

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

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

Operator Name and Address EverQuest Energy Corporation 532 Cool Water Ranch Rd. Fredericksburg, Texas 78624		OGRID Number 212929
Property Code 325476		API Number 30-025-34940
Property Name GUS STATE		Well No. 1

7. Surface Location LAT: 33°14'51"N LONG: 103°29'31"W

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
I	27	12S	34E		1900	SOUTH	660	EAST	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
RANGER LAKE, PENN UPPER	50730

Additional Well Information

11. Work Type P	12. Well Type O	13. Cable/Rotary R	14. Lease Type S	15. Ground Level Elevation 4153
16. Multiple N	17. Proposed Depth 10640 FSD	18. Formation PENN	19. Contractor TBD	20. Spud Date TBD
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 1/2	13 3/8	48	427	400	SURF
INTERM	12 1/4	8 5/8	24	4201	1480	SURF
PROD	7 7/8	5 1/2	17	12792	800	7950

Casing/Cement Program: Additional Comments

CIBP WILL BE SET AT 10,640' INSIDE 5.50" CASING THEN CAPPED W/ CMT.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
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 that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature:

Printed name: TERRY DUFFEY

Title: PRESIDENT

E-mail Address: TDUFFEY@EVERQUESTENERGY.COM

Date: 4-30-21

Phone: 432-978-1124

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date: 06/23/2021

Expiration Date: 06/23/2023

Conditions of Approval Attached SEE ATTACHED COA

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

¹ API Number 30-025-34940	² Pool Code 50730	³ Pool Name RANGER LAKE, PENN
⁴ Property Code 325476	⁵ Property Name GUS STATE	
⁷ OGRID No. 712929	⁸ Operator Name EVERQUEST ENERGY CORPORATION	⁶ Well Number 1
		⁹ Elevation 4153 GL

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
I	27	12S	34E		1900	SOUTH	660	EAST	LEA

" 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 80	¹³ Joint or Infill N	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.

				<div>16</div>	
				<div>17</div> <div>OPERATOR CERTIFICATION</div> <div>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.</div> <div><div>TM DUFFY</div><div>4-30-21</div><div>Signature</div><div>Date</div></div> <div><div>TEERY DUFFEY,</div><div>Printed Name</div><div>PRESIDENT</div></div> <div><div>TDUFFY@EVERQUESTENERGY.COM</div><div>E-mail Address</div><div>COM</div></div>	
				<div>18</div> <div>SURVEYOR CERTIFICATION</div> <div>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.</div> <div><div>2-5-2000</div><div>Date of Survey</div></div> <div><div>Signature and Seal of Professional Surveyor:</div><div><div>RONALD EIDSON</div><div>00-11-0215</div></div></div> <div><div>Certificate Number</div><div>3239</div></div>	
<div>NAD83</div> <div>LAT: 33.247692</div> <div>LONG: -103.4920578</div>		<div><div>2</div><div>660'</div><div>1900'</div></div>			

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

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: April 30, 2021

☒ Original

Operator & OGRID No.: EverQuest Energy Corporation - 212929

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Gus State #1	30-025-34940	I-27-12S 34E	1900 FSL 660 FEL	10	Sold	Under Existing Gas Contract

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete. A gas transporter system is in place. The gas produced from production facility is dedicated to Targa and will be connected to Targa low/high pressure gathering system located in Lea County, New Mexico. It will require 0' of pipeline (existing) to connect the facility to the low pressure gathering system. EverQuest Energy Corporation and Targa have an existing Gas Purchase Contract in place to transport and process the Gus State #1 well. Gas from these wells is being processed at Targa/Versado Gas Processors – Saunders Processing Plant located near Maljamar New Mexico in Lea County. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Production Strategy

The existing facilities operated by EverQuest Energy Corporation will separate oil, water and gas from this well and the gas will be sold into the existing pipeline connection with Targa/Versado.

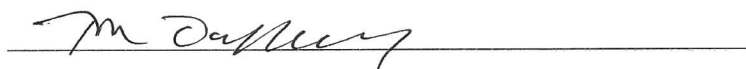
Alternatives to Reduce Flaring (NONE ANTICIPATED)

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Submitted by:

Terry M. Duffey
President
April 30, 2021



Casing Details

There will be NO NEW CASING installed in this existing wellbore. The recompletion will use the existing 5.50" production casing.

