

7/30/2018
 RECEIVED: 7/24/2018 REVIEWER: PEC TYPE: APP NO: DMAM1820545604 (m Ayle
 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: Chalk Bluff State SWD No.2 [New Drill] **API:** 30-015-XXXX-45220
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

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.

Ben Stone

Print or Type Name

Signature

7/19/2018

Date

903-488-9850

Phone Number

ben@sosconsulting.us

e-mail Address



July 19, 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 drill and permit for salt water disposal the Chalk Bluff State SWD Well No.2, located in Section 32, Township 17 South, Range 27 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 to permit for disposal, the proposed Chalk Bluff State SWD No.2. Percussion will utilize 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 will run July 20, 2018 in the Artesia Daily Press and all offset operators and other Interested parties have been notified individually. The legal notice affidavit will be forwarded when received. 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 state land and minerals; a copy of the application has been sent to the State Land Office, Oil and Gas Section. There are other state and BLM lands/ minerals within the one-half mile radius notice area.

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,

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 7 Wells (2 P&A) in the subject AOR; NO wells 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 – ***NO P&A wells penetrate interval.***
- 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 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). ***Well logs will be filed with OCD.***
- *XI. ***There is 1 domestic water wells within one mile of the proposed salt water disposal well. Analysis will be forwarded.***
- 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 7 offset lessees and/or operators within ½ mile; Well location and minerals are STATE w/ federal and state offsetting leases.***
- 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: ***7/19/2018***

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:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 - Items III, IV, V

Item III - Subject Well Data

Wellbore Diagram – PROPOSED

Proposal and information contained in this application are for a new SWD well to be drilled and completed in the Devonian.

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.



SOS Consulting, LLC

C-108 - Item VI

Area of Review Well Data Tabulation

TOP OF PROPOSED INJECTION INTERVAL – 10,250'

(Summary: 7 wells; 2 P&A'd; NO wells penetrate.)

Listed Clockwise from North of Proposed Well (See AOR Map)

1. 30-015-34316 – DOES NOT PENETRATE – TD 3511'

RED LAKE 32 STATE G #001

Well Type	Oil
Well Status	Active
ULSTR	G-32-17S-27E
ogrid_name	PERCUSSION PETROLEUM OPERATING, LLC
pool_id_list	[51120] RED LAKE, GLORIETA-YESO; [97253] RED LAKE, SAN ANDRES

2. 30-015-29421 – DOES NOT PENETRATE – TD 3009'

SANDY CROSSING 32 STATE COM #001

Well Type	Gas
Well Status	Active
ULSTR	I-32-17S-27E
ogrid_name	PERCUSSION PETROLEUM OPERATING, LLC
pool_id_list	[51300] RED LAKE, QUEEN-GRAYBURG-SA

3. 30-015-36067 – DOES NOT PENETRATE – DTD 6314' (PBTD 5860')

SOONERS STATE #001

Well Type	Oil
Well Status	Active
ULSTR	J-32-17S-27E
ogrid_name	LIME ROCK RESOURCES II-A, L.P.
pool_id_list	[51120] RED LAKE, GLORIETA-YESO

4. 30-015-01233 – DOES NOT PENETRATE – TD 2822'

PRE-ONGARD WELL #001

Well Type	Oil
Well Status	Plugged (Site Released)
ULSTR	N-32-17S-27E
ogrid_name	PRE-ONGARD WELL OPERATOR

C-108 - Item VI

Area of Review Well Data Tabulation (cont.)

5. 30-015-29995 – DOES NOT PENETRATE – TD 2455'

CARTER COLLIER 5 FEDERAL #009

Well Type	Oil
Well Status	Active
ULSTR	2-32-17S-27E
ogrid_name	LIME ROCK RESOURCES II-A, L.P.
pool_id_list	[51300] RED LAKE, QUEEN-GRAYBURG-SA

6. 30-015-29651 – DOES NOT PENETRATE – TD 3393'

CHALK FEDERAL #006

Well Type	Oil
Well Status	Active
ULSTR	3-32-17S-27E
ogrid_name	VANGUARD OPERATING, LLC
pool_id_list	[51300] RED LAKE, QUEEN-GRAYBURG-SA

