

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

1220 South St. Francis Dr.

Santa Fe, NM 87505

NM OIL CONSERVATION
PERMIT REPORT
ARTESIA DISTRICT

SEP 19 2014

RECEIVED

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 34361 313698		⁴ API Number 30-015-42661
⁵ Property Name STILETTO 16 STATE		⁶ Well No. 8H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	16	20S	25E		330'	NORTH	355'	WEST	EDDY

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	16	20S	25E		340'	SOUTH	344'	WEST	EDDY

⁹ Pool Information

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

Additional Well Information

¹¹ Work Type N	¹² Well Type O	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3463'
¹⁶ Multiple NO	¹⁷ Proposed Depth 2958TVD / 7186' MD	¹⁸ Formation YESO	¹⁹ Contractor	²⁰ Spud Date 11/1/2014
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#	7186'	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: <i>Joe Janica</i>		OIL CONSERVATION DIVISION	
Printed name: Joe T. Janica		Approved By: <i>T. C. Shepard</i> "Geologist"	
Title: Permit Eng.		Approved Date: 9-22-2014 Expiration Date: 9-22-2016	
E-mail Address: joejanica@valornet.com			
Date: 09/19/14	Phone: 575-391-8503	Conditions of Approval Attached	



Stiletto 16 State #8H
Unit D 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 $\frac{1}{4}$ " 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 2300' TVD. Kick off and drill curve to 90 deg at 3242' MD. Drill lateral to 7186' MD. Run & set 5 $\frac{1}{2}$ " 17# L-80 LTC casing at 7186' 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

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-42661	Pool Code 97565	Pool Name North Seven Rivers-Glorietta-Yeso
Property Code 34361 313698	Property Name STILETTO "16" STATE	Well Number 8H
OGRID No. 310098	Operator Name EMKEY COMPANIES	Elevation 3463'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	20 S	25 E		330	NORTH	355	WEST	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
M	16	20 S	25 E		340	SOUTH	344'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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

	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: <u>Joe T. Janica</u> Date: <u>09/19/14</u> Printed Name: <u>Joe T. Janica</u> Email Address: <u>joejanica@valornet.com</u>
	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 30, 2014 Date Surveyed: <u>SEP 19 2014</u> Signature & Seal of Professional Surveyor: <u>[Signature]</u> Certificate No.: <u>7977</u>
	Scale: 1" = 1000' WG Num.: 30982
	40194 40195 C41914

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

150' NORTH
OFF SET
3462.0'
□

150' WEST
OFF SET □
3463.7'

WELL BORE
○

150' EAST
□ OFF SET
3461.8'

□
150' SOUTH
OFF SET
3463.8'

PROPOSED LEASE ROAD 2088.2'

88.4'

100 0 100 200 FEET
SCALE: 1" = 100'

EMKEY COMPANIES

REF: STILETTO "16" STATE #8H / WELL PAD TOPO

THE STILETTO "16" STATE #8H LOCATED 330'

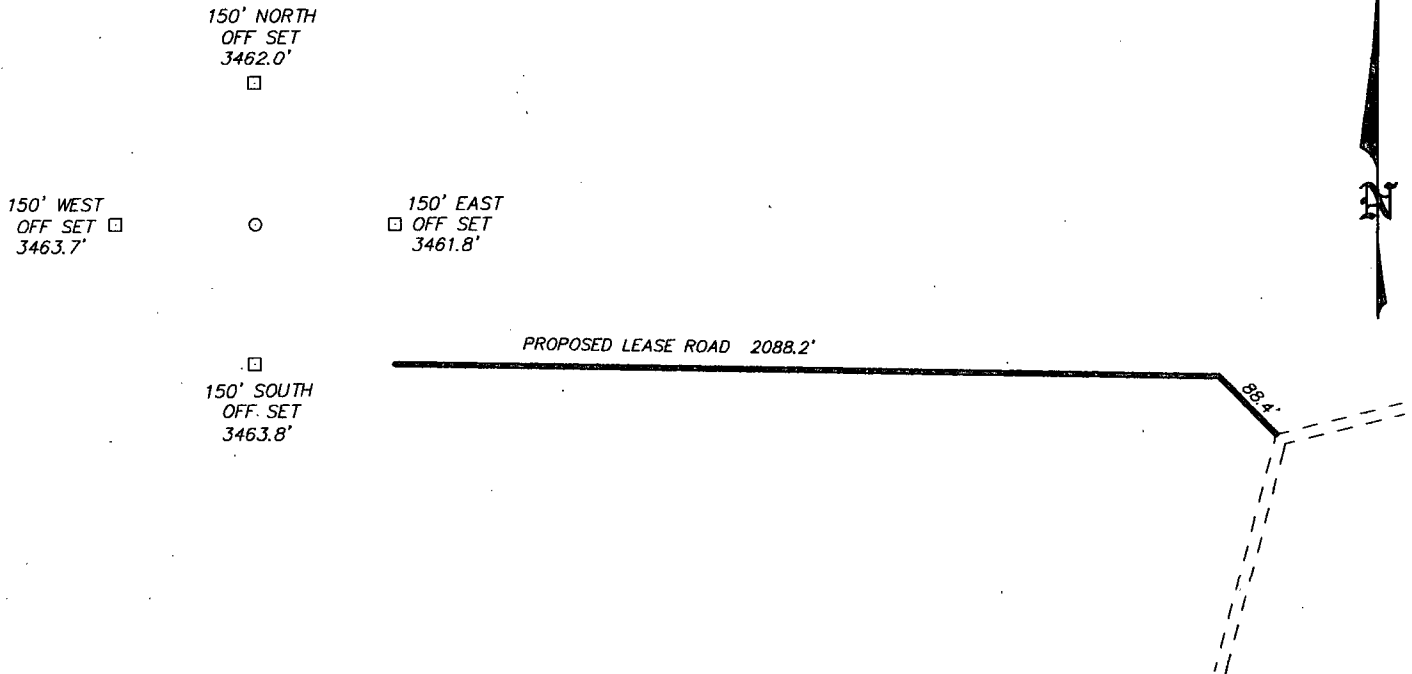
FROM THE NORTH LINE AND 1675' FROM THE WEST LINE OF
SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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surveys

