

Am 7/24/2018  
MM 2/29/2018

RECEIVED: <u>2/29/2018</u>	REVIEWER:	TYPE: <u>SWD</u>	APP NO: <u>PMAM1820645771</u>
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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:** Everest No.1 SWD (Currently J.H. Evererst et al 2 No.1) **API:** 30-015-00288  
**Pool:** Proposed: SWD; Devonian-Silurian **Pool Code:** 97869

**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

<b>FOR OCD ONLY</b>	
<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.**

Ben Stone  
 Print or Type Name

Signature

7/24/2018  
 Date

903-488-9850  
 Phone Number

ben@sosconsulting.us  
 e-mail Address



July 24, 2018

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Attn: Ms. Heather Riley, Director

*Re: Application of Percussion Petroleum, LLC to permit for salt water disposal the JH Everest 2 et al Well No.1, located in Section 14, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.*

Dear Ms. Riley,

Please find the enclosed form C-108 Application for Authority to Inject, supporting the above-referenced request for salt water disposal. Upon approval, the well will be renamed to the Everest SWD No.1. Percussion selected this well for private disposal of produced water coming from their operations in the area.

Percussion Petroleum seeks to optimize efficiency, both economically and operationally, of its operations in southeast New Mexico. Approval of this application is consistent with that goal as well as the NMOCD's mission of preventing waste and protection of correlative rights.

Published legal notice ran July 25, 2018 in the Artesia Daily Press and all offset operators and other interested parties have been notified individually. The legal notice affidavit is included herein. This application also includes a wellbore schematic, area of review maps, affected party plat and other required information for a complete Form C-108. The well is located on private land and minerals. There are state lands & minerals and private minerals within the one-half mile radius notice area and the State Land Office and offset operators have been notified of this application.

I respectfully request that the approval of this salt water disposal well proceed swiftly and if you or your staff requires additional information or has any questions, please do not hesitate to call or email me.

Best regards,

A handwritten signature in blue ink, appearing to read 'Ben Stone', is written over a light blue horizontal line.

Ben Stone, Partner  
SOS Consulting, LLC  
Agent for Percussion Petroleum, LLC

Cc: Application attachment and file

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: ***Salt Water Disposal*** and the application ***QUALIFIES*** for administrative approval.
- II. OPERATOR: ***Percussion Petroleum Operating, LLC***  
ADDRESS: ***919 Milam, Ste.2475, Houston, TX 77002***
- CONTACT PARTY: ***Agent: SOS Consulting, LLC – Ben Stone (903) 488-9850***
- III. WELL DATA: ***All well data and applicable wellbore diagrams are ATTACHED.***
- IV. ***This is not an expansion of an existing project.***
- V. ***A map is attached*** that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- \*VI. A tabulation is attached of data on all wells of public record within the area of review which penetrate the proposed injection zone. ***There are NO Wells in the subject AOR which penetrate the target interval.*** The data includes a description of each well's type, construction, date drilled, location, depth, and a schematic of P&A'd wells.
- VII. ***The following data is ATTACHED*** on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. ***Appropriate geologic data on the DEVONIAN formation is ATTACHED*** including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. ***Stimulation program – a conventional acid job may be performed to clean perfs and open the formation.***
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). ***NEW well logs will be run and filed with OCD.***
- \*XI. ***There are Numerous PODs/ water wells within one mile of the proposed salt water disposal well. 2 or 3 wells are being sampled and the analysis will be forwarded upon receipt.***
- XII. ***An affirmative statement is ATTACHED that available geologic and engineering data has been examined and no evidence was found*** of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. ***"Proof of Notice" section on the next page of this form has been completed and ATTACHED. There are 3 offset lessees and/or operators within ½ mile; Well location and minerals private w/ state offsetting leases and unleased minerals.***
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: ***Ben Stone*** TITLE: ***SOS Consulting, LLC agent for Percussion Petroleum Operating, LLC***

SIGNATURE:  DATE: ***7/24/2018***

E-MAIL ADDRESS: ***ben@sosconsulting.us***

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

**FORM C-108 – APPLICATION FOR AUTHORIZATION TO INJECT (cont.)**

III. WELL DATA – *The following information and data is included (See ATTACHED Wellbore Schematic):*

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No., Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE *pursuant to the following criteria is ATTACHED.*

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

**NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.**

## **C-108 - Items III, IV, V**

### **Item III - Subject Well Data**

Wellbore Diagram - CURRENT  
Wellbore Diagram – PROPOSED

The well is currently PA'd and will be drilled out with  
NEW 5-1/2" casing set and reconfigured for SWD.

### **Item IV – Tabulation of AOR Wells**

Tabulation includes all construction data for all wells within a one-half mile radius.  
NO wells penetrate the proposed injection interval.

### **Item V – Area of Review Maps**

1. Two Mile AOR Map with One-Mile Fresh Water Well Radius
2. One-Half Mile AOR Map

All Above Exhibits follow this page.





# WELL SCHEMATIC - PROPOSED Everest SWD Well No. 1

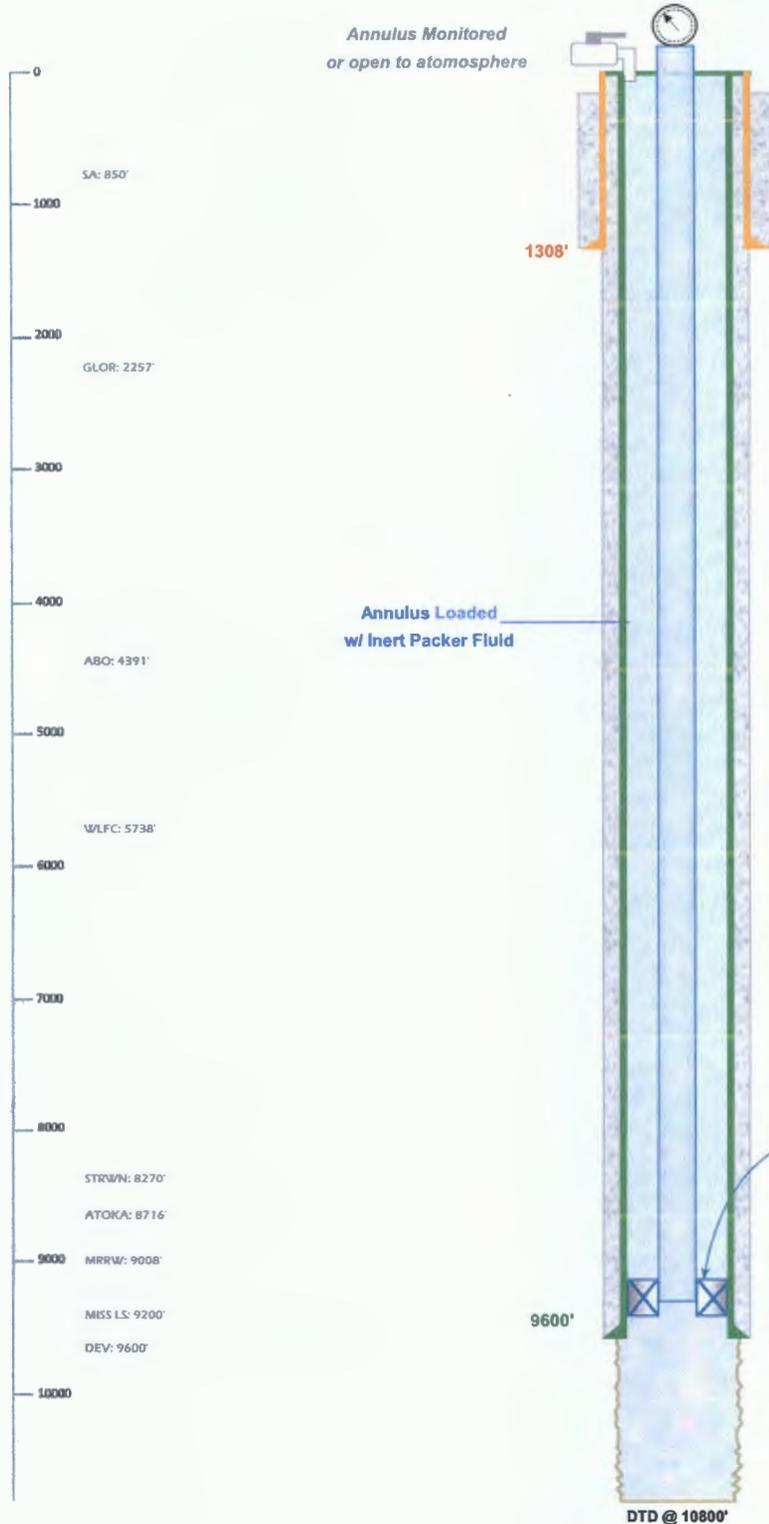
(Formerly JH Everest 2 et al No.1)

