

RECEIVED: 2/26/18	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1805843115
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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:** Morris Boyd State Com No. 3H Well (SEC 23 19S 25E)**API:** Pending 015- 44732**Pool:** N. Seven Rivers Glorieta Yeso Pool SEC 26 Project**Pool Code:** 97565

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

NSL-7663

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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐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

February 26, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address

February 26, 2018

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

FEB 26 2018 PM 04:21

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its Morris Boyd State Com No. 3H Well in the W/2 W/2 of Section 26, 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 **Morris Boyd State Com No. 3H Well** (API number pending) to be completed in the N. Seven Rivers Glorieta Yeso Pool (Pool Code 97565) underlying Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. This well will be drilled from a surface location 555 feet from the south line, 675 feet from the west line (Unit M) of Section 23. The upper most perforation will be located 100 feet from the north line, 960 feet from the west line (Unit D) of Section 26 and the lower most perforation will be 330 feet from the south line, 960 feet from the west line (Unit M) of Section 26. 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 and northeastern boundaries of the project area.

The S/2 SW/4 of Section 23 will be developed by the Goodman 22 Nos. 5H and 7H wells (currently permitted). Approval of the unorthodox completed interval will allow Percussion to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

HOLLAND & HART LLP



Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Morris Boyd State Com No. 3H Well** encroaches on the spacing and proration units to the north and northeast.

Exhibit B is a land plat for Section 26 and the surrounding sections that shows the **Morris Boyd State Com No. 3H 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,

Michael H. Feldewert
**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148
9214890194038304590919

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name MORRIS BOYD STATE COM	Well Number 3H
OGRID No.	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3439'

Surface Location

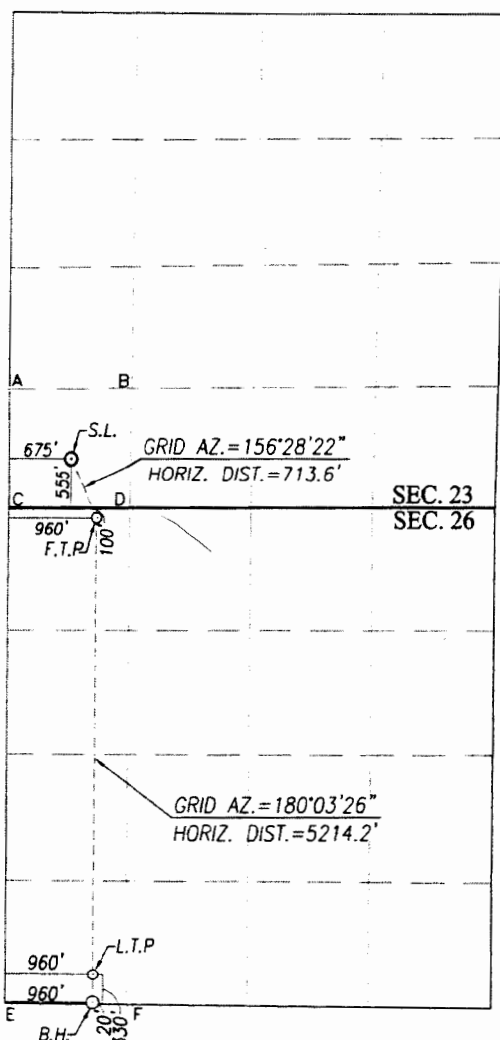
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	19-S	25-E		555	SOUTH	675	WEST	EDDY

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
M	26	19-S	25-E		20	SOUTH	960	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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



SCALE: 1"=2000'

GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 596791.9 N X= 501764.1 E LAT.=32.640563° N LONG.=104.461896° W FIRST TAKE POINT NAD 83 NME Y= 596137.8 N X= 502048.8 E LAT.=32.638766° N LONG.=104.460968° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 596730.8 N X= 460585.5 E LAT.=32.640450° N LONG.=104.461377° W FIRST TAKE POINT NAD 27 NME Y= 596076.8 N X= 460870.3 E LAT.=32.638653° N LONG.=104.460449° W
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CORNER COORDINATES TABLE

