

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-28992
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other - SWD Well <input checked="" type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator PERCUSSION PETROLEUM OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 919 MILAM ST, SUITE 2475, HOUSTON, TX 77002		7. Lease Name or Unit Agreement Name OSAGE BOYD
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>West</u> line Section <u>15</u> Township <u>19S</u> Range <u>25E</u> NMPM Eddy, County		8. Well Number #008
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3454' GL		9. OGRID Number 371755
		10. Pool name or Wildcat [15472] DAGGER DRAW, UPPER PENN, NORTH - SWD, Cisco Canyon 96186

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: Convert well to SWD <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached daily reports of operations performed

Spud Date: 06/18/1996

Rig Release Date: 7/15/1996

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

SIGNATURE [Signature] TITLE Vice President of Operations DATE 7/7/2018

Type or print name Lelan J Anders E-mail address: Lelan@PercussionPetroleum.com PHONE: 281-908-1752
For State Use Only

APPROVED BY: [Signature] TITLE Geologist DATE 7-9-18
Conditions of Approval (if any):



PERCUSSION
PETROLEUM
LLC

WELLWORK OPERATION SUMMARY

Date:	2018-06-12	API Code:	3001528992	Report#:	2
Well Name:	OSAGE BOYD 15 8	Supervisor:	Jason Shirey		
Field:		State:	NM		
Daily Report:	D/O 500' of CMT while pumping 3.0 bpm and returns @ 3 bpm. Cmt shavings in returns				
Next 24 HR:	Continue milling of CIBP				
Daily Cost:		Cum Cost:			



PERCUSSION
PETROLEUM
LLC

WELLWORK OPERATION SUMMARY

Date:	2018-06-13	API Code:	3001528992	Report#:	3
Well Name:	OSAGE BOYD 15 8		Supervisor:	Jason Shirey	
Field:			State:	NM	
Daily Report:	Tripped to surface for bit change. Swapped to Butterfly Reverse Clutch Mill				
Next 24 HR:	POOH and RIH with Nickel Packer				
Daily Cost:		Cum Cost:			



WELLWORK OPERATION SUMMARY

Date:	2018-06-14		API Code:	3001528992	Report#:	4
Well Name:	OSAGE BOYD 15 8		Supervisor:	Jason Shirey		
Field:			State:	NM		
Daily Report:	Cleaned out to 8060', POOH to Surface. R/U W/L with 3 SPF 120 degree phasing with 24 shots per gun total of 6 guns(7869-7916), POOH and L/D equipment and confirmed all shots fired. RIH with 7" test packer to 7630' loaded backside with 290 bbls of 10# brine. Tested casing to 1000 psi for 15 min with a Great test ending pressure of 1015 psi. Pumped 3500 gallons of Acid with 350 Bio Balls with very little ball action. Shut in overnight for acid.					
Next 24 HR:	Wipe balls from perfs and POOH					
Daily Cost:		Cum Cost:				



