

NSL-7699

Revised March 23, 2017

DMA 18096 37594

RECEIVED: 04/05/2018	REVIEWER: LRL	TYPE: NSL	APP NO: APR 05 2018 PM04:38
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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:** South Boyd Federal Com No. 16H Well**API:** Pending 015-44883**Pool:** N. Seven Rivers 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 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

April 5, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address



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

April 5, 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

APR 05 2018 PM 04:38

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd Federal Com No. 16H Well in the E/2 E/2 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 Federal Com No. 16H Well** (API number pending) to be completed in the N. Seven Rivers Glorieta Yeso Pool (Pool Code 97565) underlying Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. This well will be drilled from a surface location 340 feet from the north line, 934 feet from the east line (Unit A) of Section 34. The upper most perforation will be located 330 feet from the south line, 983 feet from the east line (Unit P) of Section 27 and the lower most perforation will be located 100 feet from the north line, 983 feet from the east line (Unit A) 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 and northwestern boundaries of the project area.

The purpose for the unorthodox location is for engineering reasons and approval will allow Percussion to use their preferred well spacing plan for horizontal wells 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 Federal Com No. 16H Well** encroaches on the spacing and proration units to the north and northwest.

Exhibit B is a land plat for Section 27 and the surrounding sections that shows the **South Boyd Federal Com No. 16H 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 Bureau of Land Management–Carlsbad District Office.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adam G. Rankin', with a large, stylized initial 'A'.

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

cc: Bureau of Land Management–Carlsbad District Office
620 E. Greene Street
Carlsbad, NM 88220

EXHIBIT C

TRACT 1 (B&B 22 #11, SESE Sec 22-19S-25E)

TRACT 2 (B&B 22 #10, SWSE Sec 22-19S-25E)

YATES INDUSTRIES LLC
104 SOUTH FOURTH STREET
ARTESIA, NM 88210

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



DISTRICT I
1825 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) 745-1553 Fax: (575) 745-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 354-6178 Fax: (505) 354-6170
DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

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	Well Number
	SOUTH BOYD FEDERAL COM	16H
OGRID No.	Operator Name	Elevation
	PERCUSSION PETROLEUM OPERATING, LLC	3515'

Surface Location

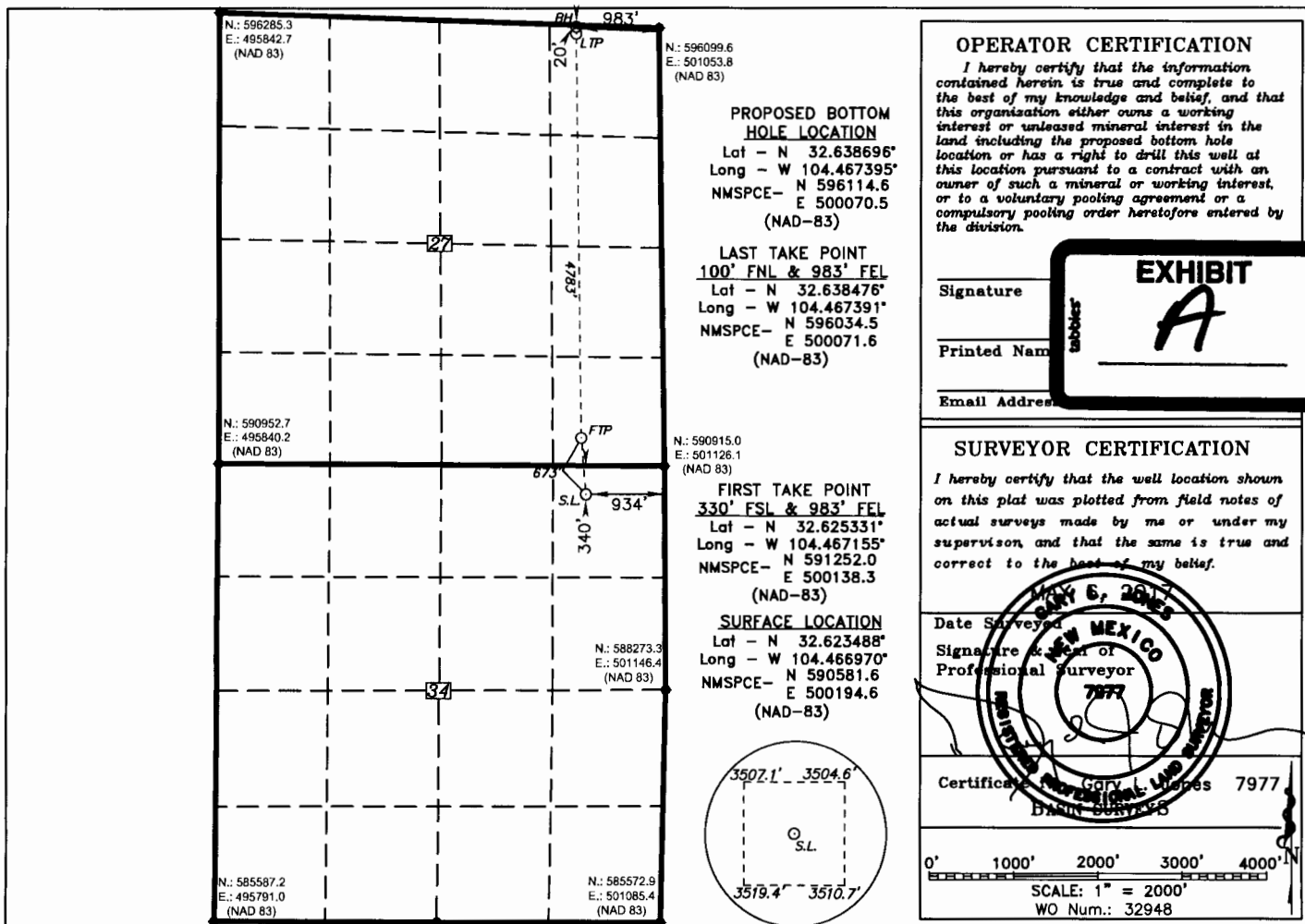
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	25 E		340	NORTH	934	EAST	EDDY

