

NSL-7758

Revised March 23, 2017

RECEIVED: 6/22/18	REVIEWER: LRL	TYPE: NSL	APP NO: 371755
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

PLEL1817356765

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Percussion Petroleum Operating, LLC	OGRID Number: 371755
Well Name: South Boyd 27 No. 23 Well	API: PENDING
Pool: Glorieta-Yeso Pool	Pool Code: 97565

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adam G. Rankin

 Print or Type Name

 Signature

June 22, 2018

 Date

505-988-4421

 Phone Number

agrarkin@hollandhart.com

 e-mail Address

HOLLAND & HART^{LLP}



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRRankin@hollandhart.com

June 22, 2018

JUN 22 2018 4:05:44

VIA HAND DELIVERY

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd 27 No. 23 Well in the NE/4 NW/4 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Dear Ms. Riley:

Percussion Petroleum Operating, LLC ("Percussion") (OGRID 371755) seeks administrative approval of an unorthodox location for its **South Boyd 27 No. 23 Well** (API No pending) to be completed in the N. Seven Rivers; Glorieta-Yeso (Pool Code 97565) underlying Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. This is a vertical well that will be drilled from a surface location 166 feet from the north line and 2,435 feet from the west line (Unit C) of Section 27. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it encroaches on the northern, northeastern, and eastern boundaries of the spacing unit.

The purpose for the unorthodox location is for engineering reasons and approval will allow Percussion to use their preferred well spacing plan in this area and thereby prevent waste.

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☐

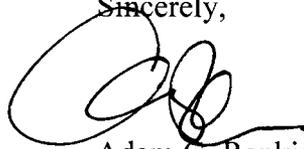
Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **South Boyd 27 No. 23 Well** encroaches on the spacing and proration units to the north, northeast, and east.

Exhibit B is a land plat for Section 27 and the surrounding sections that shows the **South Boyd 27 No. 23 Well** in relation to the adjoining units and existing wells.

Exhibit C is a list of the parties affected by Percussion's request for an unorthodox location. Each of these parties has been provided a copy of this application and all attachments by certified mail and has been advised that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives this application. A copy of this application has been provided to the State Land Office.

Your attention to this application is appreciated.

Sincerely,



Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

HOLLAND & HART^{LLP}



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRankin@hollandhart.com

June 22, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd 27 No. 23 Well in the NE/4 NW/4 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

Ladies and Gentleman:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Mike Gilmore
Percussion Petroleum Operating, LLC
mike@percussionpetroleum.com

Sincerely,

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

Holland & Hart^{LLP}

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏

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) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

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
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name SOUTH BOYD 27	Well Number 23
OGRID No.	Operator Name PERCUSSION PETROLEUM, LLC	Elevation 3458'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
C	27	19 S	25 E		166	NORTH	2435	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

