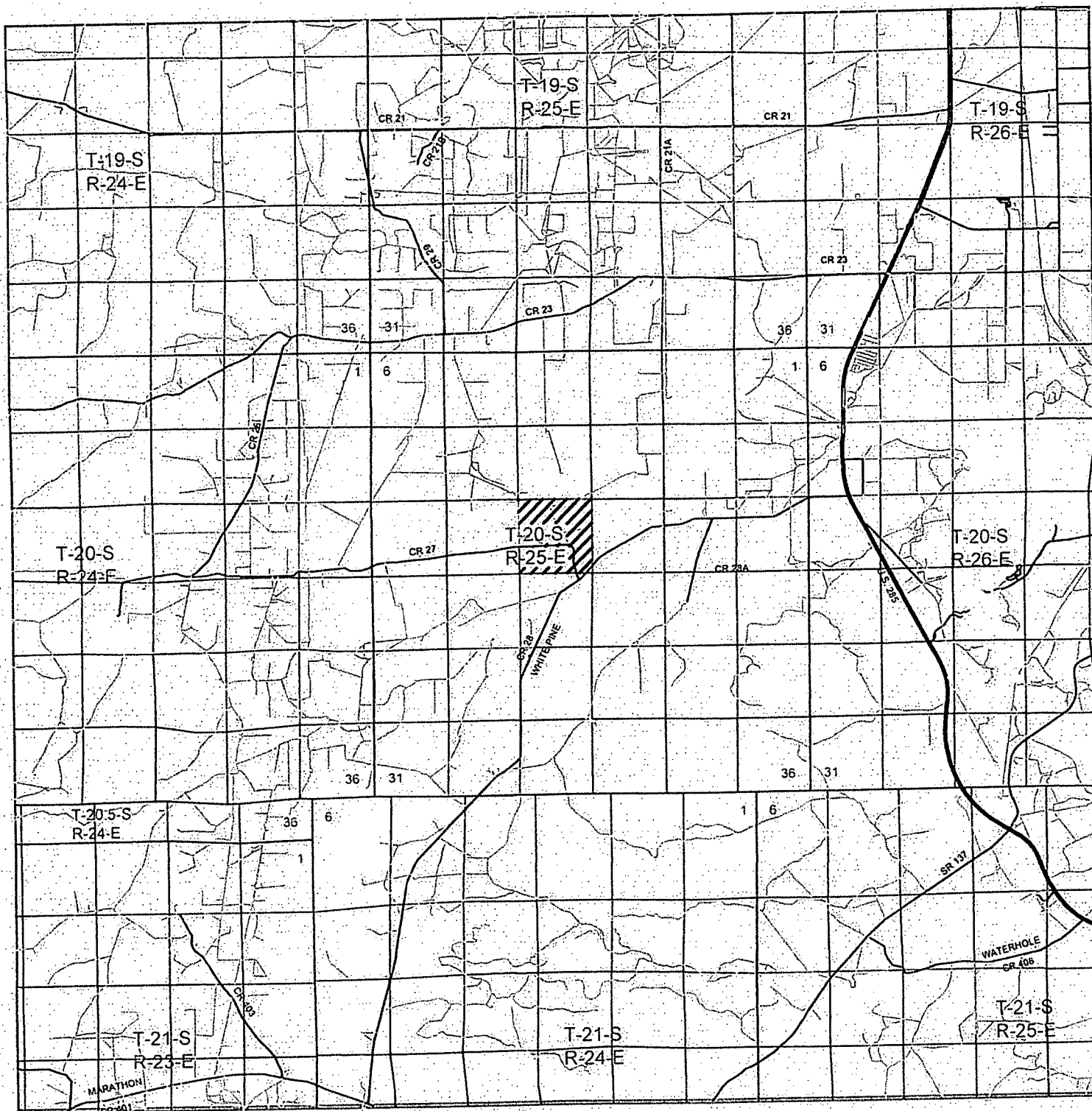
W.O. Number: JMS 30989

Survey Date: 09-26-2014

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

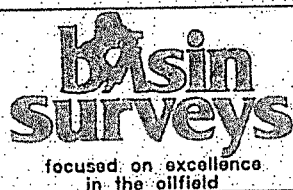


emkey
companies



STILETTO 16 STATE 11H

Located 235' FNL and 2335' FEL
 Section 16, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.



