

**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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 264782

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|                                                                                                           |  |                               |
|-----------------------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>PERCUSSION PETROLEUM OPERATING, LLC<br>919 Milam St.<br>Houston, TX 77002 |  | 2. OGRID Number<br>371755     |
| 4. Property Code<br>322145                                                                                |  | 3. API Number<br>30-015-45797 |
| 5. Property Name<br>ROSE                                                                                  |  | 6. Well No.<br>005H           |

**7. Surface Location**

|               |              |                 |              |              |                   |               |                  |               |                |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>E | Section<br>7 | Township<br>19S | Range<br>26E | Lot Idn<br>1 | Feet From<br>1408 | N/S Line<br>N | Feet From<br>986 | E/W Line<br>W | County<br>Eddy |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                   |               |                 |               |                |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-----------------|---------------|----------------|
| UL - Lot<br>E | Section<br>12 | Township<br>19S | Range<br>25E | Lot Idn<br>E | Feet From<br>1336 | N/S Line<br>N | Feet From<br>20 | E/W Line<br>W | County<br>Eddy |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-----------------|---------------|----------------|

**9. Pool Information**

|                              |       |
|------------------------------|-------|
| PENASCO DRAW;SA-YESO (ASSOC) | 50270 |
|------------------------------|-------|

**Additional Well Information**

|                           |                            |                                        |                           |                                    |
|---------------------------|----------------------------|----------------------------------------|---------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL       | 13. Cable/Rotary                       | 14. Lease Type<br>Private | 15. Ground Level Elevation<br>3379 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>8400 | 18. Formation<br>Yeso                  | 19. Contractor            | 20. Spud Date<br>4/10/2019         |
| Depth to Ground water     |                            | Distance from nearest fresh water well |                           | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25     | 9.625       | 36               | 1250          | 500             | 0             |
| Prod | 8.75      | 7           | 32               | 2700          | 2500            | 0             |
| Prod | 8.75      | 5.5         | 20               | 8400          | 2500            | 0             |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 1500          | Shaffer      |
| Double Ram | 5000             | 2000          | Shaffer      |

|                                                                                                                                                                                                                                                                                                                      |                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                         |
| Printed Name: Electronically filed by Lupe Carrillo                                                                                                                                                                                                                                                                  | Approved By: Raymond Podany                              |
| Title: Chief Operating Officer                                                                                                                                                                                                                                                                                       | Title: Geologist                                         |
| Email Address: Lupe@percussionpetroleum.com                                                                                                                                                                                                                                                                          | Approved Date: 3/19/2019      Expiration Date: 3/19/2021 |
| Date: 3/18/2019      Phone: 713-589-9509                                                                                                                                                                                                                                                                             | Conditions of Approval Attached                          |

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 264782

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                                         |                                              |
|-------------------------------|---------------------------------------------------------|----------------------------------------------|
| 1. API Number<br>30-015-45797 | 2. Pool Code<br>50270                                   | 3. Pool Name<br>PENASCO DRAW;SA-YESO (ASSOC) |
| 4. Property Code<br>322145    | 5. Property Name<br>ROSE                                | 6. Well No.<br>005H                          |
| 7. OGRID No.<br>371755        | 8. Operator Name<br>PERCUSSION PETROLEUM OPERATING, LLC | 9. Elevation<br>3379                         |

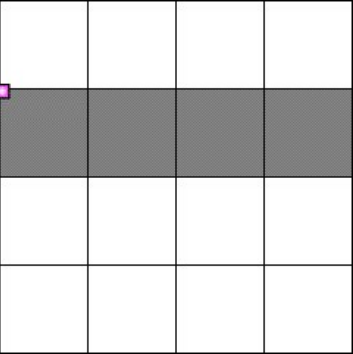
**10. Surface Location**

|               |              |                 |              |              |                   |               |                  |               |                |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>E | Section<br>7 | Township<br>19S | Range<br>26E | Lot Idn<br>1 | Feet From<br>1408 | N/S Line<br>N | Feet From<br>986 | E/W Line<br>W | County<br>Eddy |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

**11. Bottom Hole Location If Different From Surface**

|                               |                     |                 |                        |         |                   |               |                 |               |                |
|-------------------------------|---------------------|-----------------|------------------------|---------|-------------------|---------------|-----------------|---------------|----------------|
| UL - Lot<br>E                 | Section<br>12       | Township<br>19S | Range<br>25E           | Lot Idn | Feet From<br>1336 | N/S Line<br>N | Feet From<br>20 | E/W Line<br>W | County<br>Eddy |
| 12. Dedicated Acres<br>160.00 | 13. Joint or Infill |                 | 14. Consolidation Code |         |                   |               | 15. 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**

|                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By:       Lupe Carrillo<br/>Title:               Chief Operating Officer<br/>Date:                3/18/2019</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By:       Gary Jones<br/>Date of Survey:    12/27/2018<br/>Certificate Number: 7977</p> |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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Form APD Comments

Permit 264782

**PERMIT COMMENTS**

|                                                                                                                  |  |                             |
|------------------------------------------------------------------------------------------------------------------|--|-----------------------------|
| Operator Name and Address:<br>PERCUSSION PETROLEUM OPERATING, LLC [371755]<br>919 Milam St.<br>Houston, TX 77002 |  | API Number:<br>30-015-45797 |
|                                                                                                                  |  | Well:<br>ROSE #005H         |

|            |         |              |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

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Form APD Conditions

Permit 264782

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                                  |  |                             |
|------------------------------------------------------------------------------------------------------------------|--|-----------------------------|
| Operator Name and Address:<br>PERCUSSION PETROLEUM OPERATING, LLC [371755]<br>919 Milam St.<br>Houston, TX 77002 |  | API Number:<br>30-015-45797 |
|                                                                                                                  |  | Well:<br>ROSE #005H         |

|              |                                                                                     |
|--------------|-------------------------------------------------------------------------------------|
| OCD Reviewer | Condition                                                                           |
| rpodany      | Will require a directional survey with the C-104                                    |
| rpodany      | Cement is required to circulate on both surface and intermediate1 strings of casing |