

NSL - 7718

Revised March 23, 2017

RECEIVED: 4/30/2018	REVIEWER: LRC	TYPE: NSL	APP NO: DMA18120 56657 APR 30 2018 PM 03:15
------------------------	------------------	--------------	---

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 26 Fee Com No. 7H Well **API:** 30-015-44879
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

- ☐ 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 30, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address

April 30, 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 30 2018 4:20:15

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its Morris Boyd 26 Fee Com No. 7H Well in the W/2 E/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 26 Fee Com No. 7H Well** (API 30-015-44879) 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 550 feet from the south line, 2,630 feet from the west line (Unit N) of Section 23. The upper most perforation will be located 100 feet from the north line, 2,395.5 feet from the east line (Unit B) of Section 26, and the lower most perforation will be located 330 feet from the south line, 2,393.6 feet from the east line (Unit O) 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, northwestern, western, and southwestern 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.



Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Morris Boyd 26 Fee Com No. 7H Well** encroaches on the spacing and proration units to the north, northwest, west, and southwest.

Exhibit B is a land plat for Section 26 and the surrounding sections that shows the **Morris Boyd 26 Fee Com No. 7H 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,

A handwritten signature in blue ink, appearing to read 'A. Rankin'.

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

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

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 26 FEE COM	Well Number 7H
OGRID No.	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3432'

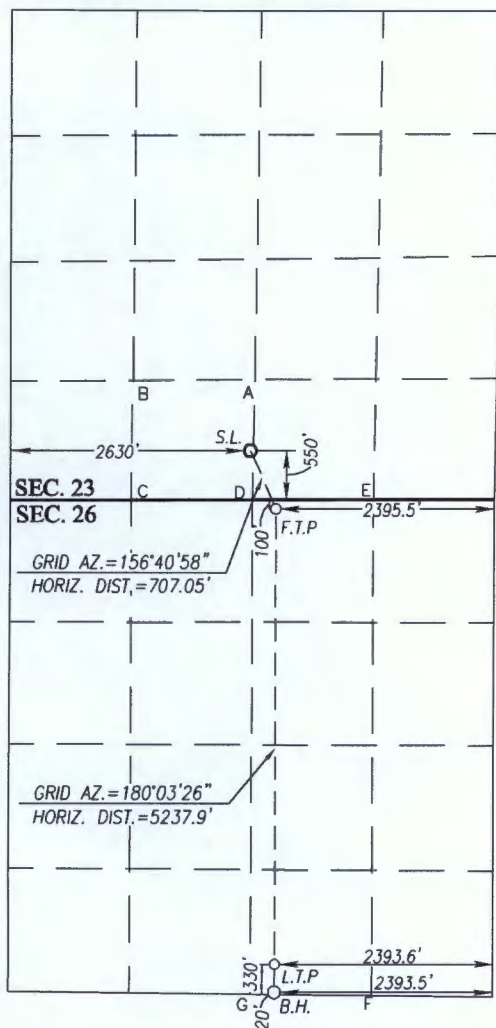
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	23	19-S	25-E		550	SOUTH	2630	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
O	26	19-S	25-E		20	SOUTH	2393.5	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
SCALE: 1"=2000'



GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 596791.9 N X= 503718.6 E LAT.=32.640570° N LONG.=104.455547° W FIRST TAKE POINT NAD 83 NME Y= 596142.7 N X= 503998.4 E LAT.=32.638786° N LONG.=104.454635° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 596730.8 N X= 462540.0 E LAT.=32.640457° N LONG.=104.455028° W FIRST TAKE POINT NAD 27 NME Y= 596081.7 N X= 462819.8 E LAT.=32.638673° N LONG.=104.454116° W
---	---

CORNER COORDINATES TABLE

NAD 27 NME

A - Y= 597501.7 N, X= 462584.6 E
B - Y= 597491.9 N, X= 461249.0 E
C - Y= 596177.7 N, X= 461236.7 E
D - Y= 596181.0 N, X= 462562.7 E
E - Y= 596184.4 N, X= 463888.7 E
F - Y= 590815.0 N, X= 463881.8 E
G - Y= 590827.7 N, X= 462556.3 E