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0 1 MI 2 MI 3 MI 4 MI

SCALE: 1" = 2 MILES

W.O. Number: JMS 30989

Survey Date: 09-26-2014

YELLOW TINT - USA LAND

BLUE TINT - STATE LAND

NATURAL COLOR - FEE LAND



emkey
 companies



STILETTO 16 STATE 11H

Located 235' FNL and 2335' FEL

Section 16, Township 20 South, Range 25 East,
N.M.P.M., Eddy County, New Mexico.



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0' 1000' 2000' 3000' 4000'

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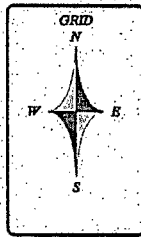


emkey
companies

Job Number :	
Company :	Emkey Companies
Lease/Well :	Stiletto 16- 11H
Location :	Eddy County, NM

GL= 3467'; KB= 12'
PLAN A

SEC. 16- T. 20 S- R. 25 E



VERTICAL SECTION

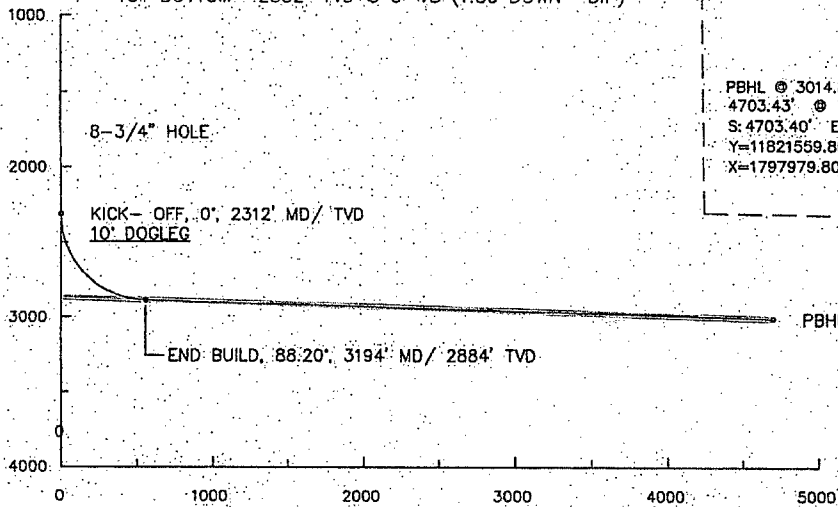
SCALE: 1" Inch = 1000'