API 30-015-00288

1850' FSL & 1650' FEL, SEC. 14-T18S-R26E  
EDDY COUNTY, NEW MEXICO

SWD; Devonian-Silurian (97869)

Spud Date: 12/01/1959  
Config SWD Dt (Est): ~10/01/;



Injection Pressure Regulated  
and Volumes Reported  
1920 psi Max. Surface (0.2 psi/ft)

### Surface Casing

8.625", 24.0# J-55 STC Csg. (12.25" Hole) @ 1308'  
750 sx - Circ to Surface

### Percussion Petroleum

Convert to SWD: D/O & C/O Existing Plugs to 9600'.  
Install NEW 5.5" Casing from 0' to 9600'.  
Drill 4.5" Openhole Interval to 10,800'  
Run PC Tubing and PKR - Conduct MIT.  
Commence Disposal Operations.

3.5" FJ/IC Tubing (or smaller)

PKR ~9500'+

Note: PKR Set 100' Above Final Uppermost OH Interval.

### NEW Production Casing

5.5", 17.0# N-80/ K-55 Csg. (8.75" Hole) @ 9600'  
1500 sx - 2 stage DV @ ~5800' - Circ. to Surface

Openhole Injection 9600'-10,800'

Drawn by Ben Stone, 7/24/2018



## Form C-108 Item VI - Tabulation of AOR Wells

Top of Proposed DEVONIAN Interval 9600'

NO Wells Penetrate Proposed Interval.

API	Current Operator	Well Name	Well Number	Type	Mineral Owner	Status	ULSTR	Measured Depth	Plugged On
<i>Subject Well</i>									
30-015-00288	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A-R	J-14-185-26E	9198'	1/1/1900
<i>See attached CURRENT and PROPOSED Wellbore Diagrams.</i>									
<i>Section 14 Wells</i>									
30-015-00194	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#131	Injection	Private	Active	B-14-185-26E	1700'	
30-015-00207	[6137] DEVON ENERGY PRODUCTION COMPANY, LP	ATOKA SAN ANDRES UNIT	#135	Injection	Private	P&A-R	F-14-185-26E	1743'	2/25/2008
30-015-00193	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#136	Oil	Private	Active	G-14-185-26E	1970'	
30-015-21875	[277558] LIME ROCK RESOURCES II-A, L.P.	TERRY COM	#001	Oil	Private	Active	G-14-185-26E	4385'	
30-015-25792	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#161	Oil	Private	Active	G-14-185-26E	1850'	
30-015-44494	[277558] LIME ROCK RESOURCES II-A, L.P.	TERRY 14G	#003	Oil	Private	Active	G-14-185-26E	4200'	
30-015-44495	[277558] LIME ROCK RESOURCES II-A, L.P.	TERRY 14G	#007	Oil	Private	Active	G-14-185-26E	4226'	
30-015-00201	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	Private	P&A-R	H-14-185-26E	955'	1/1/1900
30-015-00199	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#137	Oil	Private	Active	H-14-185-26E	1760'	
30-015-00198	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#003	Oil	Private	P&A-R	I-14-185-26E	991'	1/1/1900
30-015-00196	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#144	Injection	Private	Active	I-14-185-26E	3028'	
30-015-00197	[6137] DEVON ENERGY PRODUCTION COMPANY, LP	ATOKA SAN ANDRES UNIT	#145	Injection	Private	P&A-R	J-14-185-26E	1849'	3/22/2010
30-015-00205	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#146	Oil	Private	Active	K-14-185-26E	1682'	
30-015-00285	[372000] POGO OIL & GAS OPERATING, INC	EVEREST	#002	Oil	Private	Active	L-14-185-26E	1743'	
30-015-25844	[372000] POGO OIL & GAS OPERATING, INC	EVEREST	#003	Oil	Private	Active	L-14-185-26E	1750'	
30-015-40980	[277558] LIME ROCK RESOURCES II-A, L.P.	EVEREST 14 M	#009	Oil	Private	Active	M-14-185-26E	4300'	
30-015-00206	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#148	Injection	Private	Active	N-14-185-26E	1760'	
30-015-34760	[277558] LIME ROCK RESOURCES II-A, L.P.	EVEREST 14 N	#005	Oil	Private	Active	N-14-185-26E	3449'	
30-015-40488	[277558] LIME ROCK RESOURCES II-A, L.P.	EVEREST 14 N	#008	Oil	Private	Active	N-14-185-26E	4315'	
30-015-41015	[277558] LIME ROCK RESOURCES II-A, L.P.	EVEREST 14 O	#007	Oil	Private	Active	O-14-185-26E	4375'	
30-015-00204	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#149	Oil	Private	Active	O-14-185-26E	1782'	
30-015-00287	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#150	Oil	Private	Active	P-14-185-26E	1778'	
30-015-40489	[277558] LIME ROCK RESOURCES II-A, L.P.	MCNATT VANDERGRIFT 14 P	#002	Oil	Private	Active	P-14-185-26E	4300'	
30-015-35745	[277558] LIME ROCK RESOURCES II-A, L.P.	EVEREST 14P	#006	Oil	Private	Active	P-14-185-26E	3750'	
<i>Section 13 wells</i>									
30-015-24461	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#157	Oil	Private	Active	E-13-185-26E	1827'	
30-015-00191	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#143	Oil	Private	Active	L-13-185-26E	1772'	
30-015-00290	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#151	Injection	Private	P&A-R	M-13-185-26E	1852'	2/6/2014
30-015-43109	[277558] LIME ROCK RESOURCES II-A, L.P.	VANDERGRIFT 13 M	#002	Oil	Private	New ND	M-13-185-26E	4750' Prpsd	