NAD 27 NME

A - Y= 597482.1 N, X= 459910.8 E
B - Y= 597491.9 N, X= 461249.0 E
C - Y= 596174.3 N, X= 459910.7 E
D - Y= 496177.7 N, X= 461236.7 E
E - Y= 590853.3 N, X= 459905.3 E
F - Y= 590840.5 N, X= 461230.8 E

CORNER COORDINATES TABLE

NAD 83 NME

A - Y= 597543.2 N, X= 501089.3 E
B - Y= 597553.0 N, X= 502427.5 E
C - Y= 596235.3 N, X= 501089.2 E
D - Y= 596238.7 N, X= 502415.2 E
E - Y= 590914.1 N, X= 501083.9 E
F - Y= 590901.3 N, X= 502409.4 E

LAST TAKE POINT NAD 83 NME Y= 591234.8 N X= 502044.0 E LAT.=32.625290° N LONG.=104.460965° W	LAST TAKE POINT NAD 27 NME Y= 591173.9 N X= 460865.4 E LAT.=32.625176° N LONG.=104.460446° W
BOTTOM HOLE LOCATION NAD 83 NME Y= 590924.8 N X= 502043.6 E LAT.=32.624438° N LONG.=104.460965° W	BOTTOM HOLE LOCATION NAD 27 NME Y= 590864.0 N X= 460865.1 E LAT.=32.624324° N LONG.=104.460446° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unEDDYsed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Printed Name

E-mail Address

EXHIBIT

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 16, 2018

Date of Survey
Signature & Seal of Professional Surveyor:

RONALD J. EIDSON
REGISTERED PROFESSIONAL SURVEYOR
3239
Certificate Number: Gary G. Eidson 12641
Ronald J. Eidson 3239

ACK REV:1/26/18 REL W.O.:17110925 JWSC W.O.:18.11.0063



EXHIBIT

B

EXHIBIT C

TRACT 1 (Parino 23M Fee #001, SWSW Sec 23-19S-25E)
TRACT 2 (SESW Sec 23-19S-25E)

ST. DEVOTE
919 MILAM, SUITE 2475
HOUSTON, TX 77002
9214890194038304590926



HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources - Oil
and Gas Law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

February 26, 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 Morris Boyd State Com No. 3H Well in the W/2 W/2 of Section 26, 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:

Josh Grisham
Percussion Petroleum Operating, LLC
(713) 589-2337
josh@percussionpetroleum.com

Sincerely,

for Michael H. Feldewert
**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. ☎

From: [Lowe, Leonard, EMNRD](#)
To: ["Adam Rankin"](#)
Cc: [Lisa Lemon](#); [Martin, Ed](#); [Holm, Anchor E.](#); [Mike Bratcher \(mike.bratcher@state.nm.us\)](#); [Cordero, Gilbert, EMNRD](#); [Jones, William V, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); [Dawson, Scott, EMNRD](#)
Subject: Approved NSL-7662, 7663, 7664, 7665_Percussion Petroleum Operating, LLC_MORRIS BOYD STATE COM WELL NO. (2H, 3H, 4H, 5H)_ SEC 26 19S 25E
Date: Friday, April 13, 2018 12:10:00 PM
Importance: High

Mr. Adam G. Rankin,

The following administrative orders have been issued and will soon be available on the Division's web site.

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Applicant: Percussion Petroleum Operating, LLC [371755]

NSL-7662, WELL: Morris Boyd State Com Well No. 2H, [API #: 30-015-44670]

NSL-7663, WELL: Morris Boyd State Com Well No. 3H, [API #: 30-015-44732]

NSL-7664, WELL: Morris Boyd State Com Well No. 4H, [API #: 30-015-44741]

NSL-7665, WELL: Morris Boyd State Com Well No. 5H, [API #: 30-015-44748]

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/>