

NSL-7850

Revised March 23, 2017

RECEIVED: 3/07/19	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL1906662099
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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: Lakewood Federal 9H Well

API: 30-015-45677

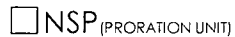
Pool: N. Seven Rivers; Glorieta Yeso Pool

Pool Code: 97565

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



B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement



[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery



2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

Adam G. Rankin

Print or Type Name

Signature

March 7, 2019

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address



March 7, 2019

VIA HAND DELIVERY

Gabriel Wade
Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its Lakewood Federal 9H Well in the E/2 W/2 of Section 34, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Wade:

Percussion Petroleum Operating, LLC ("Percussion") (OGRID No. 371755) seeks administrative approval of an unorthodox well location for its **Lakewood Federal 9H Well** (API No. 30-015-45677) to be completed within a 160-acre horizontal well spacing unit in the N. Seven Rivers; Glorieta Yeso Pool (Pool Code 97565) underlying the E/2 W/2 of Section 34, Township 19 South, Range 25 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 565.5 feet from the south line and 2,355 feet from the east line (Unit O) of Section 27. The first take point will be located 100 feet from the north line and 2,609 feet from the west line (Unit C) of Section 34 and the last take point will be 100 feet from the south line and 2,628.6 feet from the west line (Unit N) of Section 34. Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is approximately 11.4 feet from the eastern boundary of the spacing unit. Approval of the unorthodox completed interval will allow Percussion to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Lakewood Federal 9H Well** encroaches on the tract to the east.

Exhibit B is a land plat for Section 34 and the surrounding sections that shows the proposed **Lakewood Federal 9H Well** horizontal well spacing unit in relation to adjoining tracts.



Exhibit C is a list of the parties affected by Percussion's request for an unorthodox location. Each of these parties has been provided a copy of this application and all attachments by certified mail, and has been advised that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives this application. A copy of this application has been provided to the Bureau of Land Management--Carlsbad District Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Rankin". The signature is fluid and cursive, with a large initial "A" and a stylized "R".

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

HOLLAND & HART LLP



Adam G. Rankin

Associate

Phone (505) 954-7294

Fax (505) 983-6043

agrankin@hollandhart.com

March 7, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of Percussion Petroleum Operating, LLC for administrative approval of an unorthodox well location for its Lakewood Federal 9H Well in the E/2 W/2 of Section 34, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Josh Grisham
Percussion Petroleum Operating, LLC
(713) 589-2337
josh@percussionpetroleum.com

Sincerely,

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name LAKEWOOD FEDERAL	Well Number 9H
OGRID No.	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3483'

Surface Location

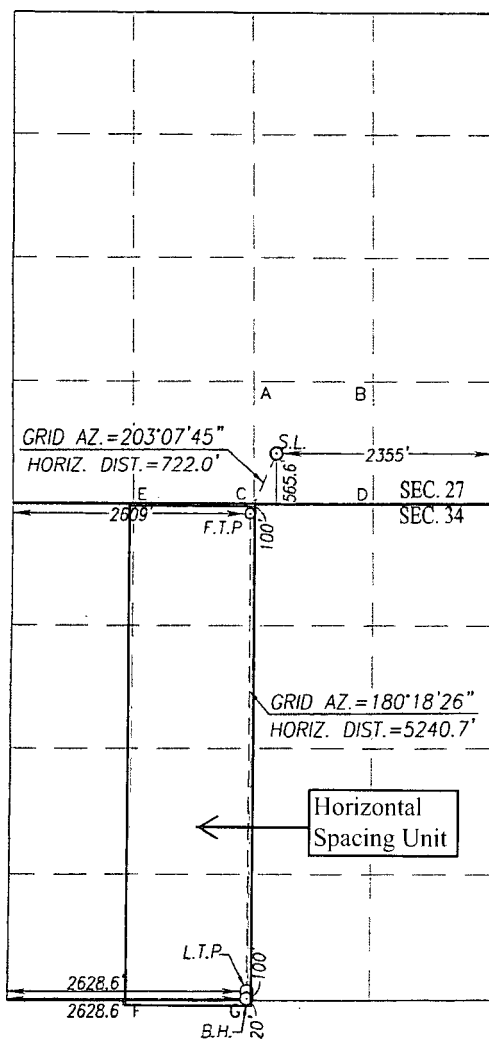
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	27	19-S	25-E		565.6	SOUTH	2355	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	19-S	25-E		20	SOUTH	2628.6	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	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