### Form C-108 Item VI - Tabulation of AOR Wells (cont.)

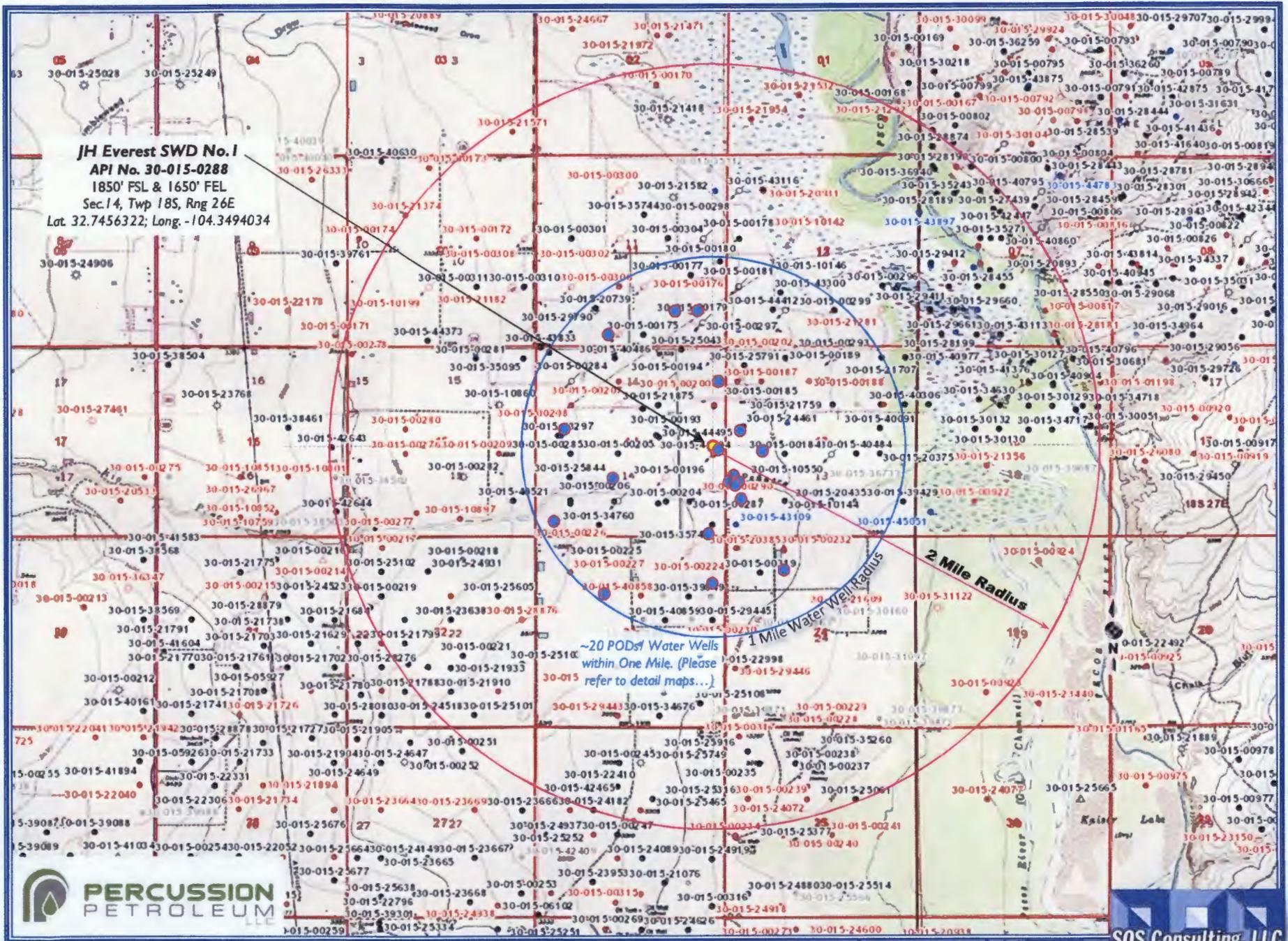
Section 23 wells

30-015-00224	[277558] LIME ROCK RESOURCES II-A, L.P.	ATOKA SAN ANDRES UNIT	#154	Injection	Private	P&A-R	A-23-185-26E	1804'	2/10/2014
30-015-00223	[214263] PRE-ONGARD WELL OPERATOR	PRE-ONGARD WELL	#001	Oil	State	P&A-R	C-23-185-26E	1175'	1/1/1900

**SUMMARY: 0 wells penetrate proposed disposal interval.**

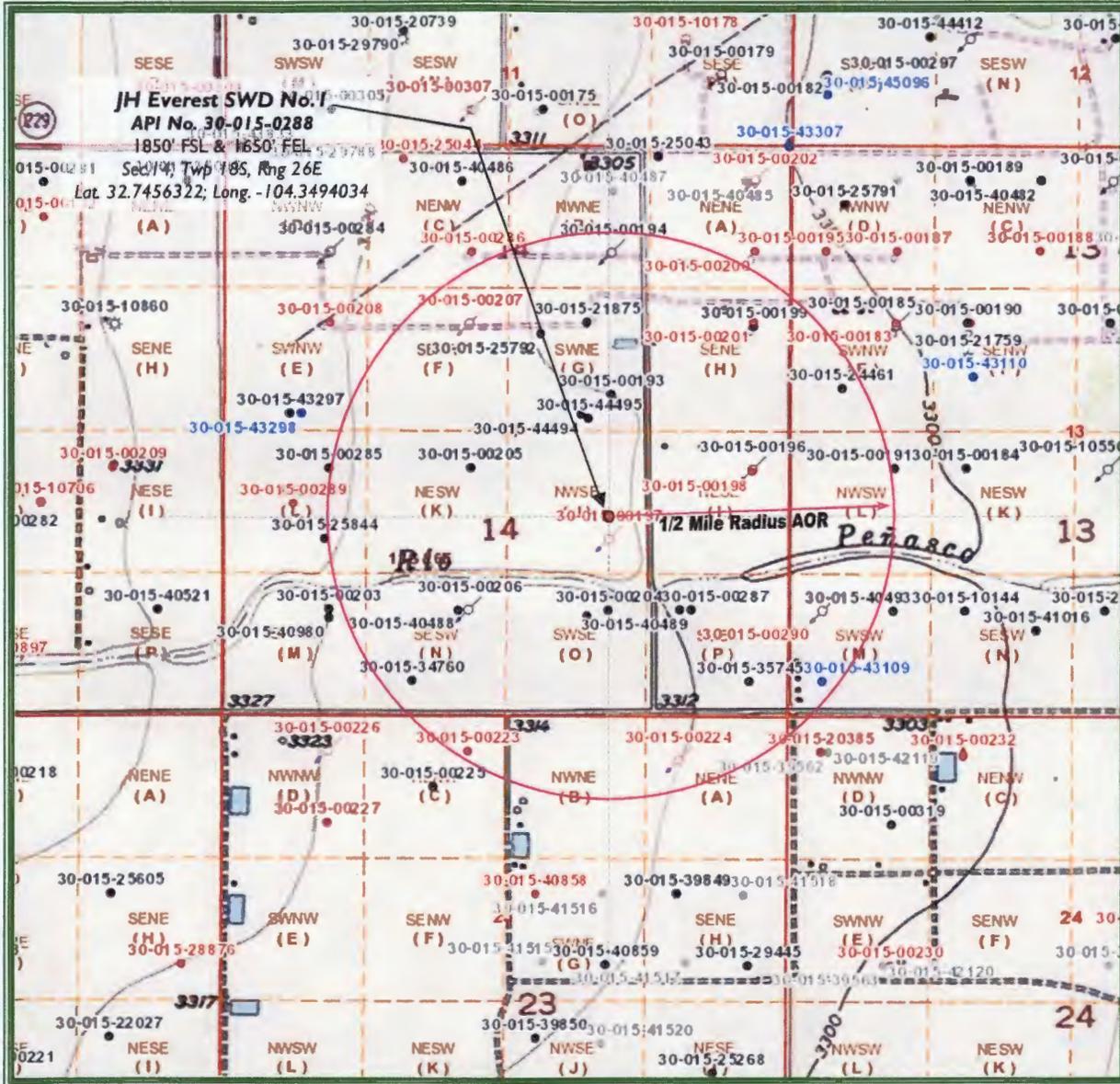
# JH Everest SWD No.1 - Area of Review / 2 Miles