VERTICAL SECTION PLANE= 179.79

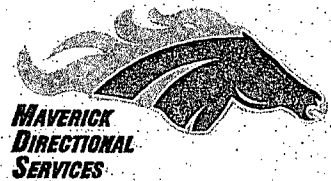
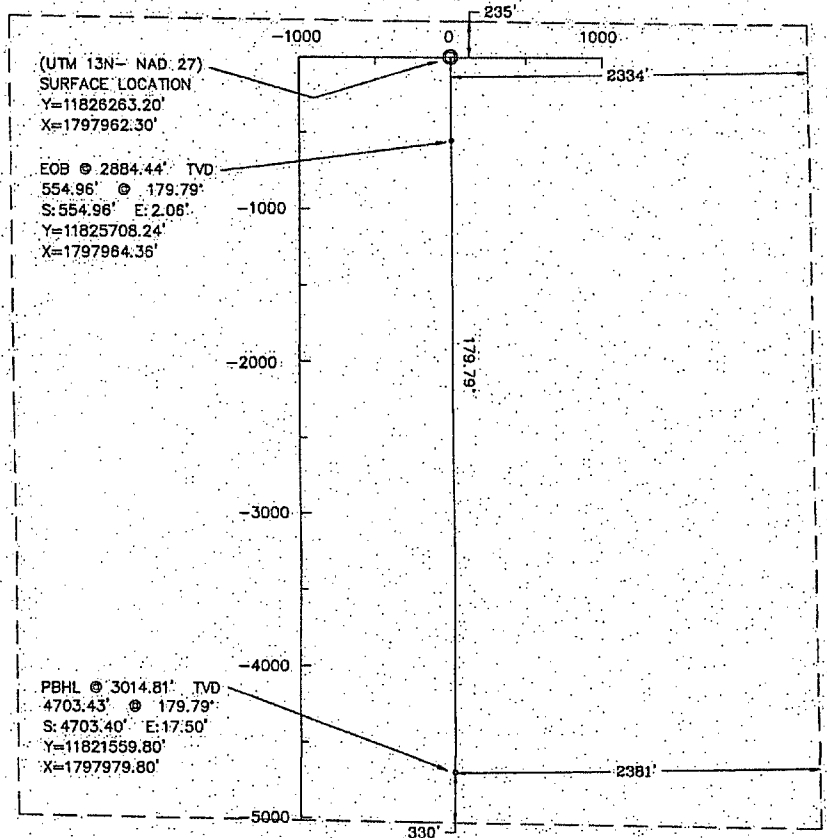
TGT TOP= 2852' TVD @ 0' VS (1.80 DOWN- DIP)

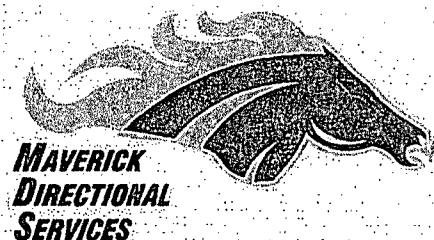
TGT LINE= 2867' TVD @ 0' VS (1.80 DOWN- DIP)

TGT BOTTOM= 2882' TVD @ 0' VS (1.80 DOWN- DIP)



PLAN VIEW SCALE: 1" Inch = 1000'





Job Number:
 Company: Emkey Companies
 Lease/Well: Stiletto 16-11H
 Location: Eddy County, NM
 Rig Name:
 RKB: 12'
 G.L. or M.S.L.: 3467'

State/Country:
 Declination:
 Grid:
 File name: C:\DOWNLOAD\ST1611HA.SVY
 Date/Time: 02-Nov-14 / 12:01
 Curve Name: Plan A

Maverick Directional Services
 Spring, Texas
 Main # 281-364-1212
 Fax # 281-364-1213

Calculated by: Jose Garza
 email: jose@maverickdirectional.com

WINSERVE PROPOSAL REPORT
 Minimum Curvature Method
 Vertical Section Plane: 179.79
 Vertical Section Referenced to Wellhead
 Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	