SCALE: 1"=2000'

GEODETIC COORDINATES	GEODETIC COORDINATES
NAD 83 NME	NAD 27 NME
SURFACE LOCATION	SURFACE LOCATION
Y=591493.5 N	Y=591432.6 N
X=498730.0 E	X=457551.5 E
LAT.=32.625989° N	LAT.=32.625876° N
LONG.=104.471730° W	LONG.=104.471211° W
FIRST TAKE POINT	FIRST TAKE POINT
NAD 83 NME	NAD 27 NME
Y= 590829.7 N	Y= 590768.9 N
X= 498446.5 E	X= 457268.0 E
LAT.=32.624164° N	LAT.=32.624051° N
LONG.=104.472649° W	LONG.=104.472129° W
CORNER COORDINATES TABLE	CORNER COORDINATES TABLE
NAD 83 NME	NAD 27 NME
A - Y= 592200.1 N, X= 457305.0 E	A - Y= 592200.1 N, X= 457305.0 E
B - Y= 592191.8 N, X= 458605.8 E	B - Y= 592191.8 N, X= 458605.8 E
C - Y= 590868.6 N, X= 457311.0 E	C - Y= 590868.6 N, X= 457311.0 E
D - Y= 590860.9 N, X= 458608.1 E	D - Y= 590860.9 N, X= 458608.1 E
E - Y= 590876.2 N, X= 455985.8 E	E - Y= 590876.2 N, X= 455985.8 E
F - Y= 585514.1 N, X= 455932.2 E	F - Y= 585514.1 N, X= 455932.2 E
G - Y= 585509.7 N, X= 457253.0 E	G - Y= 585509.7 N, X= 457253.0 E
CORNER COORDINATES TABLE	CORNER COORDINATES TABLE
NAD 83 NME	NAD 27 NME
A - Y= 592260.9 N, X= 498483.5 E	A - Y= 592260.9 N, X= 498483.5 E
B - Y= 592252.6 N, X= 499784.3 E	B - Y= 592252.6 N, X= 499784.3 E
C - Y= 590929.4 N, X= 498489.5 E	C - Y= 590929.4 N, X= 498489.5 E
D - Y= 590921.8 N, X= 499786.7 E	D - Y= 590921.8 N, X= 499786.7 E
E - Y= 590937.0 N, X= 497164.3 E	E - Y= 590937.0 N, X= 497164.3 E
F - Y= 585574.7 N, X= 497110.7 E	F - Y= 585574.7 N, X= 497110.7 E
G - Y= 585570.3 N, X= 498431.5 E	G - Y= 585570.3 N, X= 498431.5 E
LAST TAKE POINT	LAST TAKE POINT
NAD 83 NME	NAD 27 NME
Y= 585670.3 N	Y= 585609.7 N
X= 498418.8 E	X= 457240.3 E
LAT.=32.609982° N	LAT.=32.609869° N
LONG.=104.472717° W	LONG.=104.472197° W
BOTTOM HOLE LOCATION	BOTTOM HOLE LOCATION
NAD 83 NME	NAD 27 NME
Y= 585590.4 N	Y= 585529.7 N
X= 498418.4 E	X= 457239.9 E
LAT.=32.609762° N	LAT.=32.609649° N
LONG.=104.472717° W	LONG.=104.472198° W

OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.



