

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018Serial No.
NMNM15291**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2		6. If Indian, Allottee or Tribe Name
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator PERCUSSION PETRO OPERATING LLC Contact: LELAN ANDERS Email: leland@percussionpetroleum.com		8. Well Name and No. HUBER FEDERAL 16H
3a. Address 919 MILAM STREET SUITE 2475 HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 713-429-1291	9. API Well No. 30-015-44720-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T19S R25E SESW 496FSL 1673FWL 32.611099 N Lat, 104.475807 W Lon		10. Field and Pool or Exploratory Area SEVEN RIVERS
		11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Changing the production casing due to new frac designs and ESP limits - see attached revised drill plan.

RECEIVED

AUG 07 2018

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #426678 verified by the BLM Well Information System For PERCUSSION PETRO OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 07/10/2018 (18PP2169SE)	
Name (Printed/Typed) BRIAN WOOD	Title CONSULTANT
Signature (Electronic Submission)	Date 07/09/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Title <u>Petroleum Engineer</u> <u>Carlsbad Field Office</u>	Date <u>JUL 18 2018</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

RUP 8-8-18

Percussion Petroleum Operating, LLC
Huber Federal 16H
SHL 496' FSL & 1673' FWL 34-19S-25E
BHL 20' FSL & 1582' FWL 3-20S-25E
Eddy County, NM

DRILL PLAN PAGE 1
7-7-18

Drilling Program

1. ESTIMATED TOPS (no change)

Formation/Lithology	TVD	MD	Contents
Quaternary caliche	000'	000'	water
Grayburg dolomite	651'	651'	hydrocarbons
San Andres dolomite	836'	836'	hydrocarbons
(KOP	2300'	2300'	hydrocarbons)
Glorieta silty dolomite	2396'	2398'	hydrocarbons
Yeso dolomite	2551'	2564'	hydrocarbons & goal
TD	2857'	8327'	hydrocarbons

2. NOTABLE ZONES (no change)

Yeso is the goal. Closest water well (RA 02958) is $\geq 2188'$ northeast. Depth to water was not recorded in this 450' deep well.

3. PRESSURE CONTROL (no change)

A 3000-psi 5000' rated BOP stack consisting of annular preventer and double (blind and pipe) ram will be used below surface casing to TD. See attached BOP and choke manifold diagrams.

Pressure tests will be conducted before drilling out from under all casing strings. Third party test crews will conduct all tests. All tests will be recorded for 10-minutes on low pressure (500 psi) and 10-minutes on high pressure (3000-psi). After BOP testing is complete, test casing (without test plug) to 2000-psi for 30 minutes. All tests will be charted on a plot. BOPs will be function tested every day.

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DRILL PLAN PAGE 2
 7-7-18

4. CASING & CEMENT (change to tapered string & reduce cement volume)

All casing will be API and new.

Hole O. D.	Set MD	Set TVD	Casing O. D.	Weight (lb/ft)	Grade	Joint	Collapse	Burst	Tension
12.25"	0' - 1286'	0' - 1286'	Surface 9.625"	36	J-55	STC	1.125	1.125	1.8
8.75"	0' - 2575'	0' - 2572'	1 st Product. 7"	32	L-80	BTC	1.125	1.125	1.8
8.75"	2575' - 8327'	2572' - 2857'	2 nd Product. 5.5"	17	L-80	BTC	1.125	1.125	1.8

Casing Name	Type	Sacks	Yield	Cu. Ft.	Weight	Blend
Surface	Lead	640	1.32	845	14.8	Class C + 2% CaCl + ¼ pound per sack celloflake
TOC = GL		100% Excess			centralizers per Onshore Order 2	
Production	Lead	440	1.97	867	12.6	65/65/6 Class C + 6% gel + 5% salt + ¼ #/sack celloflake + 0.2% C41-P
	Tail	1485	1.32	1960	14.8	Class C + 2% CaCl + ¼ pound per sack celloflake
TOC = GL		>50% Excess			1 centralizer on 1 st collar and every 10 th collar to 1200' + 1 inside the surface casing	

5. MUD PROGRAM (no change)

An electronic/mechanical mud monitor with a minimum pit volume totalizer, stroke counter, and flow sensor will be used. All necessary mud products (LCM) will be on site to handle any abnormal hole condition that may be encountered while drilling this well. A closed loop system will be used.

Type	Interval (MD)	lb/gal	Viscosity	Fluid Loss	Plastic Viscosity	Yield Point
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DRILL PLAN PAGE 3
7-7-18

fresh water/gel	0' - 1286'	8.4 - 9.2	36-42	NC	3-5	5-7
fresh water/cut brine	1286' - 2300'	8.3 - 9.2	28-30	NC	1	1
cut brine	2300' - 8327'	8.6 - 9.2	29-32	NC	4-5	6-10

6. CORES, TESTS, & LOGS (no change)

No core or drill stem test is planned.

A mud logger will be used from GL to TD. Samples will be collected every 10' in the lateral pay zone.

No electric logs are planned at this time.

7. DOWN HOLE CONDITIONS (no change)

No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is ≈ 1227 psi. Expected bottom hole temperature is $\approx 113^{\circ}$ F.

A Hydrogen Sulfide Drilling Operation Plan is attached.

8. OTHER INFORMATION (no change)

Anticipated spud date is upon approval. It is expected it will take ≈ 1 month to drill and complete the well.

St. Devote LLC has operating rights in NMNM-125603. St. Devote LLC is a subsidiary of Percussion.