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in the oilfield
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: 30982 | Drawn By: K. NORRIS | Date: 09-12-2014 | Survey Date: 09-11-2014 | Sheet 1 of 1 Sheets

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



EMKEY COMPANIES
STILETTO "16" STATE #8H
ELEV. - 3463'
Lat - N 32°34'47.48"
Long - W 104°29'48.06"
UTM13N- N 11826201.0
E 1795405.3
(NAD-27)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF WHITE PINE AND PICKETT,
GO NORTH ON PICKETT FOR 0.5 MILES TO LEASE
ROAD, ON LEASE ROAD GO NORTH 0.5 MILES TO
PROPOSED LEASE ROAD.

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EMKEY COMPANIES

REF: STILETTO "16" STATE #8H / WELL PAD TOPO

THE STILETTO "16" STATE #8H LOCATED 330'

FROM THE NORTH LINE AND 1675' FROM THE WEST LINE OF
SECTION 16, TOWNSHIP 20 SOUTH, RANGE 25 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

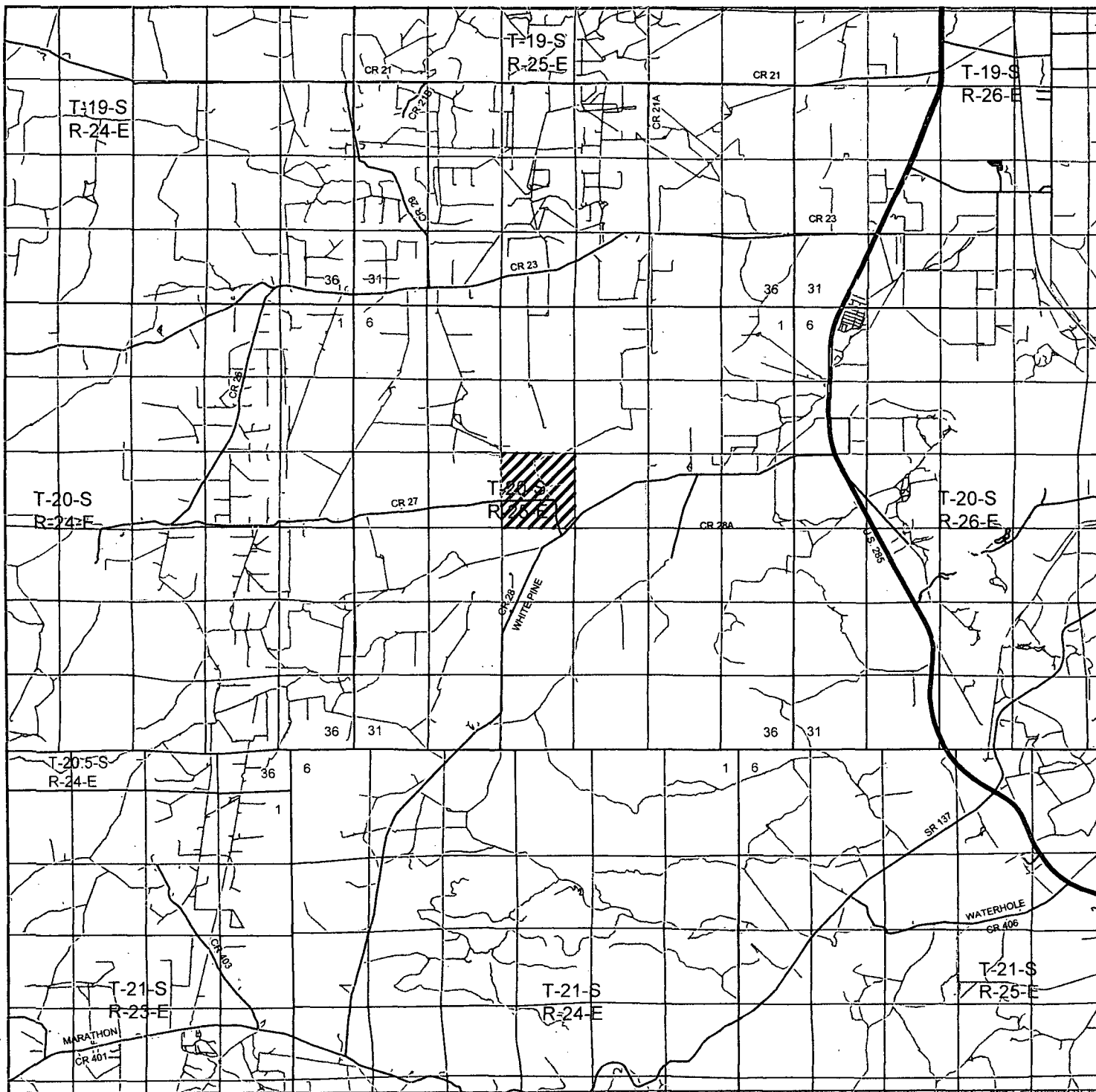
W.O. Number: 30982

Drawn By: K. NORRIS

Date: 09-12-2014

Survey Date: 09-11-2014

Sheet 1 of 1 Sheets



STILETTO "16" STATE #8H

Located 330' FNL and 355' FWL
 Section 16, Township 20 South, Range 25 East,
 N.M.P.M., Eddy County, New Mexico.