KICK-OFF, 0°, 2312' MD/ TVD

2311.77	.00	179.79	2311.77	.00	.00	.00	.00	.00	.00
2341.77	3.00	179.79	2341.75	.79	-.79	.00	.79	179.79	10.00
2371.77	6.00	179.79	2371.66	3.14	-3.14	.01	3.14	179.79	10.00
2401.77	9.00	179.79	2401.40	7.05	-7.05	.03	7.05	179.79	10.00
2431.77	12.00	179.79	2430.89	12.52	-12.52	.05	12.52	179.79	10.00
2461.77	15.00	179.79	2460.06	19.52	-19.52	.07	19.52	179.79	10.00
2491.77	18.00	179.79	2488.82	28.04	-28.04	.10	28.04	179.79	10.00
2521.77	21.00	179.79	2517.09	38.06	-38.06	.14	38.06	179.79	10.00
2551.77	24.00	179.79	2544.81	49.53	-49.53	.18	49.53	179.79	10.00
2581.77	27.00	179.79	2571.88	62.45	-62.45	.23	62.45	179.79	10.00
2611.77	30.00	179.79	2598.24	76.76	-76.76	.29	76.76	179.79	10.00
2641.77	33.00	179.79	2623.82	92.43	-92.43	.34	92.43	179.79	10.00
2671.77	36.00	179.79	2648.54	109.43	-109.42	.41	109.43	179.79	10.00
2701.77	39.00	179.79	2672.34	127.69	-127.69	.48	127.69	179.79	10.00
2731.77	42.00	179.79	2695.15	147.17	-147.17	.55	147.17	179.79	10.00
2761.77	45.00	179.79	2716.91	167.82	-167.81	.62	167.82	179.79	10.00
2791.77	48.00	179.79	2737.56	189.57	-189.57	.71	189.57	179.79	10.00
2821.77	51.00	179.79	2757.04	212.38	-212.38	.79	212.38	179.79	10.00
2851.77	54.00	179.79	2775.30	236.18	-236.18	.88	236.18	179.79	10.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
2881.77	57.00	179.79	2792.29	260.90	-260.90	.97	260.90	179.79	10.00
2911.77	60.00	179.79	2807.96	286.48	-286.48	1.07	286.48	179.79	10.00
2941.77	63.00	179.79	2822.27	312.84	-312.84	1.16	312.84	179.79	10.00
2971.77	66.00	179.79	2835.19	339.91	-339.91	1.26	339.91	179.79	10.00
3001.77	69.00	179.79	2846.67	367.63	-367.63	1.37	367.63	179.79	10.00
3031.77	72.00	179.79	2856.68	395.90	-395.90	1.47	395.90	179.79	10.00
3061.77	75.00	179.79	2865.20	424.67	-424.66	1.58	424.67	179.79	10.00
3091.77	78.00	179.79	2872.20	453.83	-453.83	1.69	453.83	179.79	10.00
3121.77	81.00	179.79	2877.67	483.33	-483.32	1.80	483.33	179.79	10.00
3151.77	84.00	179.79	2881.58	513.07	-513.06	1.91	513.07	179.79	10.00
3181.77	87.00	179.79	2883.94	542.97	-542.97	2.02	542.97	179.79	10.00
END BUILD, 88.20°, 3194' MD/ 2884' TVD									
3193.77	88.20	179.79	2884.44	554.96	-554.96	2.06	554.96	179.79	10.00
3293.77	88.20	179.79	2887.58	654.91	-654.91	2.44	654.91	179.79	.00
3393.77	88.20	179.79	2890.72	754.86	-754.86	2.81	754.86	179.79	.00
3493.77	88.20	179.79	2893.86	854.81	-854.81	3.18	854.81	179.79	.00
3593.77	88.20	179.79	2897.00	954.76	-954.76	3.55	954.76	179.79	.00
3693.77	88.20	179.79	2900.15	1054.71	-1054.71	3.92	1054.71	179.79	.00
3793.77	88.20	179.79	2903.29	1154.66	-1154.66	4.30	1154.66	179.79	.00