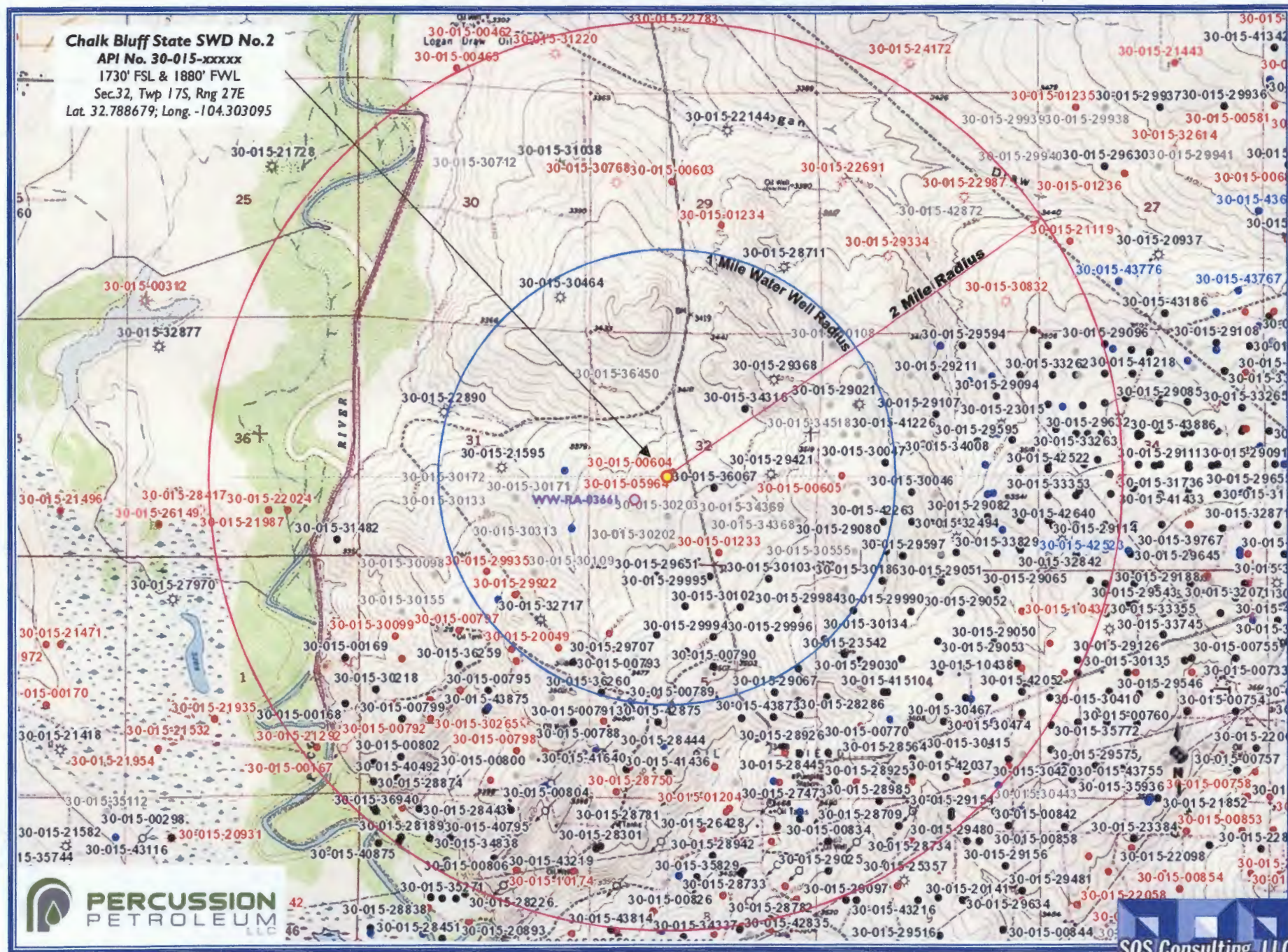
7. 30-015-05964 – DOES NOT PENETRATE – TD 335'

PRE-ONGARD WELL #002

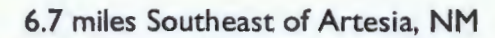
Well Type	Oil
Well Status	Plugged (Site Released)
ULSTR	3-32-17S-27E
ogrid_name	PRE-ONGARD WELL OPERATOR

Chalk Bluff State SWD No.2 - Area of Review / 2 Miles

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



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



Eddy County, New Mexico

C-108 ITEM VII – PROPOSED OPERATION

Chalk Bluff SWD No.2

Private Use SWD Facility

Upon approval of all permits for SWD, drilling 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

Drilling Operations: MIRU 1500 hp drilling rig; Spud well and drill to 1200'+ with 12-1/4" open hole; Run and cement to surface 9-5/8" 36# J-55 casing; Drill out 9-5/8" casing with 8-1/2" open hole; Drill to top of Devonian (est 10,250' MD) with FW mud; Run 7" 26# L-80 casing to 10,250' MD.

Cement casing with 2 stage cement job – DV tool above Cisco – ensure good cement is across the Yeso interval; Drill out 7" casing with 6-1/8" open hole to 11,000 ft; RD MO drilling rig.

Completion Operations: MIRU WOR; PU/MU 3-1/2" mandrel nickel plated packer for 7" casing; GIH to 10,225' MD – set packer – test backside to 1000 psi; Inject acid and diverters to open up formation below casing.

Conduct witnessed MIT pressure test; Start injecting production water.