Wellbore Schematic

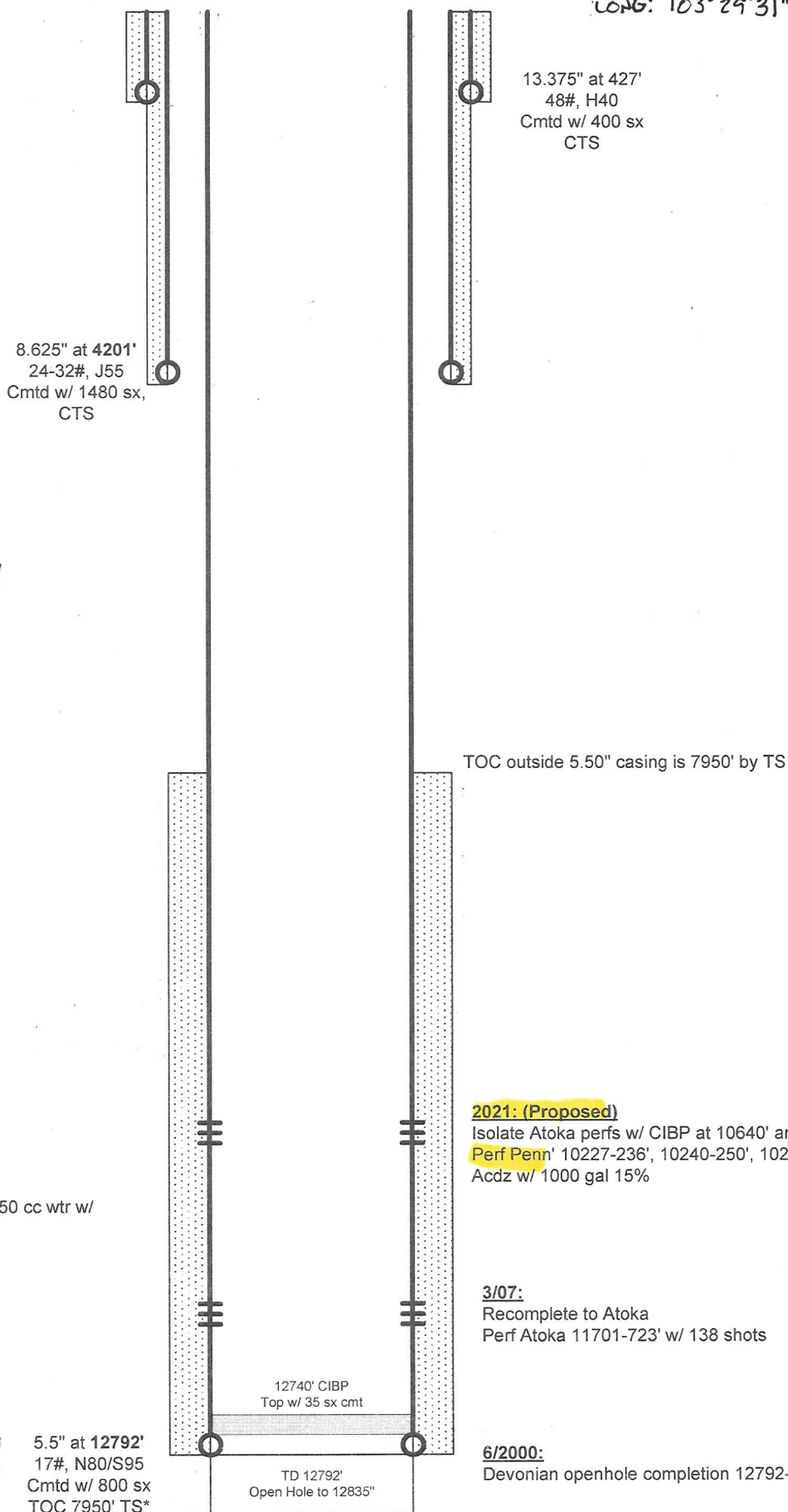
EverQuest Energy – Gus State #1

API# 30-025-34940

Current Configuration
Last Update: April 2021

Location: UL I, Sec 27, T12S, R34E
GL Elev 4153' ASL
RKB 17' ASL
Datum: RKB 4170' ASL

LAT: 33°14'51" N
LONG: 103°29'31" W

**5/2000:**

DST Ranger Lake zone 10186-310'
Rec GCO, G/O CM, Wtr-10% oil
Sampler: 300 cc oil 39API, 0.7 cfg, 1450 cc wtr w/
Chlorides 37000ppm
BHT 161F, ISIP 3464#. FSIP 3288#

Closed Loop fluid system

A workover rig will be used to perform the recompletion work. A power swivel with associated pump and steel surface tank system will be used for circulation purposes during the operations. No earthen pits will be dug to retain or handle fluids during the recompletion. All fluids will be hauled off of location for proper disposal upon completion of the operations.