3893.77	88.20	179.79	2906.43	1254.62	-1254.61	4.67	1254.62	179.79	.00
3993.77	88.20	179.79	2909.57	1354.57	-1354.56	5.04	1354.57	179.79	.00
4093.77	88.20	179.79	2912.71	1454.52	-1454.51	5.41	1454.52	179.79	.00
4193.77	88.20	179.79	2915.85	1554.47	-1554.46	5.78	1554.47	179.79	.00
4293.77	88.20	179.79	2918.99	1654.42	-1654.41	6.16	1654.42	179.79	.00
4393.77	88.20	179.79	2922.13	1754.37	-1754.36	6.53	1754.37	179.79	.00
4493.77	88.20	179.79	2925.27	1854.32	-1854.31	6.90	1854.32	179.79	.00
4593.77	88.20	179.79	2928.42	1954.27	-1954.26	7.27	1954.27	179.79	.00
4693.77	88.20	179.79	2931.56	2054.22	-2054.21	7.64	2054.22	179.79	.00
4793.77	88.20	179.79	2934.70	2154.17	-2154.16	8.02	2154.17	179.79	.00
4893.77	88.20	179.79	2937.84	2254.12	-2254.11	8.39	2254.12	179.79	.00
4993.77	88.20	179.79	2940.98	2354.07	-2354.06	8.76	2354.07	179.79	.00
5093.77	88.20	179.79	2944.12	2454.02	-2454.01	9.13	2454.02	179.79	.00
5193.77	88.20	179.79	2947.26	2553.97	-2553.96	9.50	2553.97	179.79	.00
5293.77	88.20	179.79	2950.40	2653.92	-2653.91	9.88	2653.92	179.79	.00
5393.77	88.20	179.79	2953.54	2753.88	-2753.86	10.25	2753.88	179.79	.00
5493.77	88.20	179.79	2956.69	2853.83	-2853.81	10.62	2853.83	179.79	.00
5593.77	88.20	179.79	2959.83	2953.78	-2953.76	10.99	2953.78	179.79	.00
5693.77	88.20	179.79	2962.97	3053.73	-3053.71	11.36	3053.73	179.79	.00
5793.77	88.20	179.79	2966.11	3153.68	-3153.66	11.73	3153.68	179.79	.00
5893.77	88.20	179.79	2969.25	3253.63	-3253.61	12.11	3253.63	179.79	.00
5993.77	88.20	179.79	2972.39	3353.58	-3353.56	12.48	3353.58	179.79	.00
6093.77	88.20	179.79	2975.53	3453.53	-3453.51	12.85	3453.53	179.79	.00
6193.77	88.20	179.79	2978.67	3553.48	-3553.46	13.22	3553.48	179.79	.00
6293.77	88.20	179.79	2981.81	3653.43	-3653.41	13.59	3653.43	179.79	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
6393.77	88.20	179.79	2984.95	3753.38	-3753.36	13.97	3753.38	179.79	.00
6493.77	88.20	179.79	2988.10	3853.33	-3853.31	14.34	3853.33	179.79	.00
6593.77	88.20	179.79	2991.24	3953.28	-3953.26	14.71	3953.28	179.79	.00
6693.77	88.20	179.79	2994.38	4053.23	-4053.21	15.08	4053.23	179.79	.00
6793.77	88.20	179.79	2997.52	4153.18	-4153.16	15.45	4153.18	179.79	.00
6893.77	88.20	179.79	3000.66	4253.14	-4253.11	15.83	4253.14	179.79	.00
6993.77	88.20	179.79	3003.80	4353.09	-4353.06	16.20	4353.09	179.79	.00
7093.77	88.20	179.79	3006.94	4453.04	-4453.01	16.57	4453.04	179.79	.00
7193.77	88.20	179.79	3010.08	4552.99	-4552.96	16.94	4552.99	179.79	.00
7293.77	88.20	179.79	3013.22	4652.94	-4652.91	17.31	4652.94	179.79	.00