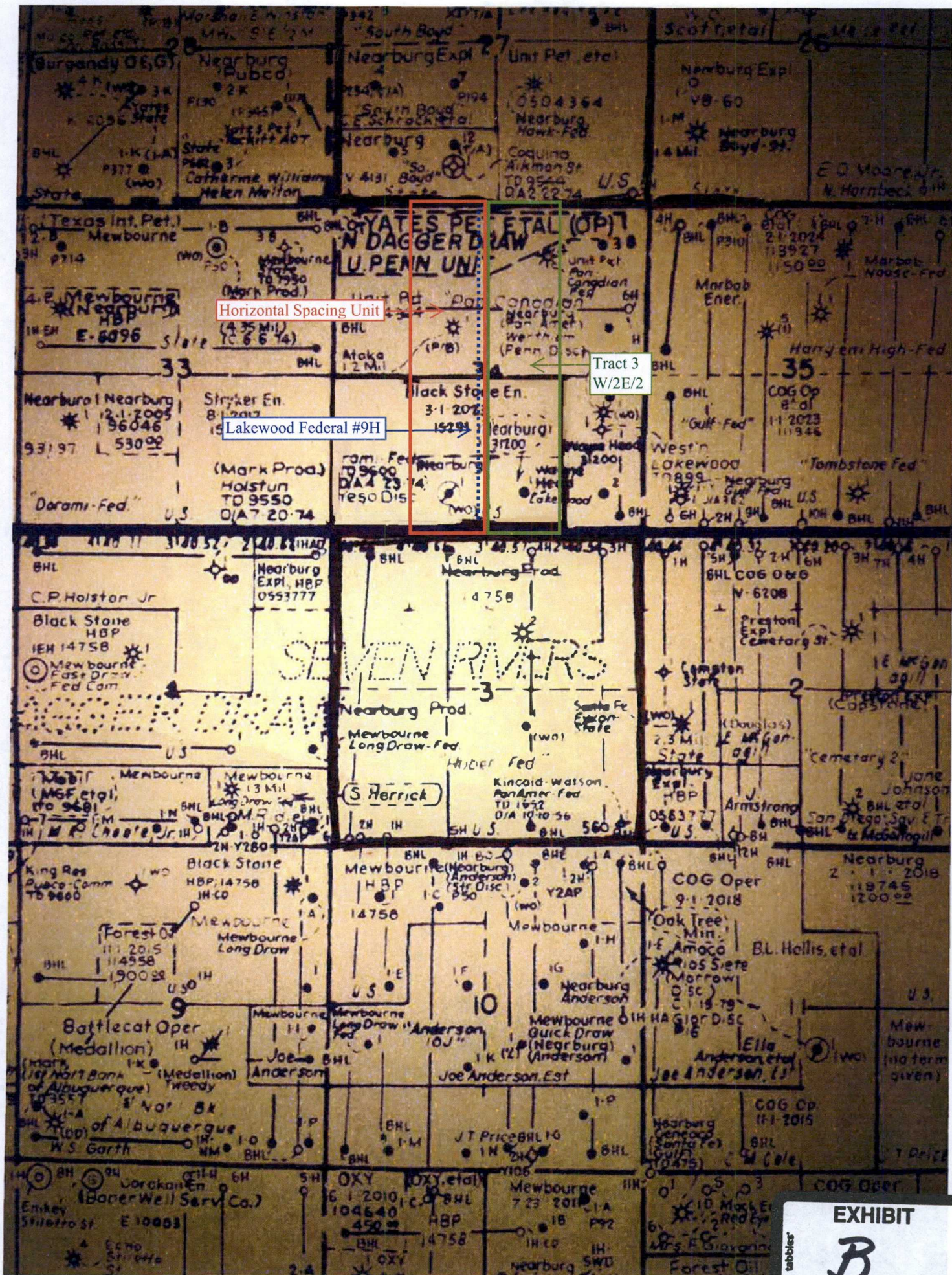
SURVEYOR CERTIFICATION

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.