CORNER COORDINATES TABLE

NAD 83 NME

A - Y= 597562.8 N, X= 503763.2 E
B - Y= 597553.0 N, X= 502427.5 E
C - Y= 596238.7 N, X= 502415.2 E
D - Y= 596242.0 N, X= 503741.3 E
E - Y= 596245.4 N, X= 505067.4 E
F - Y= 590875.8 N, X= 505060.5 E
G - Y= 590888.6 N, X= 503734.9 E

LAST TAKE POINT NAD 83 NME Y= 591216.0 N X= 503993.5 E LAT.=32.625244° N LONG.=104.454633° W	LAST TAKE POINT NAD 27 NME Y= 591155.2 N X= 462814.8 E LAT.=32.625131° N LONG.=104.454114° W
BOTTOM HOLE LOCATION NAD 83 NME Y= 590906.1 N X= 503993.2 E LAT.=32.624392° N LONG.=104.454633° W	BOTTOM HOLE LOCATION NAD 27 NME Y= 590845.2 N X= 462814.5 E LAT.=32.624279° N LONG.=104.454114° 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 unleased 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.



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.

2339
MARCH 14 2018
Date of Survey
Signature of Professional Surveyor

Ronald J. Eidson 04/03/2018

Certificate Number	Gary G. Eidson	12641
	Ronald J. Eidson	3239
LSL	JWSC W.O.: 18.11.0337	



EXHIBIT C

Tract 1 (Sec. 23 19S-25E, SE/4 SW/4)

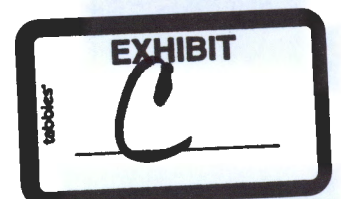
Tract 2 (Sec. 23 19S-25E, SW/4 SE/4)

Tract 3 (Sec. 26, 19S-25E, E/2 W/2)

St. Devote
919 Milam, Suite 2475
Houston, TX 77002

Tract 4 (Noose Federal No. 9H, NE/4 NW/4)

COG Operating, LLC
600 West Illinois Avenue
Midland, TX 79701





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 Petroleum Operating LLC
Morris Boyd 26 Fee Com No 7H Well
CM# 100391.0001 20180430
Exhibit C Mailing List and SLO

Shipment Date: 04/30/2018

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	3
Total	3

*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 2316 96



Firm Mailing Book For Accountable Mail

[illegible]

April 30, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

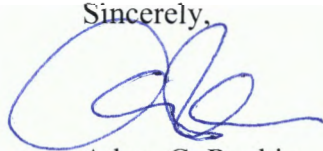
Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its Morris Boyd 26 Fee Com No. 7H Well in the W/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

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 Josh Grisham at (713) 589-2337 or at josh@percussionpetroleum.com.

Sincerely,



Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

COG Operating, LLC ("COG") agrees to waive objection to Percussion Petroleum Operating, LLC's administrative application for an unorthodox well location for its **Morris Boyd 26 Fee Com No. 7H Well** on the condition that Percussion consent to waive objection to a future unorthodox location for a COG well in which any perforation along the wellbore is no closer than 330 feet, whether parallel or perpendicular, to its project area boundary line or any diagonally offsetting spacing and proration unit wherein Percussion has ownership in the immediate adjacent and/or diagonally offsetting spacing and proration unit to COG's project area boundary.

By: _____ **Date:** _____
Name & Title

From: [Lowe, Leonard, EMNRD](#)
To: ["Adam Rankin"](#)
Cc: [Mike Bratcher \(mike.bratcher@state.nm.us\)](#); [Cordero, Gilbert, EMNRD](#); ["lisa@rwbyram.com"](#); [Dawson, Scott, EMNRD](#); [Jones, William V, EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#)
Subject: APPROVED NSL-7718_Percussion Petroleum Operating, LLC_Morris Boyd 26 Fee Com Well No. 7H _SEC 23.26 19S 25E
Date: Tuesday, May 22, 2018 5:11:00 PM
Importance: High

Mr. Adam G. Rankin,

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

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

ORDER No.: NSL-7718
APPLICANT: Percussion Petroleum Operating, LLC. [371755]
WELL: Morris Boyd 26 Fee Com Well No. 7H [API #: 30-015-44879]
POOL: N. Seven Rivers; Glorieta-Yeso [# 97565]

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/>