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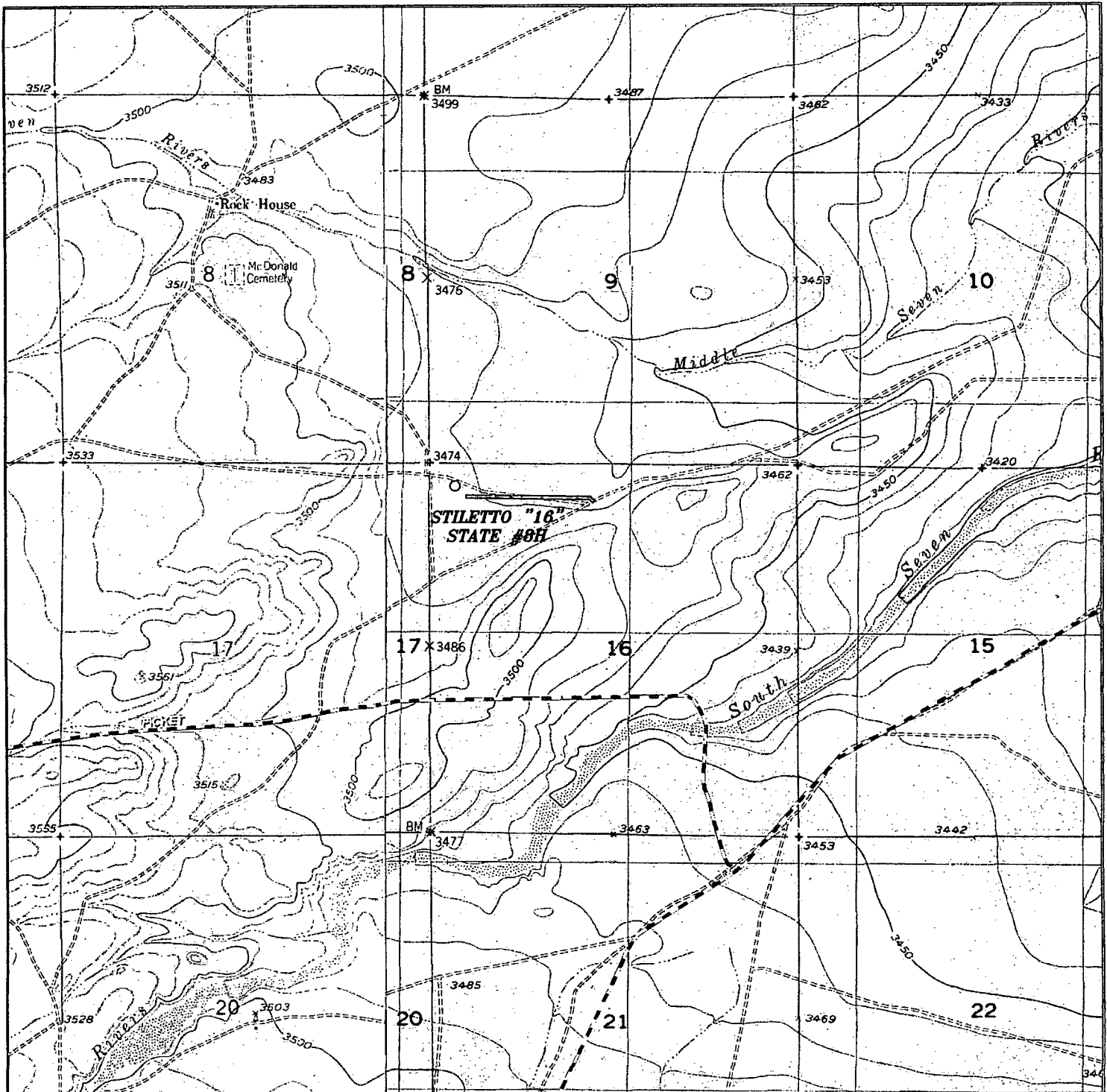
W.O. Number: KAN 30982

Survey Date: 09-11-2014

Scale: 1" = 2 Miles

Date: 09-12-2014

EMKEY
 COMPANIES



STILETTO "16" STATE #8H

Located 330' FNL and 355' FWL
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'