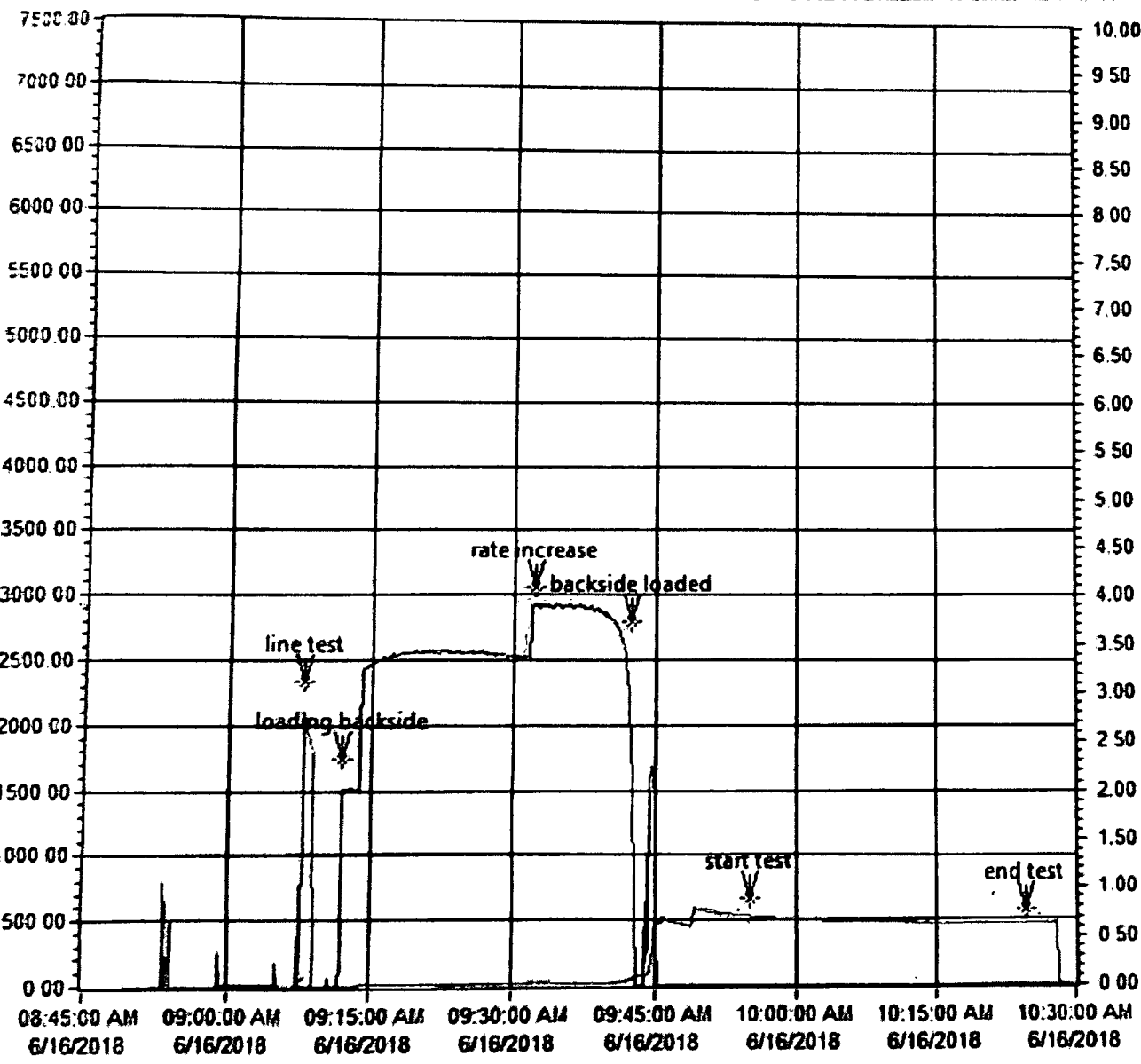
WELLWORK OPERATION SUMMARY




LLC					
Date:	2018-06-15	API Code:	3001528992	Report#:	5
Well Name:	OSAGE BOYD 15 8	Supervisor:	Jason Shirey		
Field:		State:	NM		
Daily Report:	P/U 3.5 IPC Tubing with streamers installed in all connections and RIH to set @ 7650 and push - pull to verify set.				
Next 24 HR:	Packer Test				
Daily Cost:	\$71,100.00	Cum Cost:	\$71,100.00		



WELLWORK OPERATION SUMMARY

Date:	2018-06-16		API Code:	3001528992	Report#:	6
Well Name:	OSAGE BOYD 15 8		Supervisor:	Jason Shirey		
Field:			State:	NM		
Daily Report:	06:00 - RU Elite pumps 09:07 - Pressure test all treatment lines to 2,000 psi 09:11 - Load backside with 106 bbls 09:40 - Pressure backside up to 500 psi & preform 30 min pressure test 10:25 - Bleed down backside & SI 10:37 - SD RDMO					
Next 24 HR:						
Daily Cost:	\$7,730.56	Cum Cost:	\$78,830.56			



STP 
Rate 
Annulus 

Job Event Log

9:07			2248	Test lines/ Backside	.091	
9:11		3.42	15	Loading the backside		
9:31		3.84	17	Increase rate		
9:46			500	Pressure test casing		
9:54			502	Casing pressure test		
10:04			488	10 min		
10:14			480	20 min		
10:24			474	30 min		
10:28				shutdown	107.740	

State of New Mexico
Energy, Minerals and Natural Resources Department

JUL 07 2018

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



RECEIVED

Administrative Order SWD-1717

March 27, 2018

96186 SWD; Cisco-
Canyon

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8(B) NMAC, Percussion Petroleum Operating, LLC (the "operator") seeks an administrative order for its Osage Boyd 15 SWD Well No. 1 ("subject well") with a location of 1980 feet from the North line and 1980 feet from the West line, Unit F of Section 15, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, for the purpose of produced water disposal.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8 (B) NMAC and satisfactory information has been provided that affected parties have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

7682-7827-
new
perf
7869-
1916
IT IS THEREFORE ORDERED THAT:

The applicant, Percussion Petroleum Operating, LLC (OGRID 371755), is hereby authorized to utilize its Osage Boyd 15 SWD Well No. 1 (API 30-015-28992) with a location of 1980 feet from the North line and 1980 feet from the West line, Unit F of Section 15, Township 19 South, Range 25 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) through perforations into an interval consisting of the Cisco and Canyon formations from 7640 feet to 7916 feet. Injection will occur through internally-coated, 3½-inch or smaller tubing with a packer set within 100 feet of the top perforation of the disposal interval.

Sources of the UIC Class II fluids for disposal in the subject well shall be limited to the production from wells operated by Percussion Petroleum Operating, LLC. Sources of UIC Class II fluids from other operators not operated by Percussion Petroleum Operating, LLC shall not be permitted for disposal in the subject well.

The injection authority granted under this order is not transferable except upon approval of the Division Director. The Director shall only approve a change of operator if the conditions regarding the sources of UIC Class II fluids, identified in the preceding paragraph of this order, are maintained by the new operator. If the new operator does not comply with these conditions, then the injection authority granted under this order shall terminate ipso facto. The Division may

require the operator to demonstrate mechanical integrity of this injection well that will be transferred prior to approving transfer of authority to inject.

The operator shall conduct a swab test of the new perforations for hydrocarbon potential analysis of hydrocarbon content. The Division's District office shall be noticed prior to this test and given the opportunity to witness the swab test. The operator shall supply the Division's District office and Santa Fe Engineering Bureau office a Sundry notice with the results of the swab test prior to commencing injection

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the completion and construction of the well as described in the application with the following modifications and, if necessary, as modified by the District Supervisor.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 1528 psi.** The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formations. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well. The operator shall install and maintain a chart recorder showing casing and tubing pressures during disposal operations.

The operator shall notify the supervisor of the Division's District office of the date and time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.


The operator shall notify the supervisor of the Division's District office of the date and

time of the installation of disposal equipment and of any MIT so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this Order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this Order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia District Office
Well File - 30-015-28992