

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

Hobbs

HOBBS OCB

SUBMIT IN TRIPLICATE - Other instructions on page 2

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RECEIVED

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|---|
| 5. Lease Serial No. NMLC057210 |
| 6. If Indian, Allottee or Tribe Name |
| 7. If Unit or CA/Agreement, Name and/or No. |
| 8. Well Name and No. PEARSALL FEDERAL SWD 1 |
| 9. API Well No. 30-025-40712 |
| 10. Field and Pool or Exploratory Area 96135 |
| 11. County or Parish, State LEA COUNTY, NM |

| | |
|---|---|
| 1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION | |
| 2. Name of Operator PERCUSSION PETROLEUM OPERATING, LLC Contact: LUPE CARRILLO Email: Lupe@percussionpetroleum.com | |
| 3a. Address 919 MILAM STREET SUITE 2475 HOUSTON, TX 77002 | 3b. Phone No. (include area code) Ph: 713-589-9509 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 28 T17S R32E SWNW 2303FNL 1260FWL | |

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 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 checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Successor of Operator |
| | <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.

Notification of Change of Operator effective Feb 12, 2018

New Operator:
Percussion Petroleum, Operating, LLC (OGRID# 371755)
919 Milam Street, Ste 2475
Houston, Texas 77002

Old Operator:
Cimarex Energy Co. of Colorado (OGRID# 162683)
202 S Cheyenne Ave, Ste 1000
Tulsa, OK 74103

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

| | |
|--|---|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #440569 verified by the BLM Well Information System For PERCUSSION PETROLEUM OPERATING, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 10/22/2018 () | |
| Name (Printed/Typed) DAVID HARSELL | Title CONSULTANT |
| Signature (Electronic Submission) | Date 10/20/2018 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved By _____ | Title _____ Date DEC 18 2018 |
| 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. | Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE |
| 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #440569 that would not fit on the form

32. Additional remarks, continued

Percussion Petroleum, Operating, LLC is the new Operator for the list of wells noted below formerly operated by Cimarex Energy Co.

Percussion Petroleum, Operating, LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased lands.

| Asset Name | API Code | ULSTR | Lease | County |
|--------------------------|------------|--------------|------------|--------|
| PEARSALL FEDERAL 1 (SWD) | 3002540712 | E-28-17S-32E | NMLC057210 | Lea |

SWD Permit# 1320

**Change of Operator
Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

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