

| <b>District I</b><br>1625 N. French Dr., Hobbs, NM 88240<br>Phone:(575) 393-6161 Fax:(575) 393-0720<br><b>District II</b><br>811 S. First St., Artesia, NM 88210<br>Phone:(575) 748-1283 Fax:(575) 748-9720<br><b>District III</b><br>1000 Rio Brazos Rd., Aztec, NM 87410<br>Phone:(505) 334-6178 Fax:(505) 334-6170<br><b>District IV</b><br>1220 S. St Francis Dr., Santa Fe, NM 87505<br>Phone:(505) 476-3470 Fax:(505) 476-3462  | <b>State of New Mexico</b><br><b>Energy, Minerals and Natural Resources</b><br><b>Oil Conservation Division</b><br><b>1220 S. St Francis Dr.</b><br><b>Santa Fe, NM 87505</b> | Form C-103<br>August 1, 2011<br>Permit 256144<br>WELL API NUMBER<br>30-015-44686<br>5. Indicate Type of Lease<br>F<br>6. State Oil & Gas Lease No.<br><br>7. Lease Name or Unit Agreement Name<br>SOUTH BOYD FEDERAL COM |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
|---|---|--|---|------------------------------|-----------------------------|--------------------------------|--|---|--|---------------------------------------|--|--|--|---|---|---|--|-----------|--------------|------|---|-------|-------|----|-----|---|------|------|------|---|-----|-----|---|---|----------|------|------------|------|---|----|-----|---|------|------|------|---|--|------|-----|---|----------|------|------------|------|-----|----|-----|---|------|------|------|---|--|------|-----|---|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(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.)   |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 1. Type of Well:<br>O   |   | 8. Well Number<br>019H   |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 2. Name of Operator<br>PERCUSSION PETROLEUM OPERATING, LLC  |   | 9. OGRID Number<br>371755  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 3. Address of Operator<br>919 Milam St., Suite 2475, Houston, TX 77002  |   | 10. Pool name or Wildcat   |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 4. Well Location<br>Unit Letter <u>B</u> : <u>499</u> feet from the <u>N</u> line and feet <u>1374</u> from the <u>E</u> line<br>Section <u>34</u> Township <u>19S</u> Range <u>25E</u> NMPM _____ County <u>Eddy</u>   |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3521 GR  |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____   |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data<br><table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>   |   |  | NOTICE OF INTENTION TO:                   |                              | SUBSEQUENT REPORT OF:       |                                | PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTER CASING <input type="checkbox"/> | TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE OF PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |           | Other: _____ |      | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/> |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| NOTICE OF INTENTION TO:   |   | SUBSEQUENT REPORT OF:  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| PERFORM REMEDIAL WORK <input type="checkbox"/>  | PLUG AND ABANDON <input type="checkbox"/>   | REMEDIAL WORK <input type="checkbox"/>   | ALTER CASING <input type="checkbox"/>     |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| TEMPORARILY ABANDON <input type="checkbox"/>  | CHANGE OF PLANS <input type="checkbox"/>  | COMMENCE DRILLING OPNS. <input type="checkbox"/>   | PLUG AND ABANDON <input type="checkbox"/> |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| PULL OR ALTER CASING <input type="checkbox"/>   | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>   |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| Other: _____  |   | Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.<br>Spudded well <u>6/26/2018</u> Spudded well.   |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| <b>Casing and Cement Program</b><br><table border="1" style="width:100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>06/28/18</td> <td>Surf</td> <td>FreshWater</td> <td>12.25</td> <td>9.625</td> <td>36</td> <td>J55</td> <td>0</td> <td>1267</td> <td>1151</td> <td>1.85</td> <td>C</td> <td>120</td> <td>600</td> <td>0</td> <td>N</td> </tr> <tr> <td>07/05/18</td> <td>Prod</td> <td>FreshWater</td> <td>8.75</td> <td>7</td> <td>32</td> <td>L80</td> <td>0</td> <td>2642</td> <td>1965</td> <td>1.98</td> <td>C</td> <td></td> <td>7000</td> <td>100</td> <td>N</td> </tr> <tr> <td>07/05/18</td> <td>Prod</td> <td>FreshWater</td> <td>8.75</td> <td>5.5</td> <td>17</td> <td>L80</td> <td>0</td> <td>8368</td> <td>1965</td> <td>1.98</td> <td>C</td> <td></td> <td>7000</td> <td>100</td> <td>N</td> </tr> </tbody> </table> |   |  | Date                                      | String                       | Fluid Type                  | Hole Size                      | Csg Size                                       | Weight lb/ft                              | Grade                                  | Est TOC                               | Dpth Set                                     | Sacks                                    | Yield  | Class                                     | 1" Dpth                                       | Pres Held                               | Pres Drop                                  | Open Hole | 06/28/18     | Surf | FreshWater  | 12.25 | 9.625 | 36 | J55 | 0 | 1267 | 1151 | 1.85 | C | 120 | 600 | 0 | N | 07/05/18 | Prod | FreshWater | 8.75 | 7 | 32 | L80 | 0 | 2642 | 1965 | 1.98 | C |  | 7000 | 100 | N | 07/05/18 | Prod | FreshWater | 8.75 | 5.5 | 17 | L80 | 0 | 8368 | 1965 | 1.98 | C |  | 7000 | 100 | N |
| Date  | String  | Fluid Type   | Hole Size                                 | Csg Size                     | Weight lb/ft                | Grade                          | Est TOC  | Dpth Set                                  | Sacks                                  | Yield                                 | Class  | 1" Dpth                                  | Pres Held  | Pres Drop                                 | Open Hole                                     |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 06/28/18  | Surf  | FreshWater   | 12.25                                     | 9.625                        | 36                          | J55                            | 0  | 1267                                      | 1151                                   | 1.85                                  | C  | 120                                      | 600  | 0   | N   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 07/05/18  | Prod  | FreshWater   | 8.75                                      | 7                            | 32                          | L80                            | 0  | 2642                                      | 1965                                   | 1.98                                  | C  |  | 7000   | 100                                       | N   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| 07/05/18  | Prod  | FreshWater   | 8.75                                      | 5.5                          | 17                          | L80                            | 0  | 8368                                      | 1965                                   | 1.98                                  | C  |  | 7000   | 100                                       | N   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .   |   |  |   |                              |                             |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| <table style="width:100%;"> <tr> <td>SIGNATURE</td> <td><u>Electronically Signed</u></td> <td>TITLE</td> <td><u>Chief Operating Officer</u></td> <td>DATE</td> <td><u>8/16/2018</u></td> </tr> <tr> <td>Type or print name</td> <td><u>Lupe Carrillo</u></td> <td>E-mail address</td> <td><u>Lupe@percussionpetroleum.com</u></td> <td>Telephone No.</td> <td><u>713-589-9509</u></td> </tr> </table>   |   |  | SIGNATURE                                 | <u>Electronically Signed</u> | TITLE                       | <u>Chief Operating Officer</u> | DATE   | <u>8/16/2018</u>                          | Type or print name                     | <u>Lupe Carrillo</u>                  | E-mail address                               | <u>Lupe@percussionpetroleum.com</u>      | Telephone No.                                    | <u>713-589-9509</u>                       |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| SIGNATURE   | <u>Electronically Signed</u>  | TITLE  | <u>Chief Operating Officer</u>            | DATE                         | <u>8/16/2018</u>            |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| Type or print name  | <u>Lupe Carrillo</u>  | E-mail address   | <u>Lupe@percussionpetroleum.com</u>       | Telephone No.                | <u>713-589-9509</u>         |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| <b>For State Use Only:</b><br><table style="width:100%;"> <tr> <td>APPROVED BY:</td> <td><u>Raymond Podany</u></td> <td>TITLE</td> <td><u>Geologist</u></td> <td>DATE</td> <td><u>8/23/2018 8:10:32 AM</u></td> </tr> </table>  |   |  | APPROVED BY:                              | <u>Raymond Podany</u>        | TITLE                       | <u>Geologist</u>               | DATE   | <u>8/23/2018 8:10:32 AM</u>               |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |
| APPROVED BY:  | <u>Raymond Podany</u>   | TITLE  | <u>Geologist</u>                          | DATE                         | <u>8/23/2018 8:10:32 AM</u> |                                |  |   |  |                                       |  |  |  |   |   |   |  |           |              |      |   |       |       |    |     |   |      |      |      |   |     |     |   |   |          |      |            |      |   |    |     |   |      |      |      |   |  |      |     |   |          |      |            |      |     |    |     |   |      |      |      |   |  |      |     |   |