PBHL, 88.20°, 7344' MD/ 3015' TVD

7344.28	88.20	179.79	3014.81	4703.43	-4703.40	17.50	4703.43	179.79	.00
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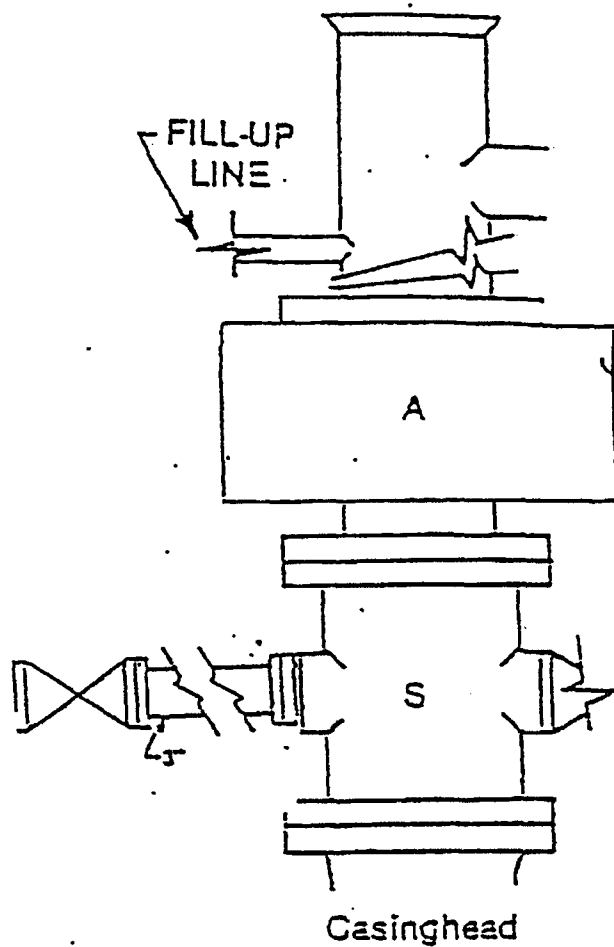


