

**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 266712

**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>320735                                                                                |  | 3. API Number<br>30-015-46024 |
| 5. Property Name<br>DARNER 9 STATE                                                                        |  | 6. Well No.<br>024H           |

**7. Surface Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H        | 8       | 17S      | 29E   |         | 1908      | N        | 995       | E        | Eddy   |

**8. Proposed Bottom Hole Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| H        | 9       | 17S      | 29E   | H       | 2344      | N        | 20        | E        | Eddy   |

**9. Pool Information**

|                             |       |
|-----------------------------|-------|
| EMPIRE; GLORIETA-YESO, EAST | 96610 |
|-----------------------------|-------|

**Additional Well Information**

|                           |                            |                                        |                         |                                    |
|---------------------------|----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL       | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3605 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>9223 | 18. Formation<br>Yeso                  | 19. Contractor          | 20. Spud Date<br>6/24/2019         |
| 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               | 1000          | 500             | 0             |
| Prod | 8.75      | 7           | 32               | 3725          | 2250            | 0             |
| Prod | 8.75      | 5.5         | 20               | 9223          | 2250            | 0             |

**Casing/Cement Program: Additional Comments**

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

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 1500          | Shaffer      |
| Double Ram | 5000             | 2500          | 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: _____<br>Printed Name: Electronically filed by Lupe Carrillo<br>Title: Chief Operating Officer<br>Email Address: Lupe@percussionpetroleum.com<br>Date: 5/24/2019 | <div style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></div> Approved By: Raymond Podany<br>Title: Geologist<br>Approved Date: 5/31/2019      Expiration Date: 5/31/2021<br>Conditions of Approval Attached |
| Phone: 713-589-9509                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                        |

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Permit 266712

|                               |                                                         |                                             |
|-------------------------------|---------------------------------------------------------|---------------------------------------------|
| 1. API Number<br>30-015-46024 | 2. Pool Code<br>96610                                   | 3. Pool Name<br>EMPIRE; GLORIETA-YESO, EAST |
| 4. Property Code<br>320735    | 5. Property Name<br>DARNER 9 STATE                      | 6. Well No.<br>024H                         |
| 7. OGRID No.<br>371755        | 8. Operator Name<br>PERCUSSION PETROLEUM OPERATING, LLC | 9. Elevation<br>3605                        |

|               |              |                 |              |         |                   |               |                  |               |                |
|---------------|--------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>H | Section<br>8 | Township<br>17S | Range<br>29E | Lot Idn | Feet From<br>1908 | N/S Line<br>N | Feet From<br>995 | E/W Line<br>E | County<br>Eddy |
|---------------|--------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|

|                               |              |                 |                     |         |                        |               |                 |               |                |
|-------------------------------|--------------|-----------------|---------------------|---------|------------------------|---------------|-----------------|---------------|----------------|
| UL - Lot<br>H                 | Section<br>9 | Township<br>17S | Range<br>29E        | Lot Idn | Feet From<br>2344      | N/S Line<br>N | Feet From<br>20 | E/W Line<br>E | County<br>Eddy |
| 12. Dedicated Acres<br>160.00 |              |                 | 13. Joint or Infill |         | 14. Consolidation Code |               |                 | 15. Order No. |                |

|  |  |  |  |
|--|--|--|--|
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**OPERATOR CERTIFICATION**

*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.*

E-Signed By:           Lupe Carrillo

Title:                    Chief Operating Officer

Date:                    5/24/2019

**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.*

Surveyed By:           Gary Jones

Date of Survey:        3/1/2019

Certificate Number:   7977

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**Santa Fe, NM 87505**

Form APD Comments

Permit 266712

**PERMIT COMMENTS**

|                                                                                                                  |  |                               |
|------------------------------------------------------------------------------------------------------------------|--|-------------------------------|
| Operator Name and Address:<br>PERCUSSION PETROLEUM OPERATING, LLC [371755]<br>919 Milam St.<br>Houston, TX 77002 |  | API Number:<br>30-015-46024   |
|                                                                                                                  |  | Well:<br>DARNER 9 STATE #024H |

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

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Form APD Conditions  
  
Permit 266712

**PERMIT CONDITIONS OF APPROVAL**

|                                              |                                                                                     |                      |
|----------------------------------------------|-------------------------------------------------------------------------------------|----------------------|
| Operator Name and Address:                   |                                                                                     | API Number:          |
| PERCUSSION PETROLEUM OPERATING, LLC [371755] |                                                                                     | 30-015-46024         |
| 919 Milam St.                                |                                                                                     | Well:                |
| Houston, TX 77002                            |                                                                                     | DARNER 9 STATE #024H |
| 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 |                      |