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 Chalk Bluff SWD No.2 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 8,000 bpd and an average of 5,000 bpd at a maximum surface injection pressure of 2050 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
Bone Spring

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 - Chalk Bluff SWD No. 2

SOURCE ZONE

GLO/YESO

API No	3001524754	Lab ID	
Well Name	PLATT PA 009	Sample ID	1146
		Sample No	
Location	ULSTR 26 18 S 26 E	Lat / Long	32.71216 -104.35742
	330 S 990 W	County	Eddy
Operator (when sampled)	Yates Petroleum Corp.		
	Field ATOKA	Unit	M
Sample Date	8/4/1984	Analysis Date	
	Sample Source Wellhead	Depth (if known)	
	Water Typ 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	

Remarks

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



C-108 Item VII.5 - Produced Water Data
Percussion Petroleum, LLC - Chalk Bluff SWD No.2

SOURCE ZONE

GLO/YESO

API No	3001524619	Lab ID	
Well Name	PLATT PA 008	Sample ID	1207
		Sample No	
Location	ULSTR 26 18 S 26 E	Lat / Long	32.71245 -104.35329
	430 S 2260 W	County	Eddy
Operator (when sampled)	Yates Petroleum Corporation		
	Field ATOKA	Unit	N
Sample Date	1/19/1985	Analysis Date	
	Sample Source well head	Depth (if known)	
	Water Typ 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	

Remarks

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



C-108 Item VII.5 - Produced Water Data
Percussion Petroleum, LLC - Chalk Bluff SWD No.2

SOURCE ZONE

BONE SPRING

API No	3001520225	Lab ID	
Well Name	BIG EDDY UNIT	Sample ID	5847
	012	Sample No	
Location	ULSTR 21 20 S 31 E	Lat / Long	32.56399 -103.87994
	660 N 660 W	County	Eddy
Operator (when sampled)	MALLON OIL COMPANY		
	Field	Unit D	
	BIG EDDY		
Sample Date	8/27/1999	Analysis Date	8/31/1999
	Sample Source	Depth (if known)	
	Water Typ		
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	
Remarks			

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



C-108 Item VII.5 - Produced Water Data
Percussion Petroleum, LLC - Chalk Bluff SWD No.2

DISPOSAL ZONE

DEVONIAN

API No.	3001510280	Lab ID	
Well Name	JURNEGAN POINT 001	Sample ID	6170
		Sample No	
Location	ULSTR 05 24 S 25 E	Lat / Long	32.24037 -104.42375
	660 S 660 W	County	Eddy
Operator (when sampled)			
	Field WILDCAT	Unit	M
Sample Date	12/14/1964	Analysis Date	
	Sample Source DST	Depth (if known)	
	Water Type		
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. 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 11,000'.

The well will TD approximately 750' 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 10250' 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 120 feet.

There is one (1) water well located within one mile of the proposed SWD; it has been sampled and analyses will be forwarded upon receipt.

C-108 ITEM XI – WATER WELLS IN AOR

**2 PODs, Resulted in 1 Water Well Spots
(based on coordinates)**

Within ONE MILE of Proposed SWD – Analyses will be forwarded.



New Mexico Office of the State Engineer Active & Inactive Points of Diversion (with Ownership Information)

		(acre ft per annum)																	
WR File Nbr	Sub	basin	Use	Diversion	Owner	County	POD Number	Code	Grant	Source	416	4	Sec	Twa	Rng	X	Y		
RA 03661			PRO	0	HUMBLE OIL & REFINING	ED	RA 03661			Shallow	3	2	32	17S	27E	565186	3628038*		
RA 03664			DOM	0	HUMBLE OIL & REFINING CO	CH	RA 03664			Shallow	3	2	32	17S	27E	565186	3628038*		

Record Count: 2

PLSS Search:

Section(s): 29, 31, 32 Township: 17S Range: 27E

Sorted by: File Number

No PODs found.

PLSS Search:

Section(s): 5, 6 Township: 18S Range: 27E

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.