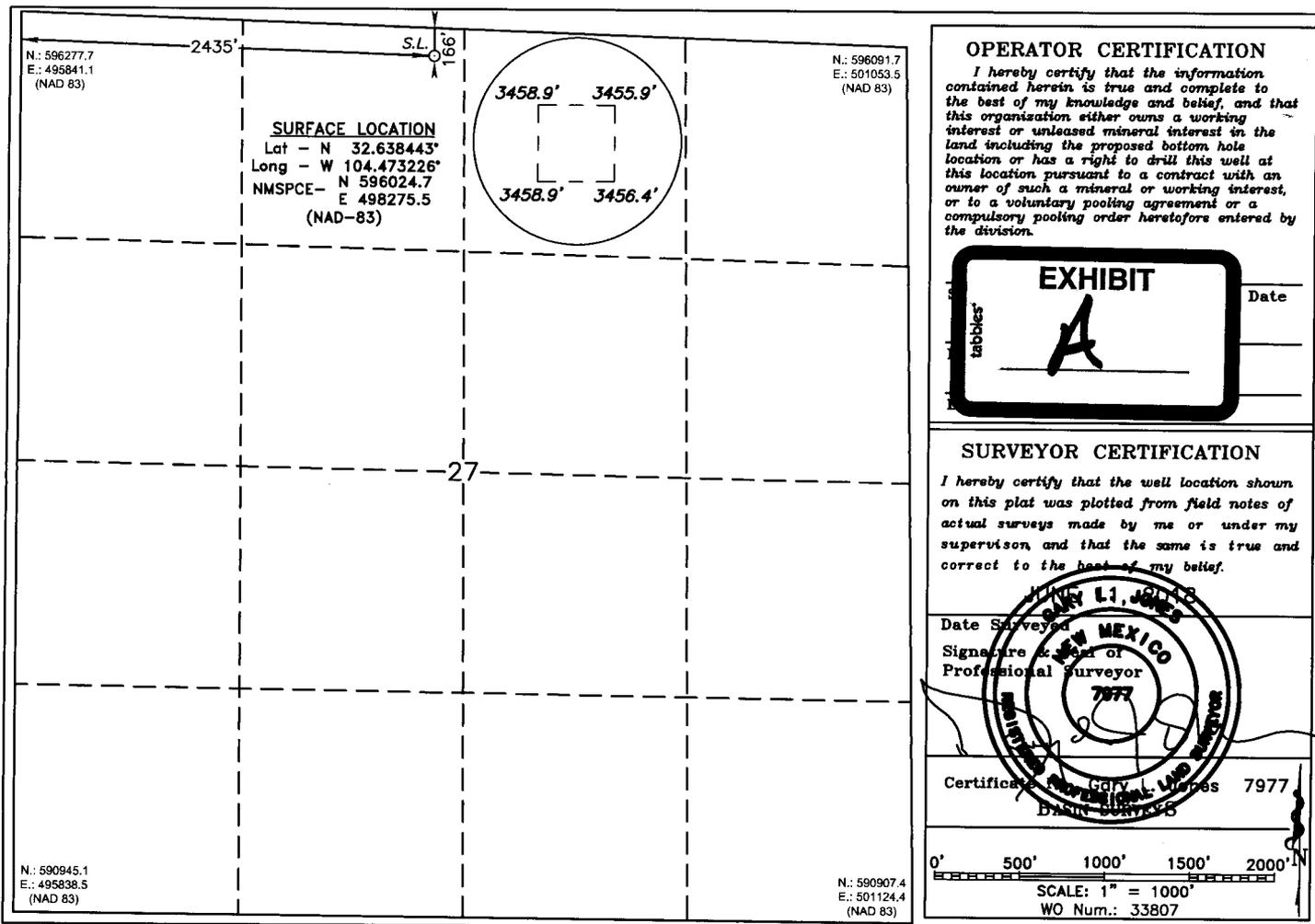


Exhibit C

Tract 1

EOG-Y Resources, Inc.
105 South Fourth Street
Artesia, NM 88210-2177

First Roswell Company
P.O. Box 1797
Roswell, NM 88202-1797

Tract 2

1 Timothy 6, LLC
P.O. Box 30598
Edmond, OK 73025

Maduro Oil & Gas, LLC
3102 Maple Avenue, Suite 400
Dallas, TX 75201

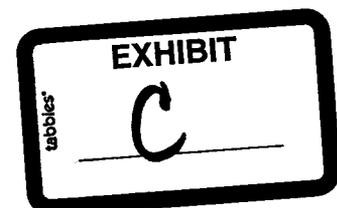
EOG Resources Assets LLC
1111 Bagby, Sky Lobby 2
Houston, TX 77002-2551

Tulipan LLC
428 Sandoval, Suite 200
Sante Fe, NM 87501

Marigold LLLP
P.O. Box 1290
Artesia, NM 88211-1290

Tract 3

St. Devote LLC
919 Milan Suite 2475
Houston, TX 77002





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Percussion South A Boyd 23 WED
CM# *100391* 20180622
SLO *.0001*

Shipment Date: 06/19/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 9699 26



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Percussion - South Boyd 23 Well
CM# 100391.0001 20180622
Notice List

Shipment Date: 06/19/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	8
Total	8