FIGURE K1-1. Recommended LADC Class 2 BOP stack, 2000 psi WP. Either SRd (left) or SA (right) arrangement is acceptable and drilling spool is optional

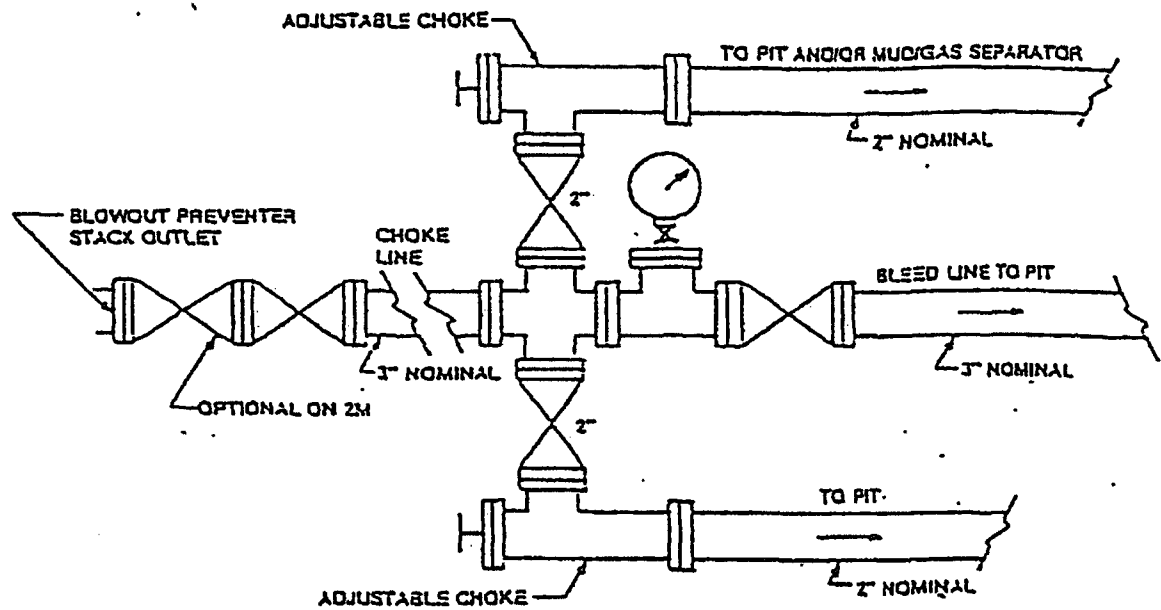


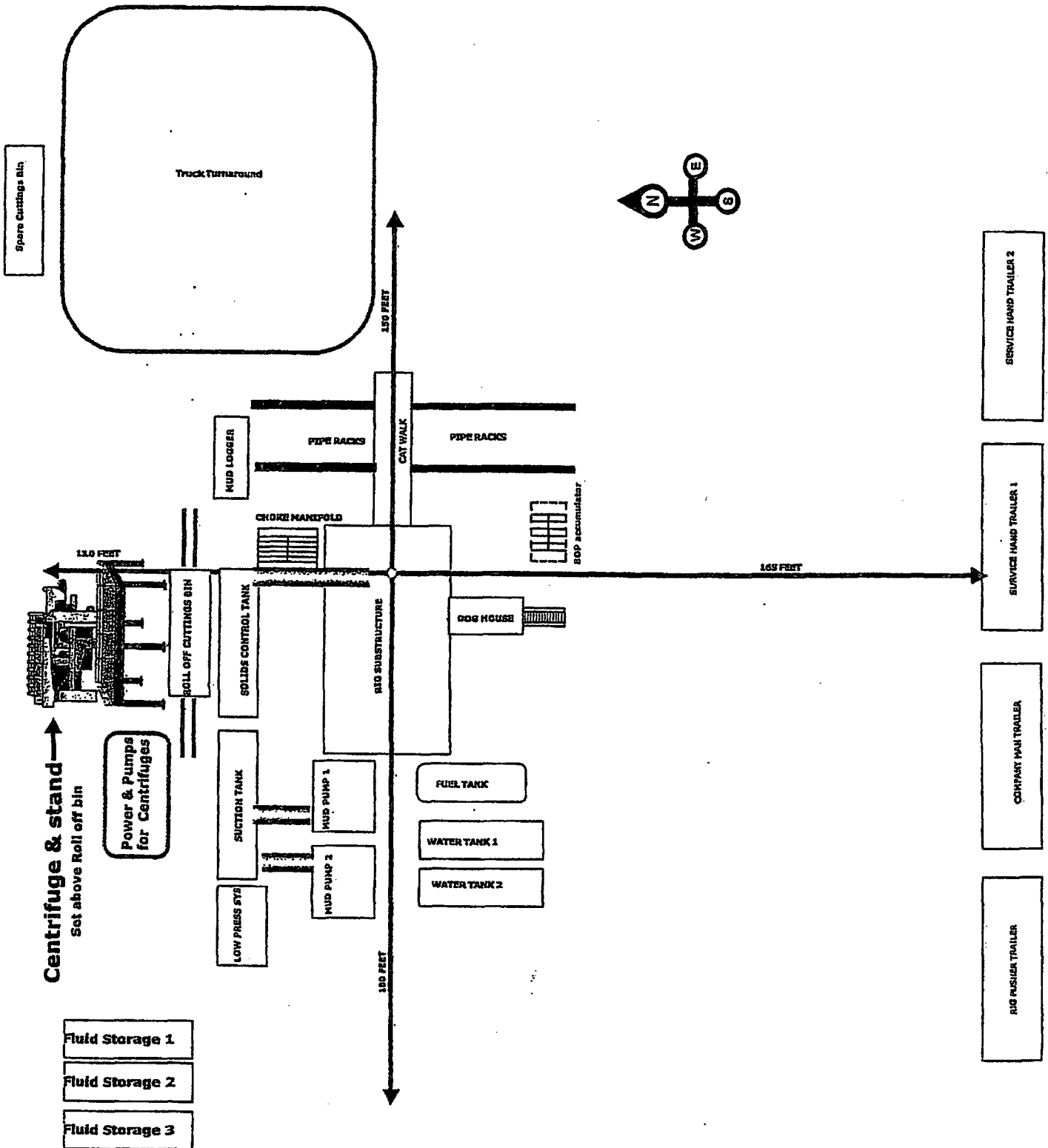
FIGURE K-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

Operations and Maintenance Plan

Closed loop equipment will be inspected and monitored on a daily basis by each drilling rig tour and by those hired specifically to operate the equipment. Any leak or release detected will be repaired immediately and proper NMOCD official will be notified within the 48 hour requirement. A large release will require EMKEY COMPANIES representatives to contact the OCD at the Artesia office 575-748-1283 as stated by NMOCD Rule 116.

During and after drilling operations, liquids and all drill cuttings and drilling fluids will be transported to an approved disposal site such as R-360 located approximately 30 miles East of Carlsbad, New Mexico or other approved disposal sites.

Closed Loop Oil Well



Note: The Rig and Closed System Company for this well have not been selected thus the set up shown is simply generic.

Permit Conditions of Approval

API: 30-015-42788

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string