2/27/18 2:12 PM

Page 1 of 1

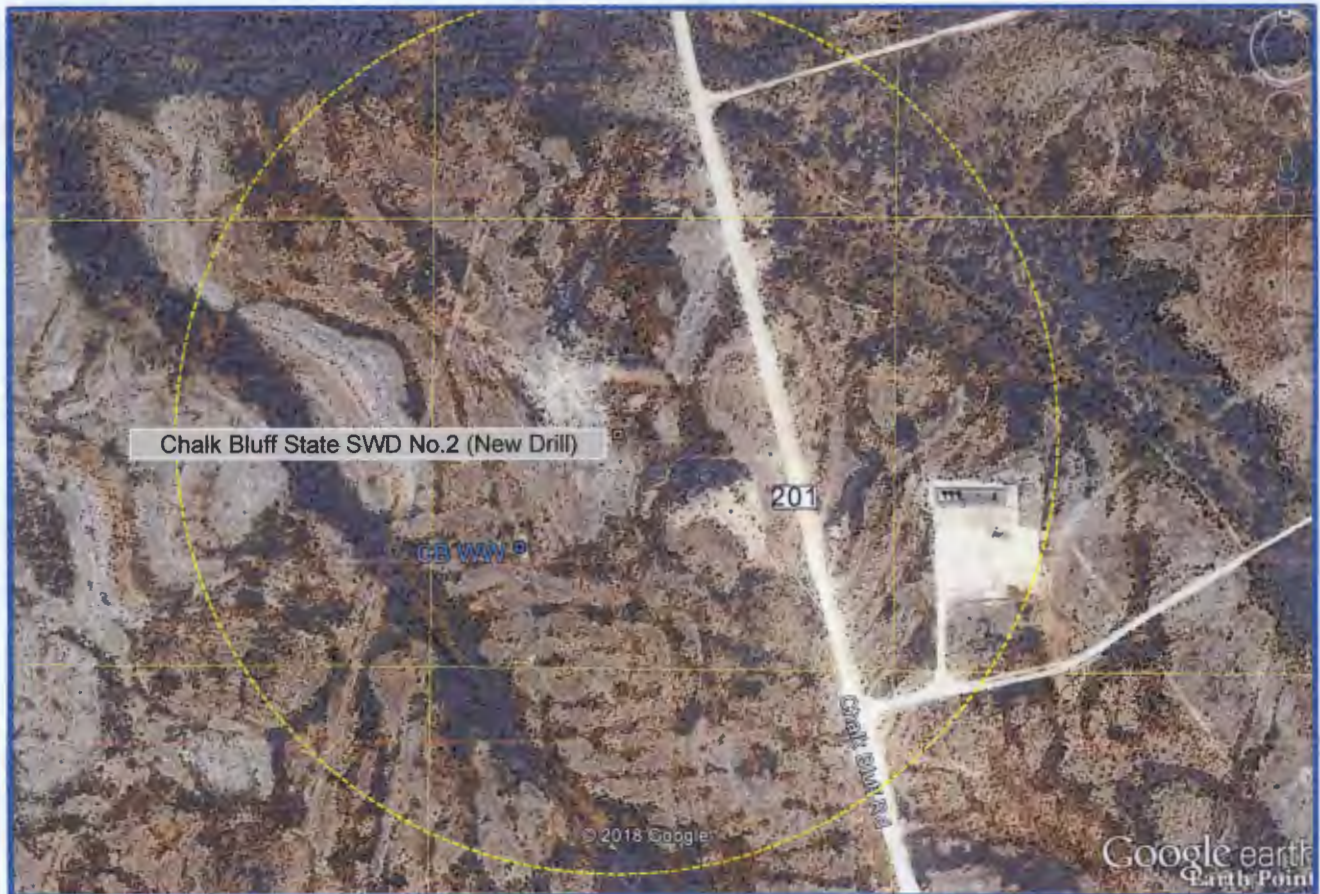
ACTIVE & INACTIVE POINTS OF DIVERSION

C-108 Item XI

Water Wells Within One Mile

Chalk Bluff State SWD No. 2 - Water Well Locator Map

*There is one water well within a one-mile radius of the proposed SWD.
It is located approximately 425 feet to the southwest of the SWD well.*



Data from the Office of the State Engineer.

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
closed) (quarters are 1=NW 2=NE 3=SW 4=SE)
(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
RA 03661			ED	3	2	3	32	17S	27E	565186	3628038*	330	140	190
RA 03664			CH	3	2	3	32	17S	27E	565186	3628038*	400	100	300

Average Depth to Water: **120 feet**
Minimum Depth: **100 feet**
Maximum Depth: **140 feet**

Record Count: 2

PLSS Search:

Section(s): 29, 31, 32

Township: 17S

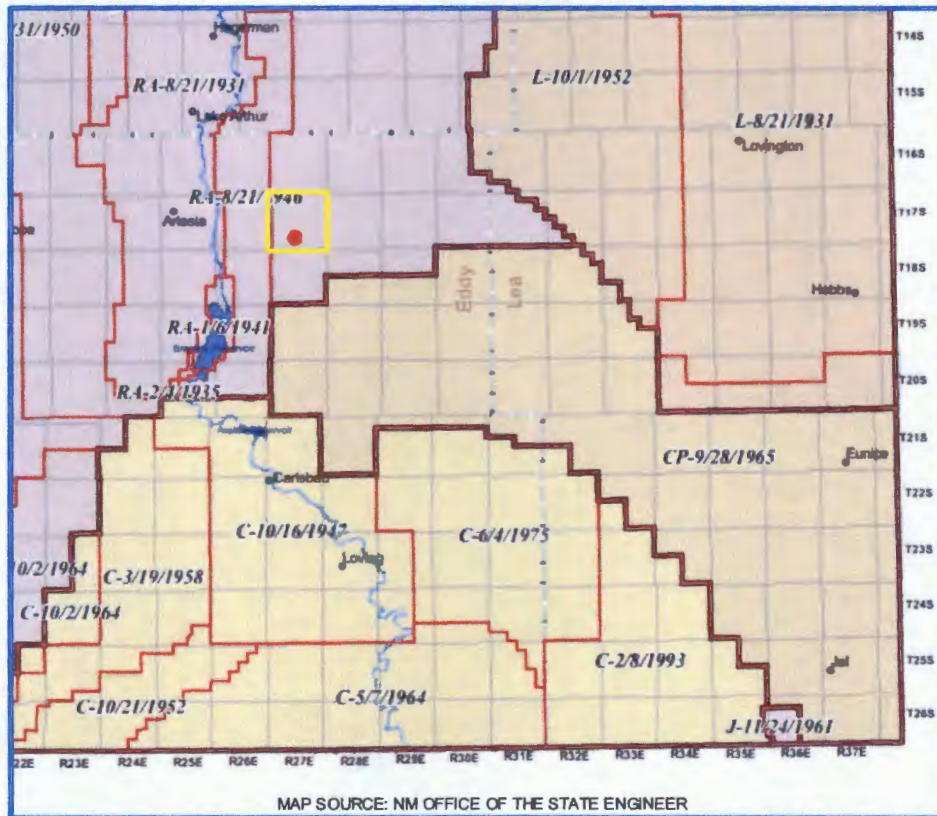
Range: 27E

*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.

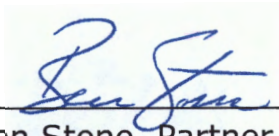
Fresh water in the area is generally available from the karstic San Andres limestone formation which is a prime example of an artesian recharged aquifer.

State Engineer's records show there is fresh water wells in the area with an depth of 140 feet and average depth to water at 175 feet.

There is 1 water well located within one mile of the proposed SWD. Samples will be taken of at least one and analysis forwarded when available.

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.