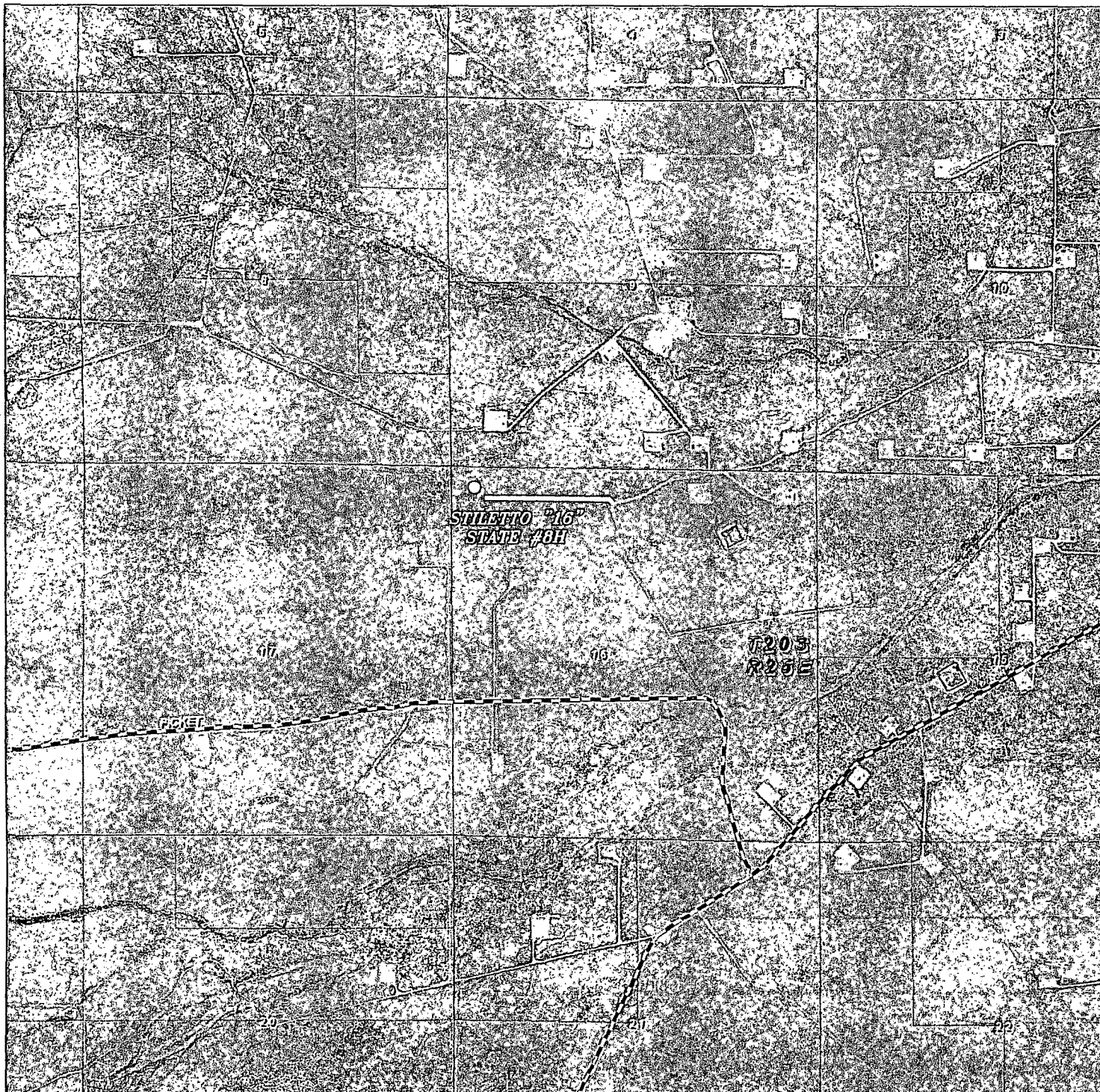
SCALE: 1" = 2000'

W.O. Number: KAN 30982

Survey Date: 09-11-2014

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

EMKEY
COMPANIES



STILETTO "16" STATE #8H
 Located 330' FNL and 355' FWL
 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: KAN 30982

Survey Date: 09-11-2014

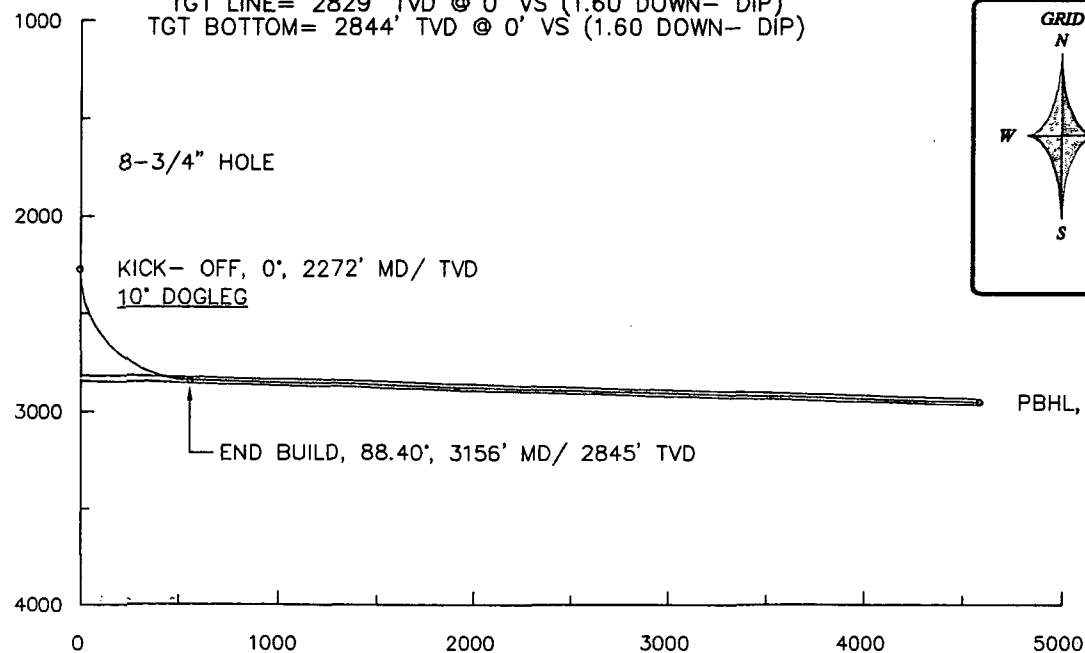
YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND

EMKEY
COMPANIES

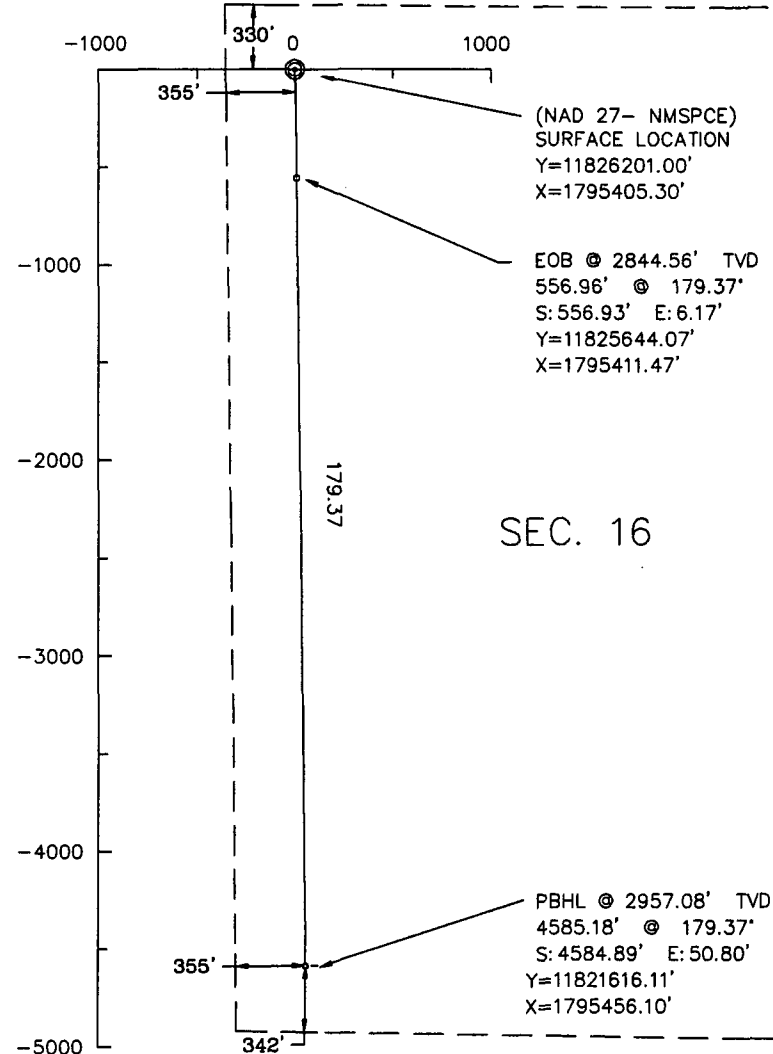
Job Number :	
Company :	Emkey Companies
Lease/Well :	Stiletto 16- 8H
Location :	Eddy County, NM

GL= 3463', KB= 29'
PLAN A

VERTICAL SECTION
SCALE: 1 inch = 1000'
VERTICAL SECTION PLANE= 179.37
TGT TOP= 2814' TVD @ 0' VS (1.60 DOWN- DIP)
TGT LINE= 2829' TVD @ 0' VS (1.60 DOWN- DIP)
TGT BOTTOM= 2844' TVD @ 0' VS (1.60 DOWN- DIP)

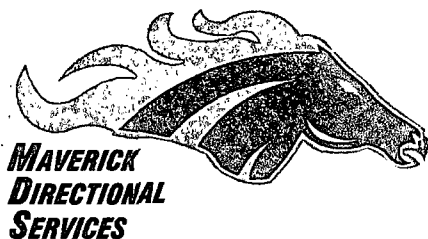


PLAN VIEW
SCALE: 1 inch = 1000'



SEC. 16





Job Number:
 Company: Emkey Companies
 Lease/Well: Stiletto 16- 8H
 Location: Eddy County, NM
 Rig Name:
 RKB: 29'
 G.L. or M.S.L.: 3463'