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 9699 71



Firm Mailing Book For Accountable Mail

Name and Address of Sender

Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service

- Adult Signature Required
- Adult Signature Restricted Delivery
- Certified Mail
- Certified Mail Restricted Delivery
- Collect on Delivery (COD)
- Insured Mail
- Priority Mail
- Priority Mail Express
- Registered Mail
- Return Receipt for Merchandise
- Signature Confirmation
- Signature Confirmation Restricted Delivery

Affix Stamp Here
(if issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

USPS Tracking/Article Number	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SH Fee				
1. 9214 8901 9403 8307 1120 40	1.63	3.45								1.50						
Addresssee (Name, Street, City, State, & ZIP Code™) EOG Y RESOURCES INC 105 SOUTH FOURTH STREET ARTESIA NM 88210																
2. 9214 8901 9403 8307 1120 57	1.63	3.45								1.50						
FIRST ROSWELL COMPANY PO BOX 1797 ROSWELL NM 88202																
3. 9214 8901 9403 8307 1120 64	1.63	3.45								1.50						
1 TIMOTHY G LLC PO BOX 30598 EDMOND OK 73025																
4. 9214 8901 9403 8307 1120 71	1.63	3.45								1.50						
MADURO OIL & GAS LLC 3102 MAPLE AVENUE SUITE 400 DALLAS TX 75201																
5. 9214 8901 9403 8307 1120 88	1.63	3.45								1.50						
EOG RESOURCES ASSETS LLC 1111 BAGBY SKY LOBBY 2 HOUSTON TX 77002																
6. 9214 8901 9403 8307 1120 95	1.63	3.45								1.50						
TULIPAN LLC 428 SANDOVAL SUITE 200 SANTA FE NM 87501																
7. 9214 8901 9403 8307 1121 01	1.63	3.45								1.50						
MARIGOLD LLLP PO BOX 1290 ARTESIA NM 88211																
8. 9214 8901 9403 8307 1121 18	1.63	3.45								1.50						
ST DEVOTE LLC 919 MILAM SUITE 2475 HOUSTON TX 77002																
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Total Number of Pieces Listed by Sender</td> <td style="width: 50%;">Total Number of Pieces Received at Post Office</td> </tr> <tr> <td style="text-align: center;">8</td> <td style="text-align: center;">8</td> </tr> </table>													Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	8	8
Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office															
8	8															

Postmaster, Per (Name of receiving employee)

APPLICATION PROTESTED

Applicant: Percussion Petroleum Operating, LLC

Application Type: NSL

Well Name: South Boyd 27 No 23 API: 30-0 15-
pending

Protestant: EOGY Resources, Inc.

Date Protest Received: 7/17/2018

↳ 30 days = 8/16/18

Notification of Applicant: 7/18/18

Resolution: waiting still 9.5.18 / 9.11.18 Protest removed to process as timely allowed.

Copy to Case Handler:

Lowe, Leonard, EMNRD

From: Gary Larson <glarson@hinklelawfirm.com>
Sent: Wednesday, September 12, 2018 11:59 AM
To: Lowe, Leonard, EMNRD
Cc: Adam Rankin
Subject: RE: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location
Attachments: 2018-09-11_Letter to H. Riley - Withdrawal of Objection to Percussion Petroleum Application.pdf

Leonard,

EOG Y Resources has withdrawn its objection to the Percussion Petroleum Operating application.

Attached is my letter to Director Riley addressing EOG's withdrawal of its objection. The letter was hand delivered to her yesterday afternoon.

Gary

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Wednesday, September 5, 2018 2:06 PM
To: Adam Rankin <AGRankin@hollandhart.com>
Cc: Gary Larson <glarson@hinklelawfirm.com>
Subject: RE: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location
Importance: High

What is the status of this protest?