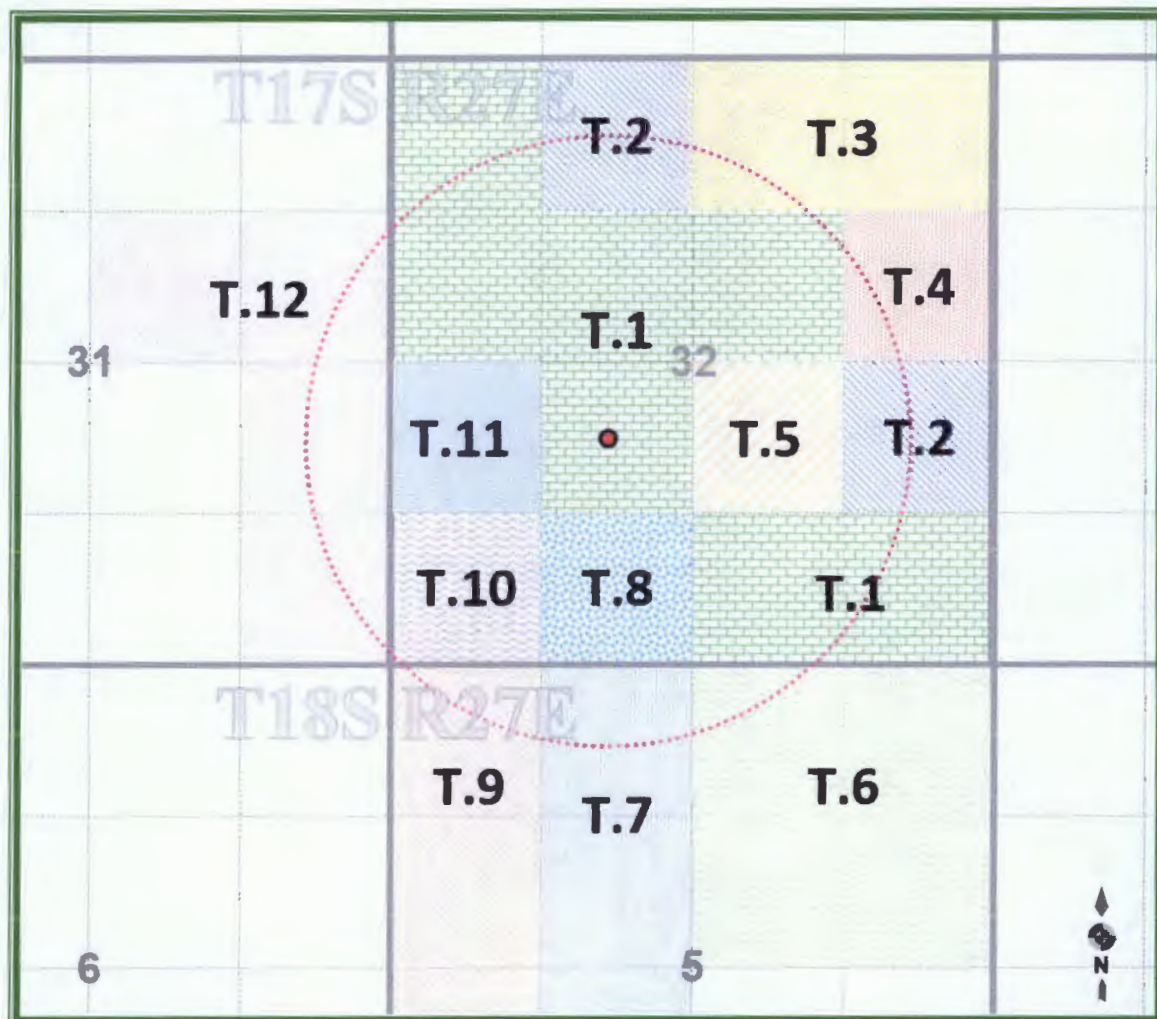


Ben Stone, Partner
SOS Consulting, LLC

Project: Percussion Petroleum Operating, LLC
Chalk Bluff State SWD No.2 (Devonian)
Reviewed 7/19/2018

Chalk Bluff State SWD No.2 – Affected Parties Plat

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



LEGEND

T.1 – VA-0787-0003 – St. Devote, LLC	T.7 – NMNM-097122 – Steve Sell
T.2 – BO-8814-0014 – ExxonMobil Corp.	T.8 – BO-6869-0042 – ExxonMobil Corp.
T.3 – E0-5313-0000 – Chevron USA, Inc.	T.9 – NMLC-049648A – ExxonMobil Corp.
T.4 – B1-1339-0003 – ExxonMobil Corp.	T.10 – BO-9391-0003 – ExxonMobil Corp
T.5 – BO-8318-0093 – ExxonMobil Corp.	T.11 – BO-6869-0040 – ExxonMobil Corp
T.6 – NMNM-0064384 – ZPZ Delaware I, LLC	T.12 – NMNM-081238 – Vanguard Operating

July 19, 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 drill and complete for salt water disposal the Chalk Bluff State SWD No.2. 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 32, Township 17 South, Range 27 East in Eddy County, New Mexico.

The published notice states that the interval will be from 10,250 feet to 11,000 feet.

Following is the notice published in the Artesia Daily Press, New Mexico on or about July 20, 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 drill and complete the Chalk Bluff State SWD No.2 for salt water disposal; located 1730' FSL and 1880' FWL, Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico; approximately 6.7 miles southeast of Artesia, NM.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 10,250 feet to 11,000 feet at a maximum surface pressure of 2050 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.

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-s697e0433cab4bc09>

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

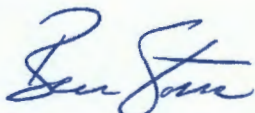
The link to this file will be active for 30 days from the date of this letter. Your company can access and download the file a maximum of five (5) times. (Copies may be downloaded and shared as needed among your company.)

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

Please use a subject like, "**Chalk Bluff SWD #2 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 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

STATE OF NEW MEXICO
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504
Certified: 7017 2400 0000 2597 5454

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

Private Lease (T.1 on Affected Parties Map)

Lessee

ST DEVOTE, LLC (Subsidiary of Applicant)
919 Milam, Ste.2475
Houston, TX 77002

Operator

PERCUSSION PETROLEUM, LLC (Applicant)
919 Milam, Ste.2475
Houston, TX 77002

State and Federal Leases BO-8814-0014, B1-1339-0003, BO-8318-0093, BO-6869-0042, NMLC-049648A, BO-9391-0003 and BO-6869-0040 (T.2, T.4, T.5, T.8, T.9, T.10 and T.11 on Affected Parties Map)

Lessee

EXXONMOBIL CORP.
P.O. Box 4358
Houston, TX 77210-4358
Certified: 7017 2400 0000 2597 5461

Operators

PERCUSSION PETROLEUM, LLC
919 Milam, Ste.2475
Houston, TX 77002

LIME ROCK RESOURCES II-A, LP
1111 Bagby Street
Houston, TX 77002
Certified: 7017 2400 0000 2597 5478

State Lease E0-5313-0000 (T.3 on Affected Parties Map)

Lessee

CHEVRON USA, INC.
Attn: Linda McMurray, Permitting Team
6301 Deauville Blvd.
Midland, TX 79706
Certified: 7017 2400 0000 2597 5485

C-108 ITEM XIII – PROOF OF NOTIFICATION
AFFECTED PARTIES LIST (cont.)

State Lease E0-5313-0000 (T.3 on Affected Parties Map – cont.)