State/Country:
 Declination:
 Grid:
 File name: G:\SVYS\PLANS\STI168HA.SVY
 Date/Time: 17-Sep-14 / 14:00
 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 179.37
 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 Distance FT	Direction Deg	Dogleg Severity Deg/100
KICK- OFF, 0°, 2272' MD/ TVD									
2271.82	.00	179.37	2271.82	.00	.00	.00	.00	.00	.00
2301.82	3.00	179.37	2301.81	.79	-.79	.01	.79	179.36	10.00
2331.82	6.00	179.37	2331.71	3.14	-3.14	.03	3.14	179.37	10.00
2361.82	9.00	179.37	2361.45	7.05	-7.05	.08	7.05	179.37	10.00
2391.82	12.00	179.37	2390.95	12.52	-12.52	.14	12.52	179.37	10.00
2421.82	15.00	179.37	2420.12	19.52	-19.52	.22	19.52	179.37	10.00
2451.82	18.00	179.37	2448.88	28.04	-28.04	.31	28.04	179.37	10.00
2481.82	21.00	179.37	2477.15	38.06	-38.05	.42	38.06	179.37	10.00
2511.82	24.00	179.37	2504.87	49.53	-49.53	.55	49.53	179.37	10.00
2541.82	27.00	179.37	2531.94	62.45	-62.44	.69	62.45	179.37	10.00
2571.82	30.00	179.37	2558.30	76.76	-76.76	.85	76.76	179.37	10.00
2601.82	33.00	179.37	2583.88	92.43	-92.43	1.02	92.43	179.37	10.00
2631.82	36.00	179.37	2608.60	109.43	-109.42	1.21	109.43	179.37	10.00
2661.82	39.00	179.37	2632.40	127.69	-127.68	1.41	127.69	179.37	10.00
2691.82	42.00	179.37	2655.21	147.17	-147.16	1.63	147.17	179.37	10.00
2721.82	45.00	179.37	2676.97	167.82	-167.81	1.86	167.82	179.37	10.00
2751.82	48.00	179.37	2697.61	189.57	-189.56	2.10	189.57	179.37	10.00
2781.82	51.00	179.37	2717.09	212.38	-212.37	2.35	212.38	179.37	10.00
2811.82	54.00	179.37	2735.36	236.18	-236.17	2.62	236.18	179.37	10.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
2841.82	57.00	179.37	2752.35	260.90	-260.89	2.89	260.90	179.37	10.00
2871.82	60.00	179.37	2768.02	286.48	-286.46	3.17	286.48	179.37	10.00
2901.82	63.00	179.37	2782.33	312.84	-312.82	3.47	312.84	179.37	10.00
2931.82	66.00	179.37	2795.25	339.91	-339.89	3.77	339.91	179.37	10.00
2961.82	69.00	179.37	2806.73	367.63	-367.61	4.07	367.63	179.37	10.00
2991.82	72.00	179.37	2816.74	395.90	-395.88	4.39	395.90	179.37	10.00
3021.82	75.00	179.37	2825.26	424.67	-424.64	4.70	424.67	179.37	10.00
3051.82	78.00	179.37	2832.26	453.83	-453.81	5.03	453.83	179.37	10.00
3081.82	81.00	179.37	2837.73	483.33	-483.30	5.35	483.33	179.37	10.00
3111.82	84.00	179.37	2841.64	513.07	-513.04	5.68	513.07	179.37	10.00
3141.82	87.00	179.37	2844.00	542.97	-542.94	6.02	542.97	179.37	10.00
END BUILD, 88.40°, 3156' MD/ 2845' TVD									
3155.82	88.40	179.37	2844.56	556.96	-556.93	6.17	556.96	179.37	10.00
3255.82	88.40	179.37	2847.35	656.92	-656.88	7.28	656.92	179.37	.00
3355.82	88.40	179.37	2850.14	756.88	-756.84	8.39	756.88	179.37	.00
3455.82	88.40	179.37	2852.93	856.84	-856.79	9.49	856.84	179.37	.00
3555.82	88.40	179.37	2855.73	956.80	-956.75	10.60	956.80	179.37	.00
3655.82	88.40	179.37	2858.52	1056.76	-1056.70	11.71	1056.76	179.37	.00
3755.82	88.40	179.37	2861.31	1156.73	-1156.65	12.82	1156.73	179.37	.00
3855.82	88.40	179.37	2864.10	1256.69	-1256.61	13.92	1256.69	179.37	.00
3955.82	88.40	179.37	2866.89	1356.65	-1356.56	15.03	1356.65	179.37	.00
4055.82	88.40	179.37	2869.69	1456.61	-1456.52	16.14	1456.61	179.37	.00
4155.82	88.40	179.37	2872.48	1556.57	-1556.47	17.25	1556.57	179.37	.00
4255.82	88.40	179.37	2875.27	1656.53	-1656.43	18.35	1656.53	179.37	.00
4355.82	88.40	179.37	2878.06	1756.49	-1756.38	19.46	1756.49	179.37	.00
4455.82	88.40	179.37	2880.86	1856.45	-1856.34	20.57	1856.45	179.37	.00
4555.82	88.40	179.37	2883.65	1956.41	-1956.29	21.68	1956.41	179.37	.00
4655.82	88.40	179.37	2886.44	2056.38	-2056.25	22.78	2056.38	179.37	.00
4755.82	88.40	179.37	2889.23	2156.34	-2156.20	23.89	2156.34	179.37	.00
4855.82	88.40	179.37	2892.02	2256.30	-2256.16	25.00	2256.30	179.37	.00
4955.82	88.40	179.37	2894.82	2356.26	-2356.11	26.11	2356.26	179.37	.00
5055.82	88.40	179.37	2897.61	2456.22	-2456.07	27.21	2456.22	179.37	.00
5155.82	88.40	179.37	2900.40	2556.18	-2556.02	28.32	2556.18	179.37	.00
5255.82	88.40	179.37	2903.19	2656.14	-2655.98	29.43	2656.14	179.37	.00
5355.82	88.40	179.37	2905.98	2756.10	-2755.93	30.54	2756.10	179.37	.00
5455.82	88.40	179.37	2908.78	2856.06	-2855.89	31.64	2856.06	179.37	.00
5555.82	88.40	179.37	2911.57	2956.02	-2955.84	32.75	2956.02	179.37	.00
5655.82	88.40	179.37	2914.36	3055.99	-3055.80	33.86	3055.99	179.37	.00
5755.82	88.40	179.37	2917.15	3155.95	-3155.75	34.97	3155.95	179.37	.00
5855.82	88.40	179.37	2919.95	3255.91	-3255.71	36.07	3255.91	179.37	.00
5955.82	88.40	179.37	2922.74	3355.87	-3355.66	37.18	3355.87	179.37	.00
6055.82	88.40	179.37	2925.53	3455.83	-3455.62	38.29	3455.83	179.37	.00
6155.82	88.40	179.37	2928.32	3555.79	-3555.57	39.40	3555.79	179.37	.00
6255.82	88.40	179.37	2931.11	3655.75	-3655.53	40.50	3655.75	179.37	.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	
6355.82	88.40	179.37	2933.91	3755.71	-3755.48	41.61	3755.71	179.37	.00
6455.82	88.40	179.37	2936.70	3855.67	-3855.44	42.72	3855.67	179.37	.00
6555.82	88.40	179.37	2939.49	3955.63	-3955.39	43.82	3955.63	179.37	.00
6655.82	88.40	179.37	2942.28	4055.60	-4055.35	44.93	4055.60	179.37	.00
6755.82	88.40	179.37	2945.08	4155.56	-4155.30	46.04	4155.56	179.37	.00
6855.82	88.40	179.37	2947.87	4255.52	-4255.26	47.15	4255.52	179.37	.00
6955.82	88.40	179.37	2950.66	4355.48	-4355.21	48.25	4355.48	179.37	.00
7055.82	88.40	179.37	2953.45	4455.44	-4455.17	49.36	4455.44	179.37	.00
7155.82	88.40	179.37	2956.24	4555.40	-4555.12	50.47	4555.40	179.37	.00
PBHL, 88.40°, 7186' MD/ 2957' TVD									
7185.61	88.40	179.37	2957.08	4585.18	-4584.89	50.80	4585.18	179.37	.00