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
A	27	19 S	25 E		20	NORTH	983	EAST	EDDY

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







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.

South Boyd Federal Com No. 16H Well
CM# 100391.0001 Percussion
Petroleum

Shipment Date: 04/05/2018

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	4
Total	4

*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 0007 8869 10



Firm Mailing Book For Accountable Mail

[illegible]



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.

NSL - Admin App - South Boyd Federal Com
No. 16H Well (BLM) - CM# 100391.0001 Percussion

Shipment Date: 04/05/2018

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 0007 8869 65



Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Priority Mail <input type="checkbox"/> Restricted Delivery	Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	1. 9214 8901 9403 8305 3581 05	BUREAU OF LAND MANAGEMENT - CARLSBAD 620 E GREENE ST CARLSBAD NM 88220-6292	
Total Number of Pieces Listed by Sender 1	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)	



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

April 5, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

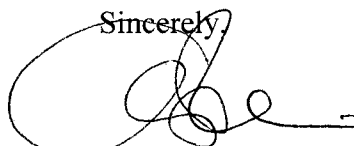
Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its South Boyd Federal Com No. 16H Well in the E/2 E/2 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

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:

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

McMillan, Michael, EMNRD

From: Adam Rankin <AGRankin@hollandhart.com>
Sent: Tuesday, May 1, 2018 9:08 AM
To: McMillan, Michael, EMNRD
Cc: Klein, Ranell, EMNRD; Lowe, Leonard, EMNRD; Mike Gilmore
Subject: RE: Percussion Petroleum Operating, LLC South Boyd Federal Com Well No. 16H

Mike,

Percussion originally platted the well location at 993 FEL when it submitted the APD to the BLM, but then moved the location to 983 FEL to keep the well at an orthodox location. Percussion will file an as-drilled C-102 once the well is drilled, but the correct location is 983 FEL.

Thank you!

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Tuesday, May 1, 2018 8:21 AM
To: Adam Rankin <AGRankin@hollandhart.com>
Cc: Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>; Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: Percussion Petroleum Operating, LLC South Boyd Federal Com Well No. 16H

Adam:

I know you are having a leisurely day at the office (I would not expect you to receive this e-mail this early in the day), but I need clarification on the BHL of the South Boyd Federal Com Well No. 16H, API 30-015-44883.

Your application shows the BHL as 20FNL and 983 FEL.

However, the C-102 which was received on April 5, 2018 shows the BHL as 20FNL and 993 FEL. The problem with that is that I am unsure of the final perf, because in your application, you state that is 100 FNL and 983 FEL (orthodox from the western boundary of the project area). If the final perf is 993 feet, then it is unorthodox from the western boundary of the project area).

Also, the OCD internal database shows the BHL as 20 FNL ad 993 FEL.

Thanks

Mike

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

From: [Lowe, Leonard, EMNRD](#)
To: ["Adam Rankin"](#)
Cc: ["Lisa Lemon ."; Mike Bratcher \(mike.bratcher@state.nm.us\); Cordero, Gilbert, EMNRD; "jglover@blm.gov"; "scaffey@blm.gov"; "jstovall@blm.gov"; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD](#)
Subject: APPROVED NSL-7697, -7698, -7699, -7700_Percussion Petroleum Operating, LLC_South Boyd Fed Com Wells. 14H, 15H,16H,17H_SEC 34 T19S R25E
Date: Friday, May 4, 2018 3:46:00 PM
Importance: High

Mr. Adam 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-7697

WELL: South Boyd Federal Com Well No. 14H [API #: 30-015-44881]

NSL-7698

WELL: South Boyd Federal Com Well No. 15H [API #: 30-015-44882]

NSL-7699

WELL: South Boyd Federal Com Well No. 16H [API #: 30-015-44883]

NSL-7700

WELL: South Boyd Federal Com Well No. 17H [API #: 30-015-44884]

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/>