Operator

PERCUSSION PETROLEUM, LLC
919 Milam, Ste.2475
Houston, TX 77002

BLM Lease NMNM-0064384 (T.6 on Affected Parties Map)

Lessee

5 ZPZ DELAWARE I, LLC
303 Veterans Airpark Ln., Ste.1000
Midland, TX 79704
Certified: 7017 2400 0000 2597 5492

Operator

LIME ROCK RESOURCES II-A, LP
1111 Bagby Street
Houston, TX 77002

BLM Lease NMNM-097122 (T.7 on Affected Parties Map)

Lessee

6 STEVE SELL
P.O. Box 5061
Midland, TX 79704
Certified: 7017 2400 0000 2597 5508

Operator

7 EOG Y RESOURCES
104 South 4th Street
Artesia, NM 77002
Certified: 7017 2400 0000 2597 5515

BLM Lease NMNM-081238 (T.12 on Affected Parties Map)

Lessee and Operator

8 VANGUARD OPERATING, LLC
5847 San Felipe, Ste.3000
Houston, TX 77057
Certified: 7017 2400 0000 2597 5522

OFFSET MINERALS OWNERS (Notified via USPS Certified Mail)

9 U.S. DEPARTMENT OF INTERIOR
Bureau of Land Management
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220
Certified: 7017 2400 0000 2597 5539

C-108 ITEM XIII – PROOF OF NOTIFICATION
AFFECTED PARTIES LIST (cont.)

OFFSET MINERALS OWNERS – (cont.) (Notified via USPS Certified Mail)

– STATE OF NEW MEXICO
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

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

STATE OF NEW MEXICO (FedEx'ed copy)
Oil, Gas and Minerals Division
310 Old Santa Fe Trail
Santa Fe, NM 87504

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts)

7017 2400 0000 5297 5454

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	<div style="text-align: center;">Postmark Here</div>
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 \$	
Total Postage and Fees \$	
Sent To	
Street and A	STATE OF NEW MEXICO
City, State, ZIP	Oil, Gas and Minerals Division
	310 Old Santa Fe Trail
	Santa Fe, NM 87504

7017 2400 0000 5297 5485

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	<div style="text-align: center;">Postmark Here</div>
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 \$	
Total Postage and Fees \$	
Sent To	
Street and A	CHEVRON USA, INC.
City, State, ZIP	Attn: Linda McMurray, Permitting Team
	6301 Deauville Blvd.
	Midland TX 79706

7017 2400 0000 5297 5461

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	<div style="text-align: center;">Postmark Here</div>
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 \$	
Total Postage and Fees \$	
Sent To	
Street and A	EXXONMOBIL CORP.
City, State, ZIP	P.O. Box 4358
	Houston, TX 77210-4358

7017 2400 0000 5297 5478

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee \$	<div style="text-align: center;">Postmark Here</div>
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 \$	
Total Postage and Fees \$	
Sent To	
Street and A	LIME ROCK RESOURCES II-A, LP
City, State, ZIP	1111 Bagby Street
	Houston, TX 77002

C-108 - Item XIV

Proof of Notice (Certified Mail Receipts - cont.)

7017 2400 0000 5297 5492

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$
Total Postage and Fees 6.70

Sent To
Street and City, State
ZIP DELAWARE I, LLC
303 Veterans Airpark Ln., Ste.1000
Midland, TX 79704

PS Form 3800, October 2009
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$
Total Postage and Fees 6.70

Sent To
Street and City, State
EOG 'Y' RESOURCES, INC.
104 S. 4th Street
Artesia, NM 88210

PS Form 3800, October 2009
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

7017 2400 0000 5297 5539

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$
Total Postage and Fees 6.70

Sent To
Street and City, State
U.S. DEPARTMENT OF INTERIOR
Oil & Gas Division
620 E. Greene St.
Carlsbad, NM 88220

PS Form 3800, October 2009

7017 2400 0000 5297 5508

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

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$
Total Postage and Fees 6.70

Sent To
Street and City, State
STEVE SELL
P.O. Box 5061
Midland, TX 79704

PS Form 3800, October 2009
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postage
\$
Total Postage and Fees 6.70

Sent To
Street and City, State
VANGUARD OPERATING, LLC
5847 San Felipe, Ste.3000
Houston, TX 77057

PS Form 3800, October 2009

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 drill and complete the Chalk Bluff State SWD No. 2 for salt water disposal; located 1730' FSL and 1880' FWL, Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico; approximately 6.7 miles southeast of Artesia, NM.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 10,250 feet to 11,000 feet at a maximum surface pressure of 2050 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, (963) 488-9850 or, email info@sosconsulting.us.

Published in the Artesia Daily Press, Artesia, N.M., July 20, 2018 Legal No. 24763.

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.