(Attachment to NMOCD Form C-108 - Item V)

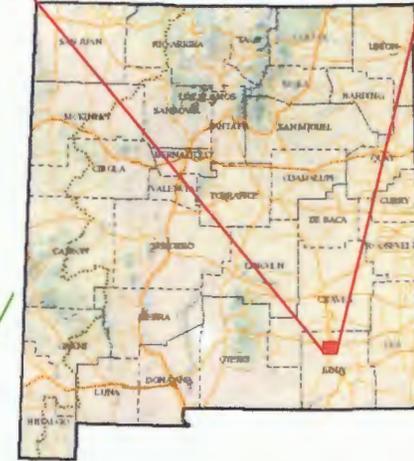


# JH Everest SWD No.1 - Area of Review / Overview Map

(Attachment to NMOCD Form C-108, Application for Authority to Inject.)



6.8 miles S/SE of Artesia, NM



Eddy County, New Mexico

# C-108 ITEM X

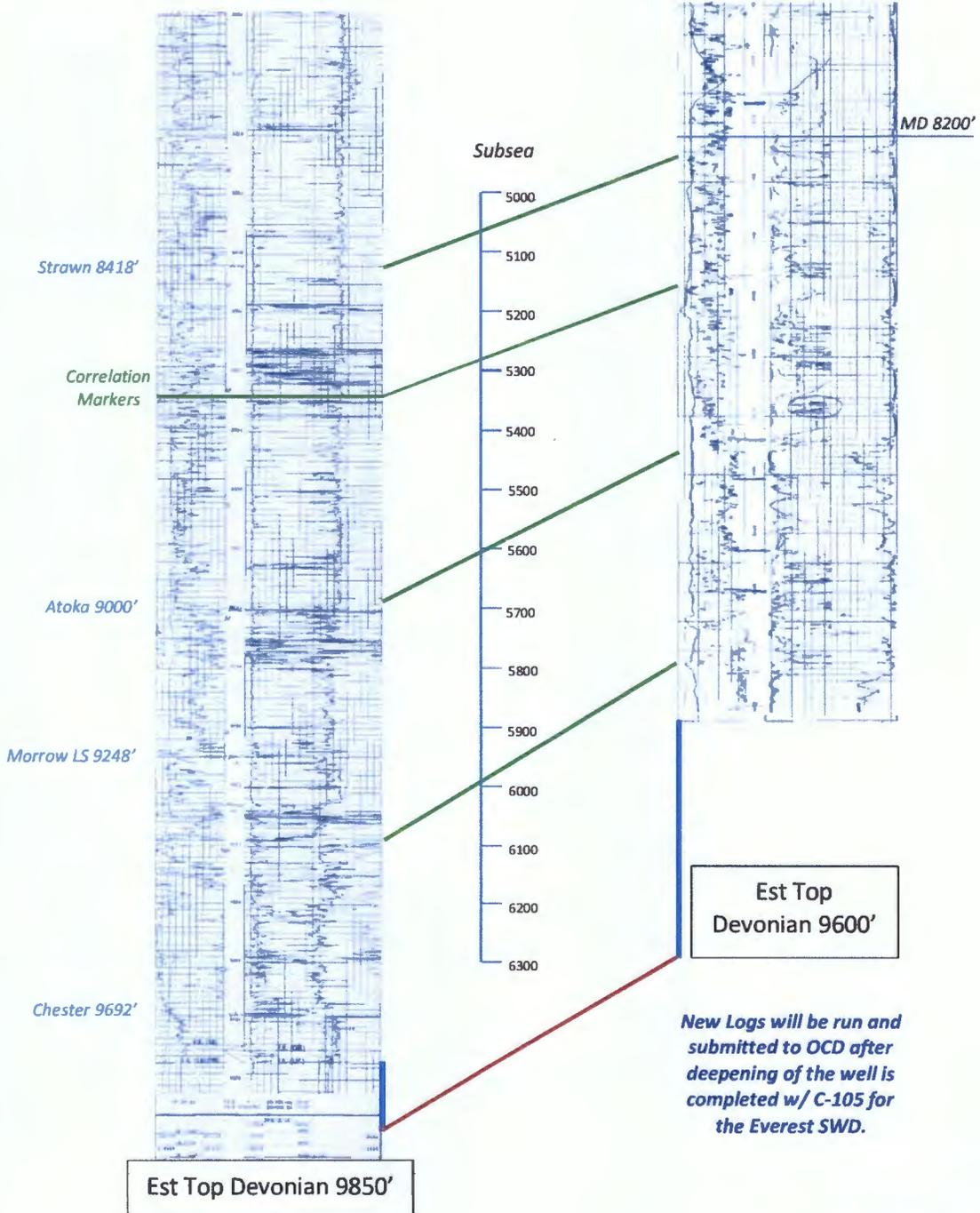
Logs and Available Test Data

## Cross Section w/ Offsetting Well

Compromise SWD - 3281' GL  
30-18S-27E

← 15070' →

JH Everest et al - 3327' GL  
14-18S-26E



# C-108 ITEM VII – PROPOSED OPERATION

## Everest SWD No.1

### ***Private Use SWD Facility***

Upon approval of all permits for SWD, operations would begin within 30 days. Completion of the well operations will take approximately 6-8 weeks. Facility construction including installation of the tank battery, berms, plumbing and other and associated equipment would be occurring during the same interval but not to interfere with well operations. In any event, it is not expected for the construction phase of the project to last more than 60 days, depending on availability of contractors and equipment.

### ***Configure for Salt Water Disposal***

Clear and level location; recondition as necessary. Install 8.625" x 11" 5M wellhead and BOP. Drill down to ~9,600', set 5.5" 17.0# casing to the top of the Devonian; cement w/ 1500 sx Cls H in 2 stages. Drill out DV tool and test to 1000 psi. drill 4.5" hole to 10,800'. Run in hole w/ 3.5" FJ or 2.785" IPC tubing and set packer at ~9500'; acidize openhole if desired. Conduct witnessed MIT and commence injection.

Prior to commencing any work, an NOI sundry(ies) will be submitted to configure the well for SWD and will detail the completion workover including all work otherwise described above, any change to the procedure noted herein and to perform mechanical integrity pressure test per OCD test procedures. (Notify NMOCD 24 hours prior.) The casing/tubing annulus will be monitored for communication with injection fluid or loss of casing integrity.