**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**

Comments  
  
 Permit 256144

**DRILLING COMMENTS**

|  |                          |
|--|--------------------------|
| Operator:<br>PERCUSSION PETROLEUM OPERATING, LLC<br>919 Milam St.<br>Houston, TX 77002 | OGRID:<br>371755         |
|  | Permit Number:<br>256144 |
|  | Permit Type:<br>Drilling |

**Comments**

| Created By  | Comment   | Comment Date |
|-------------|---|--------------|
| lelananders | 6/26/18: Spud well  | 8/16/2018    |
| lelananders | 6/28/18: Cement 9-5/8" surface casing string w/ 615 sx (290 sx 12.8 ppg, 325 sx 14.8 ppg). No cement to surface. Rig up 1" tubing and tag @ 120'. Pump 536 sx, 167 sx circulated to surface | 8/16/2018    |
| lelananders | 6/28/18: Pressure test 9-5/8" surface casing to 600 psi for 30 minutes, lost 0 psi, good test   | 8/16/2018    |
| lelananders | 7/5/18: Cement 5.5" x 7" tapered production casing w/ 1965 sx (180 sx 12.6 ppg, 1785 sx 14.8 ppg)   | 8/16/2018    |
| lelananders | 7/14/18: Pressure test 5.5" x 7" tapered production casing to 7000 psi for 30 minutes, lost 100 psi, good test  | 8/16/2018    |