APRIL 3, 2018

Date of Survey
Signature & Seal of Professional Surveyor:

RONALD EIDSON
NEW MEXICO
REGS
3299
Certificate Number: 12641
ACK REV:5/23/18 REL:W.O.:18110112 JWSC W.O.: 18.11.0405



Horizontal Spacing Unit

Tract 3
W/2E/2

Lakewood Federal #9H

EXHIBIT
B

2/22/2019

Lakewood Prospect

TRACT 1 (W2/W2 Sec 34-19S-25E)

ST. DEVOTE

NEARBURG EXPLORATION COMPANY

SPACE BUILDING CORPORATION

ADDRESS

919 MILAM, SUITE 2475

P.O. BOX 823085

P.O. BOX 283

CITY, STATE, ZIP

HOUSTON, TX 77002

DALLAS, TX 75382

EAST TAUNTON, MA 02718

WORKING INT

0.99323467

0.00093315

0.00116644

TRACT 2 (E2/W2 Sec 34-19S-25E)

ST. DEVOTE

FRED M. ALLISON, III

CHALLENGER CRUDE, LTD

LAMAR B. ROEMER

STRINGER FAMILY INTEREST, LP

NEARBURG EXPLORATION COMPANY

SPACE BUILDING CORPORATION

ADDRESS

919 MILAM, SUITE 2475

8750 N. CENTRAL EXPY., STE 950

3300 NORTH "A", BLDG. 8-110

25815 OAK RIDGE DR.

P.O. BOX 3037

P.O. BOX 823085

P.O. BOX 283

CITY, STATE, ZIP

HOUSTON, TX 77002

DALLAS, TX 75231

MIDLAND, TX 79708

SPRING, TX 77380

SAN ANGELO, TX 76902

DALLAS, TX 75382

EAST TAUNTON, MA 02718

WORKING INT

0.97276098

0.00018363

0.00014688

0.01053565

0.00093315

0.00093315

0.00116644

TRACT 3 (W2/E2 Sec 34-19S-25E)

ST. DEVOTE

NEARBURG EXPLORATION COMPANY

SPACE BUILDING CORPORATION

ADDRESS

919 MILAM, SUITE 2475

P.O. BOX 823085

P.O. BOX 283

CITY, STATE, ZIP

HOUSTON, TX 77002

DALLAS, TX 75382

EAST TAUNTON, MA 02718

WORKING INT

0.99323467

0.00093315

0.00116644





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Percussion - Lakewood 7H - 15H NSL
CM# 100391.0001 20190307
Notices including NM BLM

Shipment Date: 03/07/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	8
Total	8

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0013 1205 10



Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1.	9214 8901 9403 8379 7097 66	St Devote 919 Milam Suite 2475 Houston TX 77022		2.05	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
2.	9214 8901 9403 8379 7097 73	Nearburg Exploration Company PO BOX 823085 Dallas TX 75382		2.05	3.50									1.60			
3.	9214 8901 9403 8379 7097 80	Space Building Corporation PO BOX 283 East Taunton MA 02718		2.05	3.50									1.60			
4.	9214 8901 9403 8379 7097 97	Fred M Allison III 8750 N Central Expy Ste 950 Dallas TX 75231		2.05	3.50									1.60			
5.	9214 8901 9403 8379 7098 03	Challenger Crude LTD 3300 North A: Bldg 8-110 Midland TX 79708		2.05	3.50									1.60			
6.	9214 8901 9403 8379 7098 10	Lamar B Roemer 25815 Oak Ridge Drive Spring TX 77380		2.05	3.50									1.60			
7.	9214 8901 9403 8379 7098 27	Stringer Family Interest LP PO BOX 3037 San Angelo TX 76902		2.05	3.50									1.60			
8.	9214 8901 9403 8379 7098 34	NM Bureau of Land Management Carlsbad District Offices 620 E Greene St Carlsbad NM 88220		2.05	3.50									1.60			
Total Number of Pieces Listed by Sender 8		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													