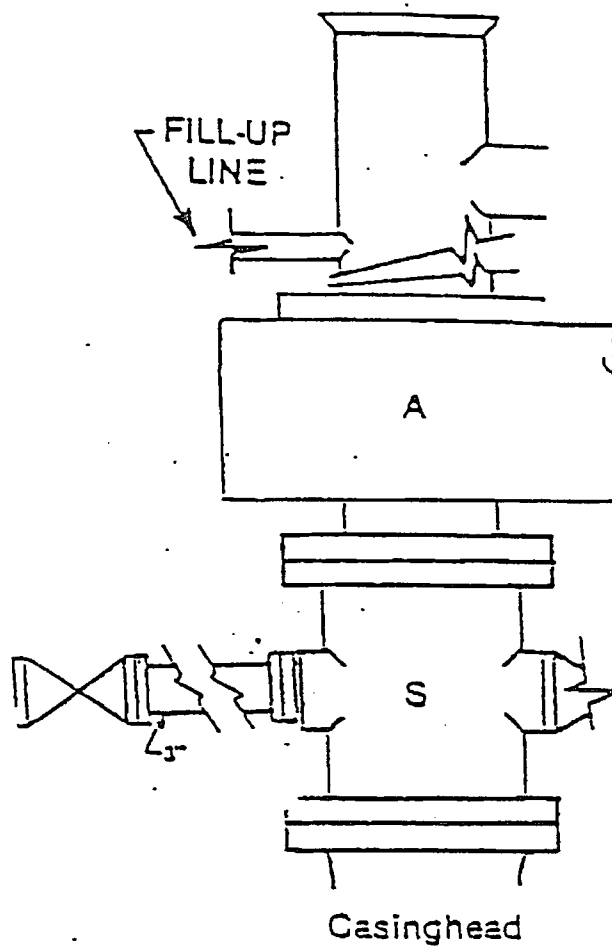


FIGURE K1-1. Recommended LADC Class 2 BOP stack, 2000 psi WP. Either SRd (left) or SA (right) arrangement is acceptable and drilling spool is optional