### ***Operational Summary***

The Everest SWD well will be for Percussion's area production from Gloieta/ Yeso wells.

The SWD facility will not be fenced. Primary water transportation will be via pipeline but offloading hookups will be available so that trucks may access for load disposal in needed.

The well and injection equipment will be a closed system and equipped with pressure limiting devices and volume meters. The annulus, loaded with an inert, anti-corrosion packer fluid, will be monitored for pressure.

The tanks will be equipped with telemetry devices and visual alarms to alert the operator and customers of full tanks or an overflow situation.

Anticipated daily maximum volume is 5,000 bpd and an average of 3,500 bpd at a maximum surface injection pressure of 1920 psi (.2 psi/ft gradient – maximum pressure will be adjusted If the top of interval is modified after well logs are run).

Potential releases will be contained and cleaned up immediately. The operator shall repair or otherwise correct the situation within 48 hours before resuming operations. OCD will be notified within 24 hours of any release greater than 5 bbls. If required, remediation will start as soon as practicable. Operator shall comply with 19.15.29 NMAC and 19.15.30 NMAC, as necessary and appropriate.

## **C-108 ITEM VII – PRODUCED WATER ANALYSES**

### **Item VII.4 – Water Analysis of Source Zone Water**

Glorieta/ Yeso

### **Item VII.5 – Water Analysis of Disposal Zone Water**

Devonian

**Water Analyses follow this page.**

**C-108 Item VII.5 - Produced Water Data  
Percussion Petroleum, LLC - Everest SWD Project**

**SOURCE ZONE**

**GLO/YESO**

		<b>Lab ID</b>	
<b>API No</b>	3001524754	<b>Sample ID</b>	1146
<b>Well Name</b>	PLATT PA 009	<b>Sample No</b>	
<b>Location</b>	ULSTR 26 18 S 26 E 330 S 990 W	<b>Lat / Long</b>	32.71216 -104.35742
		<b>County</b>	Eddy
<b>Operator (when sampled)</b>	Yates Petroleum Corp.		
	<b>Field</b>	ATOKA	<b>Unit</b> M
<b>Sample Date</b>	8/4/1984	<b>Analysis Date</b>	
	<b>Sample Source</b> Wellhead	<b>Depth (if known)</b>	
	<b>Water Typ</b> Produced Water		
ph	7.5	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	1800
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	120382	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	113000	conductivity_temp_F	
sodium_mgL	71415	carbonate_mgL	0
calcium_mgL	2560	bicarbonate_mgL	476
iron_mgL	0	sulfate_mgL	2001
barium_mgL		hydroxide_mgL	
magnesium_mgL	0	h2s_mgL	0
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	
<b>Remarks</b>			

*(Produced water data courtesy of NMT Octane NM WAIDS database.)*



**C-108 Item VII.5 - Produced Water Data**  
**Percussion Petroleum, LLC - Everest SWD Project**

**SOURCE ZONE**

**GLO/YESO**

<b>API No</b>	3001524619	<b>Lab ID</b>	
<b>Well Name</b>	PLATT PA 008	<b>Sample ID</b>	1207
		<b>Sample No</b>	
<b>Location</b>	ULSTR 26 18 S 26 E 430 S 2260 W	<b>Lat / Long</b>	32.71245 -104.35329
		<b>County</b>	Eddy
<b>Operator (when sampled)</b>	Yates Petroleum Corporation		
	<b>Field</b>	ATOKA	<b>Unit</b> N
<b>Sample Date</b>	1/19/1985	<b>Analysis Date</b>	
	<b>Sample Source</b> well head	<b>Depth (if known)</b>	
	<b>Water Typ</b> Produced Water		
ph	6	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	11500
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	136324	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	121000	conductivity_temp_F	
sodium_mgL	61571	carbonate_mgL	
calcium_mgL	4160	bicarbonate_mgL	104
iron_mgL	0	sulfate_mgL	3720
barium_mgL		hydroxide_mgL	
magnesium_mgL	7340	h2s_mgL	
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	
<b>Remarks</b>			

*(Produced water data courtesy of NMT Octane NM WAIDS database.)*



**C-108 Item VII.5 - Produced Water Data  
Percussion Petroleum, LLC - Everest SWD Project**

**SOURCE ZONE**

**BONE SPRING**

<b>API No</b>	3001520225	<b>Lab ID</b>	
<b>Well Name</b>	BIG EDDY UNIT 012	<b>Sample ID</b>	5847
		<b>Sample No</b>	
<b>Location</b>	ULSTR 21 20 S 31 E 660 N 660 W	<b>Lat / Long</b>	32.56399 -103.87994
		<b>County</b>	Eddy
<b>Operator (when sampled)</b>	MALLON OIL COMPANY		
	<b>Field</b>	BIG EDDY	<b>Unit D</b>
<b>Sample Date</b>	8/27/1999	<b>Analysis Date</b>	8/31/1999
	<b>Sample Source</b>	<b>Depth (if known)</b>	
	<b>Water Typ</b>		
ph	5.2	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity	1.125	hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	181697	resistivity_ohm_cm_temp	
tds_mgL_180C		conductivity	
chloride_mgL	123750	conductivity_temp_F	
sodium_mgL	73895.6	carbonate_mgL	
calcium_mgL	5625	bicarbonate_mgL	13.725
iron_mgL	337.5	sulfate_mgL	787.5
barium_mgL		hydroxide_mgL	
magnesium_mgL		h2s_mgL	0
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	
<b>Remarks</b>			

*(Produced water data courtesy of NMT Octane NM WAIDS database.)*



**C-108 Item VII.5 - Produced Water Data  
Percussion Petroleum, LLC - Everest SWD Project**

**DISPOSAL ZONE**

**DEVONIAN**

<b>API No.</b>	3001510280	<b>Lab ID</b>	
<b>Well Name</b>	JURNEGAN POINT 001	<b>Sample ID</b>	6170
		<b>Sample No</b>	
<b>Location</b>	ULSTR 05 24 S 25 E 660 S 660 W	<b>Lat / Long</b>	32.24037 -104.42375
		<b>County</b>	Eddy
<b>Operator (when sampled)</b>			
	Field WILDCAT		Unit M
<b>Sample Date</b>	12/14/1964	<b>Analysis Date</b>	
	<b>Sample Source</b> DST		<b>Depth (if known)</b>
	<b>Water Type</b>		
ph	7	alkalinity_as_caco3_mgL	
ph_temp_F		hardness_as_caco3_mgL	
specificgravity		hardness_mgL	
specificgravity_temp_F		resistivity_ohm_cm	
tds_mgL	229706	resistivity_ohm_cm_temp_	
tds_mgL_180C		conductivity	
chloride_mgL	136964	conductivity_temp_F	
sodium_mgL		carbonate_mgL	
calcium_mgL		bicarbonate_mgL	198
iron_mgL		sulfate_mgL	2511
barium_mgL		hydroxide_mgL	
magnesium_mgL		h2s_mgL	
potassium_mgL		co2_mgL	
strontium_mgL		o2_mgL	
manganese_mgL		anionremarks	

Remarks

*(Produced water data courtesy of NMT Octane NM WAIDS database.)*



## **C-108 – Item VIII**

### **Geologic Information**

The Devonian and Silurian consist of carbonates including light colored dolomite and chert intervals interspersed with some tight limestone intervals. Several thick sections of porous dolomite capable of taking water are believed present within the subject formations in the area. Depth control data was inferred from the Metropolis SWD located 1.1 miles southwest of the proposed SWD. If the base of Devonian and top of Silurian rocks come in as expected the well will only be drilled deep enough for adequate logging rathole; expected TD at 10,800'.