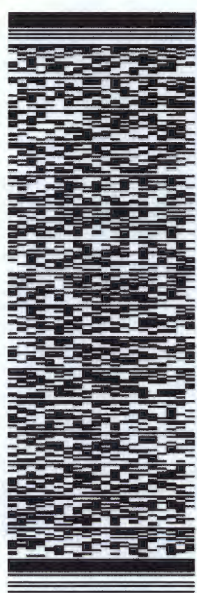
ORIGIN ID: TTYRA (903) 488-9850
BENJAMIN STONE
SOS CONSULTING, LLC
1950 CR 2331
COMO, TX 75431
UNITED STATES US

SHIP DATE: 19 JUL 18
ACTWGT: 0.50 LB
CAD: 100120607/NET3980
BILL SENDER

TO **TERRY WARNELL**
NM STATE LAND OFFICE - OIL & GAS
310 OLD SANTA FE TRL

SANTA FE NM 87501

(505) 827-5791 REF: PERCUSSION CHALK BLUFF ST SWDZ
NM: DEPT:
PO:



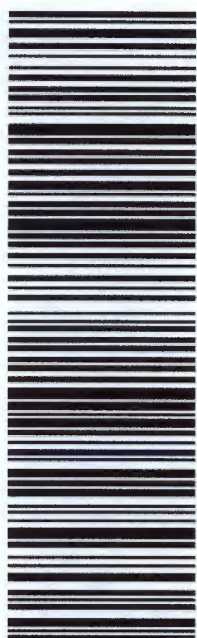
J181110812801uv

TRK# 7727 4952 8211
0201

MON - 23 JUL 10:30A
MORNING 2DAY

SX SAFA

87501
NM-US ABQ



552.128532/DCA5

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Tuesday, July 24, 2018 12:53 PM
To: Ben Stone
Cc: Goetze, Phillip, EMNRD
Subject: Percussion Petroleum Operating Chalk Bluff SWD Well No. 2

Ben:
The OCD received your administrative SWD application for the percussion Petroleum Operating Chalk Bluff SWD Well No. 2.
Your application has been suspended until the OCD receives the affidavit of publication.

Mike

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us

davit of Publication

No. 24763

Mexico

Idy:

dt:

sworn sayses that she is the

a Daily Press, a daily newspaper of General

ublished in English at Artesia, said county

d that the hereto attached

Legal Ad

d in a regular and entire issue of the said

/ Press, a daily newspaper duly qualified

ose within the meaning of Chapter 167 of

ssion Laws of the state of New Mexico for

Consecutive weeks/day on the same

rs:

tion July 20, 2018

ication

ation

cation

tion

ation

olication

nd sworn before me this

day of July 2018

FFICIAL SEAL
atisha Romine
OTARY PUBLIC-STATE OF NEW MEXICO

by commission expires: 5/12/2019

Latisha Romine

Notary Public, Eddy County, New Mexico

Copy of Publication:

Legal Notice

Percussion Petroleum Operating, LLC – 919 Millam, 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 drill and complete the Chalk Bluff State SWD No.2 for salt water disposal; located 1730' PSL and 1880' FWL, Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico; approximately 6.7 miles southeast of Artesia, NM.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 10,250 feet to 11,000 feet at a maximum surface pressure of 2050 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.

Published in the Artesia Daily Press, Artesia, N.M., July 20, 2018 Legal No. 24763.

Affidavit of Publication

No. 24763

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 20, 2018

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Sixth Publication _____

Seventh Publication _____

Subscribed and sworn before me this

23rd day of July 2018



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2019

Latisha Romine

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 drill and complete the Chalk Bluff State SWD No.2 for salt water disposal; located 1730' FSL and 1880' FWL, Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico; approximately 6.7 miles southeast of Artesia, NM.

Produced water from Percussion's area production will be privately disposed into the Devonian formation at a maximum interval depth of 10,250 feet to 11,000 feet at a maximum surface pressure of 2050 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.

Published in the Artesia Daily Press, Artesia, N.M., July 20, 2018 Legal No. 24763.

AUG 01 2018 PM03:12



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 closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	Code	POD Sub-basin	County	Q Q Q						X	Y	DepthWell	DepthWater	Water Column	
				64	16	4	Sec	Tws	Rng						
<u>RA 03661</u>		RA	ED	3	2	3	32	17S	27E	565186	3628038*		330	140	190
<u>RA 03664</u>		RA	CH	3	2	3	32	17S	27E	565186	3628038*		400	100	300

Average Depth to Water: 120 feet

Minimum Depth: 100 feet

Maximum Depth: 140 feet

Record Count: 2

PLSS Search:

Section(s): 28-33

Township: 17S

Range: 27E

*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.

12/12/18 4:22 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

C-108 - Item XI

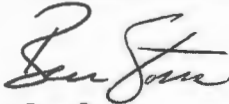
Water Wells Within One Mile

AFFIRMATIVE STATEMENT

State Engineer's records indicate that there is one water well located in the NW/SW of Section 32. This information was relayed to Mr. Lelan Anders of Percussion Petroleum Operating, LLC so that a water sample could be obtained, and analysis conducted.

On March 9, 2018, Mr. Eli Trevino, Percussion production foreman conducted a foot search and located the subject water well. It was found to be abandoned with no way to obtain a sample. Pictures were taken and shown below. There are no other known water wells in the area, no windmills are visible.

This information was relayed to me by Mr. Anders via email on 4/03/2018.



Ben Stone

Agent for Percussion Petroleum Operating, LLC