From: Lowe, Leonard, EMNRD
Sent: Wednesday, July 18, 2018 10:10 AM
To: 'Adam Rankin' <AGRankin@hollandhart.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; Dawson, Scott, EMNRD <Scott.Dawson@state.nm.us>
Subject: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location
Importance: High

RE: Percussion Petroleum Operating, LLC
South Boyd 27 Well No. 23 (API # 30-015-PENDING)
Located in: Sec 27 T19S, R25E, NMPM

Mr. Adam G. Rankin,



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Gary W. Larson,
Partner
glarson@hinklelawfirm.com

September 11, 2018

VIA HAND DELIVERY:

Heather Riley
Division Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Withdrawal of Objection to Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd 27 No. 23 Well in the NE/4 NW/4 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico

Dear Ms. Riley:

On behalf of EOG Y Resources, Inc. ("EOG"), this is to withdraw EOG's objection to the above-referenced application submitted by Percussion Petroleum Operating, LLC. I submitted EOG's objection to you on July 17, 2018.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

cc: (via email): Leonard Lowe
Adam G. Rankin

Lowe, Leonard, EMNRD

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Wednesday, September 5, 2018 2:47 PM
To: Lowe, Leonard, EMNRD
Cc: Gary Larson; Jordan L. Kessler; Michael Feldewert
Subject: RE: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location

Leonard,

We had to step out because we have a conflict with EOG. I will forward your email to Percussion. I am not sure of the status, but perhaps Gary can advise you.

All best,
Adam

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Wednesday, September 5, 2018 2:06 PM
To: Adam Rankin <AGRankin@hollandhart.com>
Cc: Gary Larson <glarson@hinklelawfirm.com>
Subject: RE: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location
Importance: High

What is the status of this protest?

From: Lowe, Leonard, EMNRD
Sent: Wednesday, July 18, 2018 10:10 AM
To: 'Adam Rankin' <AGRankin@hollandhart.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>; McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; Dawson, Scott, EMNRD <Scott.Dawson@state.nm.us>
Subject: Protested Application: Percussion Petroleum Operating, LLC _South Boyd 27 Well No. 23_Eddy County_Non-Standard Location
Importance: High

RE: Percussion Petroleum Operating, LLC
South Boyd 27 Well No. 23 (API # 30-015-PENDING)
Located in: Sec 27 T19S, R25E, NMPM

Mr. Adam G. Rankin,

OCD was notified that **EOG Y Resources, Inc.** is protesting this application for approval for a Non Standard Location. This party is identified as an affected person for the location. Therefore, you are being notified that if Percussion Petroleum Operating, LLC wishes for this application to be considered, it must either go to hearing or may be reviewed administratively if the protest is withdrawn as a result of a negotiated resolution with this party. The application will be retained by OCD, but suspended from further administrative review.

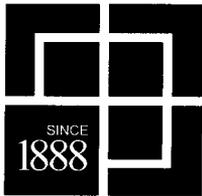
Please contact OCD once you have made a decision regarding the application within the next 30 days. If the protest remains after 30 days, OCD will discard the application. Please call/e-mail me with any questions regarding this matter.

Contact Information:

Gary W. Larson
Attorney
P.O. Box 2068
Santa Fe, N.M. 87504
505-982-4554

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Gary W. Larson,
Partner
glarson@hinklelawfirm.com

July 17, 2018

VIA HAND DELIVERY:

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Objection to Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd 27 No. 23 Well in the NE/4 NW/4 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico

Dear Ms. Riley:

On behalf of EOG Y Resources, Inc., this is to object to the above-referenced application submitted by Percussion Petroleum Operating, LLC.

EOG Y Resources owns an interest in a tract offset to the unorthodox well location proposed by Percussion Petroleum Operating. EOG Y Resources believes that its correlative rights will be adversely affected if the unorthodox well location is approved.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

cc: (via email): Adam G. Rankin

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, September 14, 2018 4:39 PM
To: 'Adam Rankin'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'rjsanche@blm.gov'
Subject: NSL-7758_South Boyd 27 Well No. 23_SEC 27 19S 25E
Importance: High

Mr. Adam Rankin,

The following Administrative Order has been issued.

NSL-7758
Percussion Petroleum Operating, LLC
South Boyd 27 Well No. 23
API No. 30-015-PENDING

The Order will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>