The well will TD approximately 1,200' below the estimated top of the Devonian. Mud logging through the interval will ensure the target interval remains in Devonian and Silurian. Once Devonian is determined, the casing shoe depth will be set at an approximate maximum upper depth of 9600' BGL. Injection will occur through the resulting openhole interval. Should mud or other logs indicate depth adjustment is required to exploit the desired formation as described; sundries with appropriate data will be filed with the OCD.

The Devonian is overlain by the Woodford Shale and Mississippian Lime and underlain by the Middle and Lower Ordovician; Simpson, McKee and Ellenburger.

Fresh water in the area is generally available from the Pecos Valley complex of Quaternary alluvial sand and gravel deposits. State Engineer's records show water wells in the area with a average depth to groundwater 50 feet.

There are numerous water wells and/or PODs located within one mile of the proposed SWD; 2 or 3 will be sampled and analyses will be forwarded upon receipt.



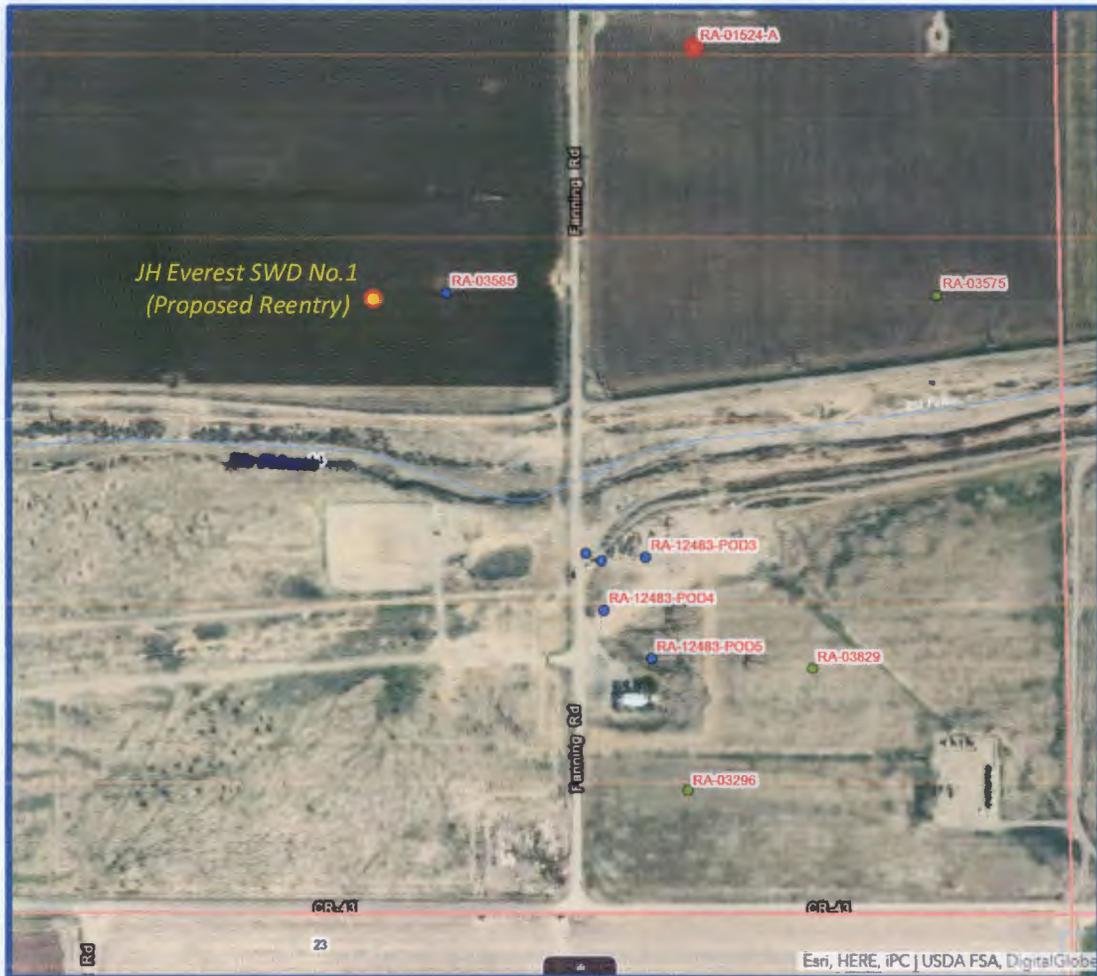
# C-108 Item XI

## Water Wells Within One Mile

### JH Everest SWD No.1 - Water Well Locator Map

#### INSET VIEW

*2 or 3 of the closest water wells will be sampled and analyzed.  
(Note: RA-03585 does NOT show on latest imagery.)*



Data from NM Office of the State Engineer displayed in OSE-GIS System.

# C-108 ITEM XI – WATER WELLS IN AOR

## Depth to Ground Water



### New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned,

C=the file is (quarters are 1=NW 2=NE 3=SW 4=SE)

closed) (quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
<a href="#">RA 00773</a>	RA	ED		1	2	23	18S	26E		560856	3622508*			
<a href="#">RA 00774</a>	RA	ED		1	2	23	18S	26E		560856	3622508*			
<a href="#">RA 00775</a>	RA	ED		1	2	23	18S	26E		560856	3622508*	900		
<a href="#">RA 01144 -S</a>	RA	CH		3	1	23	18S	26E		560055	3622102*	809		
<a href="#">RA 01296</a>	RA	ED		3	3	1	23	18S	26E	559954	3622001*	180	80	100
<a href="#">RA 01296 CLW229885</a>	O	RA	ED	1	3	1	23	18S	26E	559954	3622201*	180	70	110
<a href="#">RA 01343 CLW</a>	O	RA	CH	1	2	4	14	18S	26E	561157	3623417*	150	23	127
<a href="#">RA 03585</a>	RA	ED		4	1	4	14	18S	26E	560955	3623216*	1849		
<a href="#">RA 03600</a>	RA	ED		2	3	2	14	18S	26E	560956	3623821*	955		
<a href="#">RA 03731</a>	RA	ED		1	1	1	14	18S	26E	559953	3624223*	120	30	90
<a href="#">RA 12483 POD1</a>	RA	ED		1	4	4	14	18S	26E	561070	3623006	72	55	17
<a href="#">RA 12483 POD2</a>	RA	ED		1	4	4	14	18S	26E	561084	3622999	62	51	11
<a href="#">RA 12483 POD3</a>	RA	ED		1	4	4	14	18S	26E	561120	3623003	58	47	11
<a href="#">RA 12483 POD4</a>	RA	ED		1	4	4	14	18S	26E	561086	3622959	60	48	12
<a href="#">RA 12483 POD5</a>	RA	ED		1	4	4	14	18S	26E	561126	3622920	59	53	6

Average Depth to Water: 50 feet

Minimum Depth: 23 feet

Maximum Depth: 80 feet

Record Count: 15

PLSS Search:

Section(s): 13, 14, 23

Township: 18S

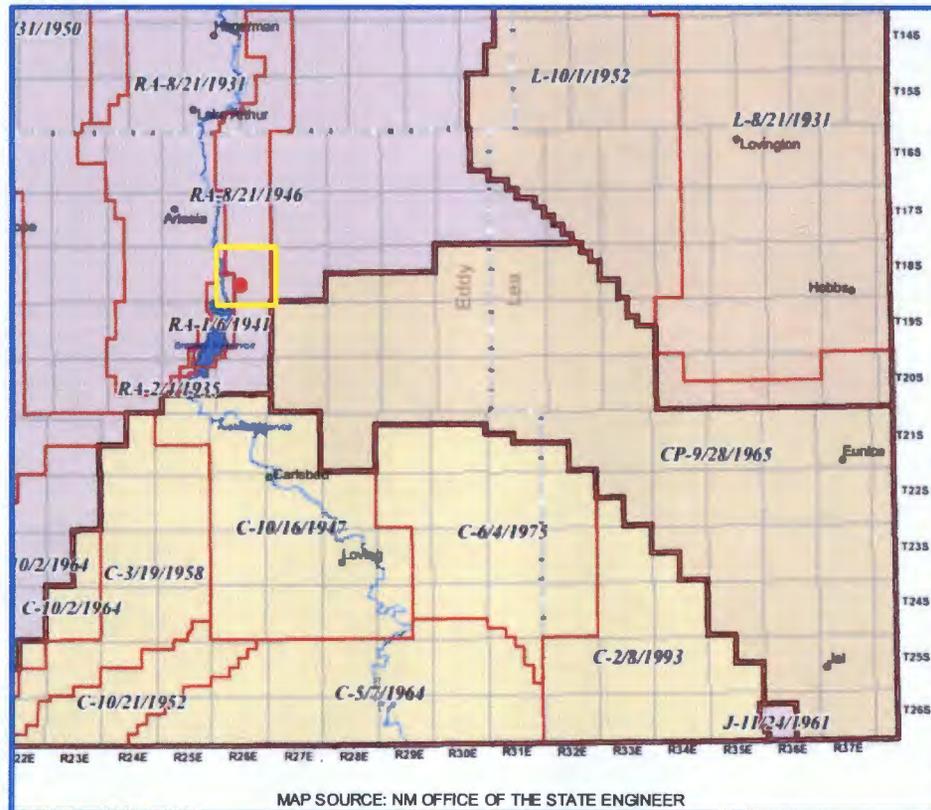
Range: 26E

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

## C-108 - Item XI

### Groundwater Basins - Water Column / Depth to Groundwater



The subject well is located within the Roswell Artesian Basin.

The Roswell Artesian Basin consists of an eastward-dipping carbonate aquifer overlain by a leaky evaporitic confining unit, overlain in turn by an unconfined alluvial aquifer. The carbonate aquifer is artesian to the east but under water-table conditions in the western outcrop area. Recharge occurs by direct infiltration of precipitation and by runoff from intermittent losing streams flowing eastward across a broad area east of the Sacramento Mountains. (USGS)

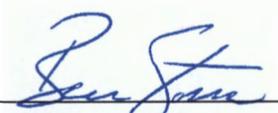
State Engineer's records show fresh water wells in the area with an average depth to water at 50 feet.

There are numerous (20+) water wells or PODs located within one mile of the proposed SWD; 2 or 3 will be sampled and analysis will be forwarded upon receipt.

## **C-108 ITEM XII**

### Geologic Affirmation

We have examined available geologic and engineering data and have found no evidence of open faults or other hydrologic connection between the disposal interval and any underground sources of drinking water.



---

Ben Stone, Partner  
SOS Consulting, LLC

Project: Percussion Petroleum Operating, LLC  
Everest SWD No.1  
Reviewed 7/24/2018

# **C-108 ITEM XIII – PROOF OF NOTIFICATION**

## IDENTIFICATION AND NOTIFICATION OF INTERESTED PARTIES

### **Exhibits for Section**

Affected Parties Map

List of Interested Parties

Notification Letter to Interested Parties

Proof of Certified Mailing

Published Legal Notice



# C-108 ITEM XIII – PROOF OF NOTIFICATION AFFECTED PARTIES LIST

**SOS Consulting is providing electronic delivery of C-108 applications.**  
**ALL APPLICABLE AFFECTED PARTIES ARE PROVIDED A LINK IN THE NOTICE LETTER**  
**TO A SECURE SOS/ CITRIX SHAREFILE® SITE TO VIEW AND DOWNLOAD**  
**A FULL COPY OF THE SUBJECT C-108 APPLICATION IN PDF FORMAT.**

## **SURFACE OWNERS**

CHARLES R. MARTIN, INC.  
P.O. Box 706  
Artesia, NM 88211-0706  
Certified: 7017 2400 0000 5297 5553

## **OFFSET MINERALS LESSEES and OPERATORS (All Notified via USPS Certified Mail)**

### ***Operators***

LIME ROCK RESOURCES II-A, LP  
1111 Bagby Street, Ste.4600  
Houston, TX 77002  
Certified: 7017 2400 0000 5297 5560

DEVON ENERGY PRODUCTION COMPANY, LP  
333 W. Sheridan Ave.  
OKC, OK 77056  
Certified: 7017 2400 0000 5297 5577

POGO OIL & GAS OPERATING, INC.  
1515 Calle Sur, Ste.174  
Hobbs, NM 88240  
Certified: 7017 2400 0000 5297 5584

## **OFFSET MINERALS OWNERS (Notified via USPS Certified Mail)**

STATE OF NEW MEXICO  
Oil, Gas and Minerals Division  
310 Old Santa Fe Trail  
Santa Fe, NM 87504  
Certified: 7017 2400 0000 5297 5591

## **REGULATORY**

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed original and copy)  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION DIVISION (FedEx'ed copy)  
811 S. First St.  
Artesia, NM 88210

July 24, 2018

**NOTIFICATION TO INTERESTED PARTIES**  
**via U.S. Certified Mail – Return Receipt Requested**

To Whom It May Concern:

Percussion Petroleum Operating, LLC, Houston, Texas, has made application to the New Mexico Oil Conservation Division to reenter and complete for salt water disposal the JH Everest 2 et al No.1 (to be renamed Everest SWD No.1). The proposed SWD will be for private produced water disposal from Percussion's area operations. As indicated in the notice below, the well is located in Section 14, Township 18 South, Range 26 East in Eddy County, New Mexico.

The published notice states that the interval will be from 9600 feet to 10,800 feet.

Following is the notice published in the Artesia Daily Press, New Mexico on or about July 25, 2018.

**LEGAL NOTICE**

Percussion Petroleum Operating, LLC – 919 Milam, Ste.2475, Houston, Texas 77002, is filing Form C -108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to reenter and configure the JH Everest et al 2 Well No.1 for salt water disposal; located 1850' FSL and 1650' FEL, Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico; approximately 7.5 miles south/ southeast of Artesia, NM. Upon approval, the well will be renamed the Everest SWD No.1.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 9600 feet to 10,800 feet at a maximum surface pressure of 1920 psi and a rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505)476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, LLC, (903)488-9850 or, email [info@sosconsulting.us](mailto:info@sosconsulting.us).

