

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



September 12, 2018

Percussion Petroleum Operating, LLC
Attn: Mr. Adam G. Rankin

NON-STANDARD LOCATION

Administrative Order NSL-7758

Percussion Petroleum Operating, LLC
OGRID 371755
South Boyd 27 Well No. 23
API No. 30-015-PENDING

Proposed Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
166 FNL & 2435 FWL	C	27	19S	25E	Eddy

Proposed Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE4 NW4 of Section 27	40	N. Seven Rivers; Glorieta-Yeso	97565

The NSL application was initially protested on July 17, 2018. The protest was resolved between parties.

Reference is made to your application received on June 22, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 166 feet to the north edge, 264 feet to the northeastern edge and 205 feet to the eastern edge of the project area. Encroachments will impact the following tracts.

Section 22, T19S R25E encroachment to the SE4 SW4 and SW4 SE4
Section 27, T19S R25E encroachment to the NW4 NE4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

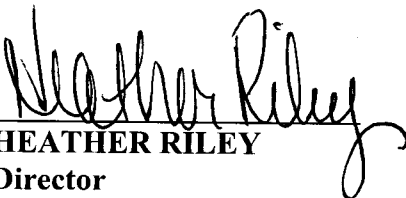
Division understands you seek this location for engineering reasons and as a preferred well spacing plan to withdraw oil and gas resources from the Glorieta-Yeso formation underlying the NE4 NW4 of Section 27.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office