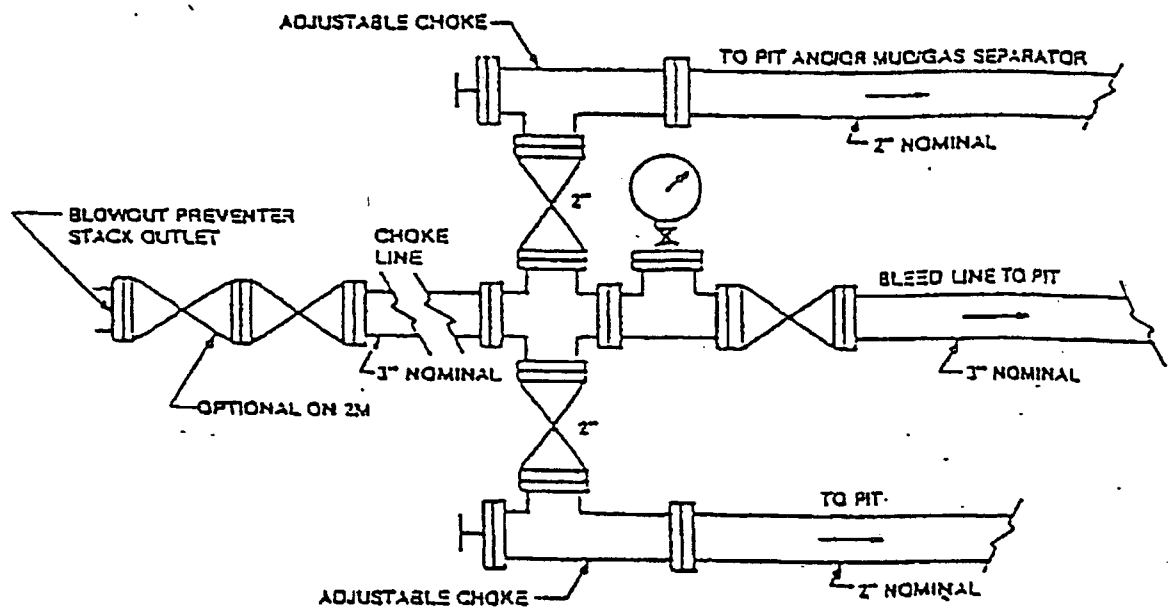
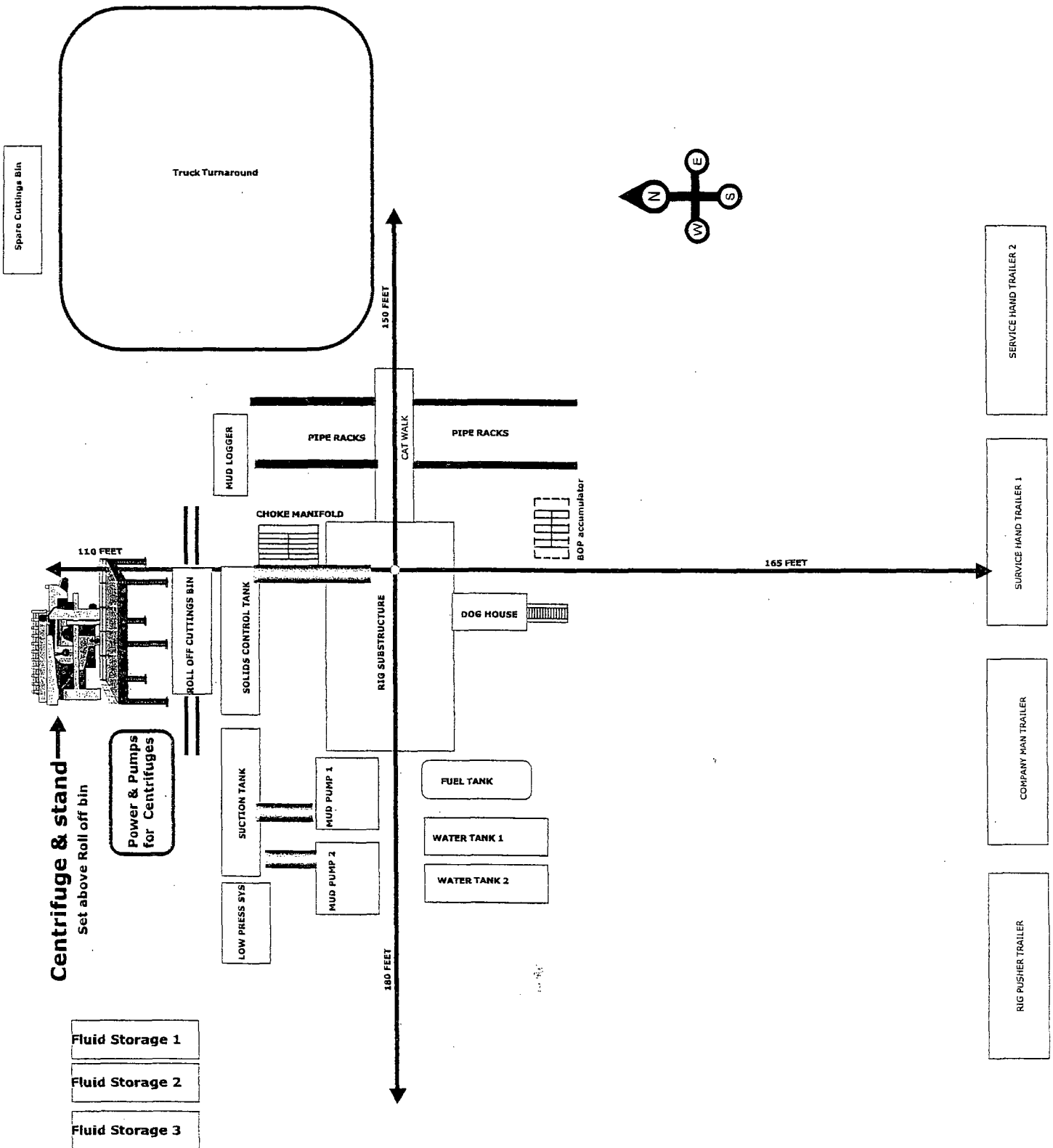


FIGURE K-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

Closed Loop Oil Well Mad River 13 State # 1H



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

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 COMPIANIES LLC. 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.