***You have been identified as a party who may be interested as an offset lessee or operator.***

You are entitled to a full copy of the application. A full copy in PDF format is posted on the SOS Consulting **ShareFile** site and is available for immediate download.

Use the URL link <https://sosconsulting.sharefile.com/d-s2f0f44ede21499fb>

**(Please Note: The ShareFile service is powered by Citrix Systems and is completely secure.\*)**

*The link to this file will be active for 30 days from the date of this letter. Your company can access and download the file a maximum of five (5) times. (Copies may be downloaded and shared as needed among your company.)*

Alternatively, you may call SOS Consulting, LLC at 903-488-9850, or email [info@sosconsulting.us](mailto:info@sosconsulting.us), and the same PDF file copy will be expedited to you via email.

Please use a subject like, **"Everest SWD July 2018 PDF Copy Request"**.

Thank you for your attention in this matter.

Best regards,



Ben Stone, SOS Consulting, LLC  
Agent for Percussion Petroleum Operating, LLC

Cc: Application File

***SOS Consulting is committed to providing superior quality work using technology to assist clients and interested parties in obtaining the documentation required. SOS will continue to utilize methods for reducing papers copies and are less energy and resource intensive.***

***We hope you'll partner with us and appreciate these efforts.***

\* You will be asked for your email, name and company.  
This will not be used by anyone except keeping track of the file downloads.  
You will not be solicited by SOS or anyone else. Data is stored on Citrix Systems servers only.



# C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

7017 2400 0000 5297 5553

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee	\$	JUL 24 2008 COMPTON, TX Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$	
<b>Total Postage and Fees</b>	\$ <b>6.70</b>	

Sent To  
 Street and City, State  
**CHARLES R. MARTIN, INC.**  
 P.O. Box 706  
 Artesia, NM 88211-0706

*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee	\$	JUL 24 2008 COMPTON, TX Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$	
<b>Total Postage and Fees</b>	\$ <b>6.70</b>	

Sent To  
 Street and City, State  
**DEVON ENERGY PRODUCTION COMPANY, LP**  
 333 W. Sheridan Ave.  
 OKC, OK 77056

*Domestic Mail Only*

7017 2400 0000 5297 5560

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
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For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee	\$	JUL 24 2008 COMPTON, TX Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$	
<b>Total Postage and Fees</b>	\$ <b>6.70</b>	

Sent To  
 Street and City, State  
**LIME ROCK RESOURCES II-A, LP**  
 1111 Bagby Street, Ste.4600  
 Houston, TX 77002

*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee	\$	JUL 24 2008 COMPTON, TX Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$	
<b>Total Postage and Fees</b>	\$ <b>6.70</b>	

Sent To  
 Street and City, State  
**POGO OIL & GAS OPERATING, INC.**  
 1515 Calle Sur, Ste.174  
 Hobbs, NM 88240

*Domestic Mail Only*

7017 2400 0000 5297 5577

7017 2400 0000 5297 5591

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Certified Mail Fee	\$ <b>3.45</b>	JUL 24 2008 COMPTON, TX Postmark Here
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$ <b>2.75</b>	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$ <b>.50</b>	
<b>Total Postage and Fees</b>	\$ <b>6.70</b>	

Sent To  
 Street and City, State  
**STATE OF NEW MEXICO**  
 Oil, Gas and Minerals Division  
 310 Old Santa Fe Trail  
 Santa Fe, NM 87504

PS Form

## C-108 - Item XIV

Proof of Notice – Legal Notice  
Newspaper of General Circulation

### Legal Notice

Percussion Petroleum Operating, LLC – 919 Milam, Ste.2475, Houston, Texas 77002, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to reenter and configure the JH Everest et al 2 Well No.1 for salt water disposal; located 1850' PSI and 1650' FEL, Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico; approximately 7.5 miles south/ southeast of Artesia, NM. Upon approval, the well will be renamed the Everest SWD No.1.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 9600 feet to 10,800 feet at a maximum surface pressure of 1920 psi and a rate limited only by such pressure.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, SOS Consulting, I.I.C., (903)488-9850 or, email info@sosconsulting.us.

Published in the Artesia Daily Press, Artesia, N.M., July 25, 2018 Legal No. 24767.

The above is the "Proof Copy" sent from the Artesia Daily Press.  
The affidavit of publication will be forwarded as soon as it is received.

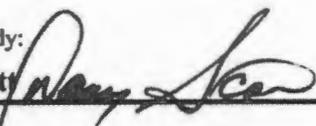
# Affidavit of Publication

No. 24767

State of New Mexico

County of Eddy:

**Danny Scott**



being duly sworn says that she is the  
of the Artesia Daily Press, a daily newspaper of General  
circulation, published in English at Artesia, said county  
and state, and that the hereto attached

### Legal Ad

was published in a regular and entire issue of the said  
Artesia Daily Press, a daily newspaper duly qualified  
for that purpose within the meaning of Chapter 167 of  
the 1937 Session Laws of the state of New Mexico for  
1 Consecutive weeks/day on the same

day as follows:

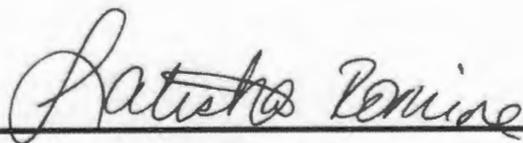
First Publication	July 25, 2018
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	
Sixth Publication	
Seventh Publication	

Subscribed and sworn before me this  
26th day of July 2018



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019



Latisha Romine  
Notary Public, Eddy County, New Mexico

# Copy of Publication:

## Legal Notice

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Published in the Artesia Daily Press, Artesia, N.M., July 25, 2018 Legal No. 24767.

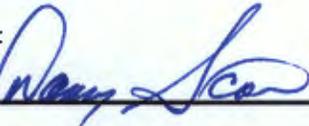
# Affidavit of Publication

No. 24767

State of New Mexico

County of Eddy:

**Danny Scott**



being duly sworn says that she is the  
of the Artesia Daily Press, a daily newspaper of General  
circulation, published in English at Artesia, said county  
and state, and that the hereto attached

### Legal Ad

was published in a regular and entire issue of the said  
Artesia Daily Press, a daily newspaper duly qualified  
for that purpose within the meaning of Chapter 167 of  
the 1937 Session Laws of the state of New Mexico for  
1 Consecutive weeks/day on the same

day as follows:

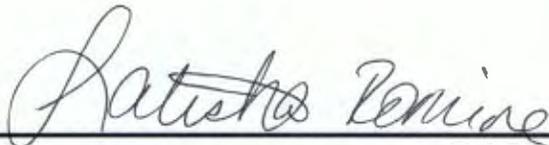
First Publication	<u>July 25, 2018</u>
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	
Sixth Publication	
Seventh Publication	

Subscribed and sworn before me this  
26th day of July 2018



OFFICIAL SEAL  
Latisha Romine  
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019



Latisha Romine  
Notary Public, Eddy County, New Mexico

# Copy of Publication:

## Legal Notice

Percussion Petroleum Operating, LLC - 919 Milam, Ste.2475, Houston, Texas 77002, is filing Form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval to reenter and configure the JH Everest et al 2 Well No.1 for salt water disposal; located 1850' FSL and 1650' FEL, Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico; approximately 7.5 miles south/ southeast of Artesia, NM. Upon approval, the well will be renamed the Everest SWD No.1.

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AUG 01 2018 PM03:11