API# 30-025-34940

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. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific 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 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____ 11500.0	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____ 11822.0	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 4170.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____ 5600.0	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____ 7005.0	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____ 7723.0	T. WOODFORD _____ 12740.0	T. Wingate _____	T. _____
T. Wolfcamp _____ 9143.0	T. DEVONIAN _____ 12790.0	T. Chinle _____	T. _____
T. Penn _____ 9900.0	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

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

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

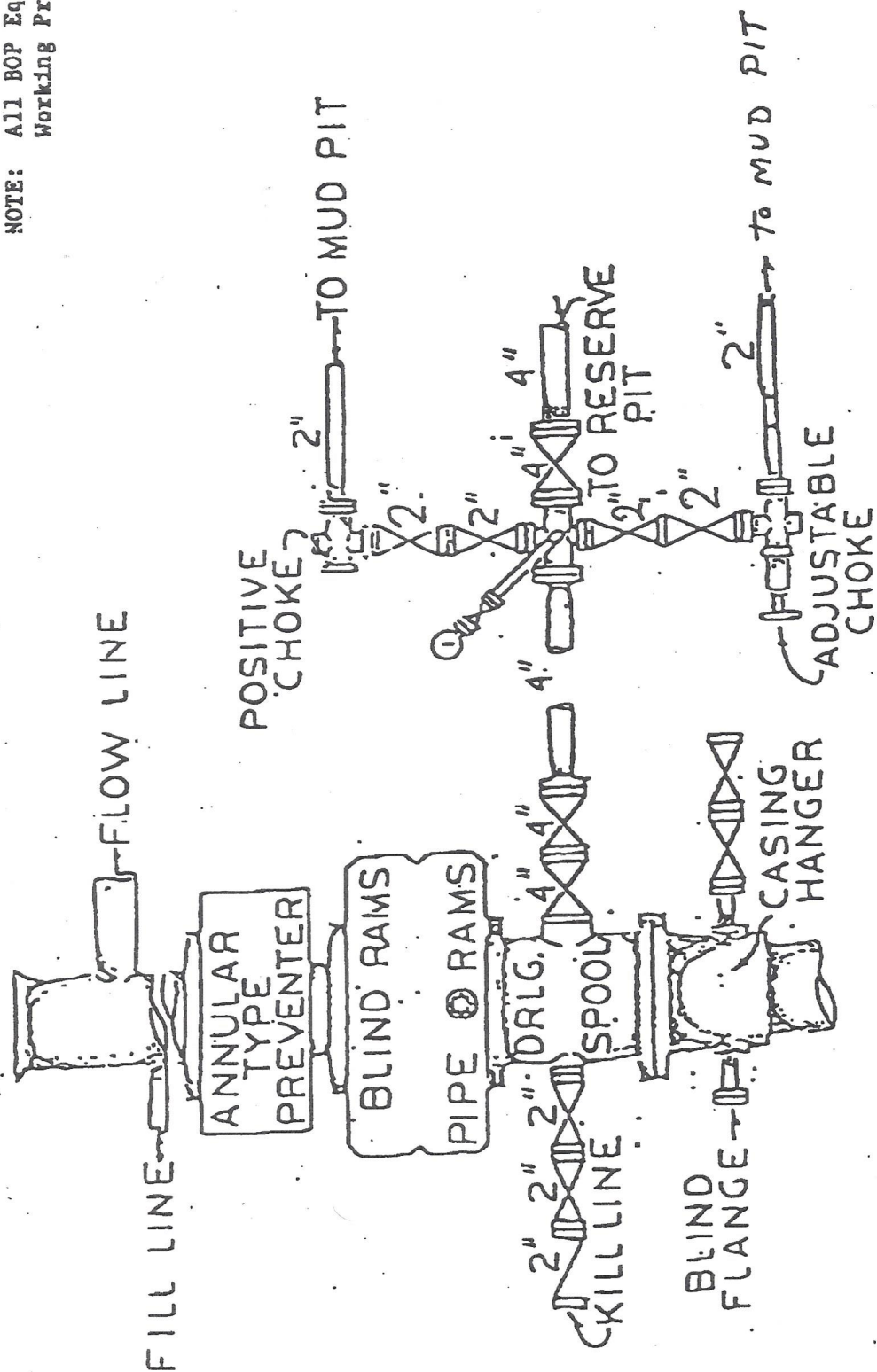
No. 1, from	to	feet
No. 2, from	to	feet
No. 3, from	to	feet

From	To	Thickness in Feet	Lithology

From	To	Thickness in Feet	Lithology

B.O.P ARRANGEMENT RIG NO. 8

NOTE: All BOP Equipment is 5000" Working Pressure



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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 26472

CONDITIONS

Operator: EVERQUEST ENERGY CORPORATION 532 Cool Water Ranch Rd. Fredericksburg, TX 78624	OGRID: 212929
	Action Number: 26472
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Plug back: 1st CIBP set at 12700 cap with cement 2nd CIBP set at 10640 cap with cement. Cement above CIBP 25 sxs if by tubing or 35 feet by wire line.	6/23/2021