

**BEFORE THE OIL CONSERVATION COMMISSION
EXAMINER HEARING JUNE 14, 2018**

CASE No. 16157

RED LAKE 32 STATE COM 2H

EDDY COUNTY, NEW MEXICO



PERCUSSION
PETROLEUM
LLC

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF PERCUSSION
PETROLEUM OPERATING, LLC FOR A
NON-STANDARD SPACING AND
PRORATION UNIT, UNORTHODOX
WELL LOCATION, AND COMPULSORY
POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 16157

AFFIDAVIT

I, Brian Zwart, of lawful age and being first duly sworn, declares as follows:

1. My name is Brian Zwart. I am over the age of eighteen, of sound mind, and am competent to make this affidavit, which is based on my personal knowledge and expert opinion as a petroleum engineer.

2. I am employed by Percussion Petroleum Operating, LLC ("Percussion") (OGRID No. 371755) as Vice President of Engineering. I have been employed in this capacity since January 2016. I am familiar with the application that was filed in this case.

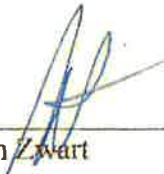
3. In the above-captioned case, Percussion seeks approval for an unorthodox well location for its proposed **Red Lake 32 State Com 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 32. *See* Form C-102, Well Location And Acreage Dedication Plat, attached as **Exhibit A**.

4. The final take point for the well will be at a location 100 feet from the west line and 360 feet from the south line of Section 32, making the completed interval for this well closer

than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells. *Id.* The proposed completed interval for this well is, therefore, unorthodox to the spacing and proration units to the west and southwest.

5. The unorthodox well location is requested for engineering reasons in order to permit Percussion the opportunity to produce its just and equitable share of production from the pool and the project area which would otherwise remain unproduced. The proposed well unorthodox well location will allow Percussion to achieve its preferred well-spacing and efficient and economic drainage of the project area.

FURTHER AFFIANT SAYETH NAUGHT.




Brian Zwart

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing Affidavit of Brian Zwart was subscribed and sworn to before me this 14th day of JUNE, 2018, by Brian Zwart.

NOTARY SEAL:





(Notary's official signature)
6/24/2021

(Commission Expiration Date)

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6101 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 RED LAKE 32 STATE	Well Number 2H
OGRID No.	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3515'

Surface Location

U/L or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	17-S	27-E		292	SOUTH	155	EAST	EDDY

Bottom Hole Location If Different From Surface

U/L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	17-S	27-E		360	SOUTH	100	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

CORNER COORDINATES TABLE
NAD 27 NME

A - Y=650185.5 N, X=507566.5 E
B - Y=650071.8 N, X=612860.4 E
C - Y=648907.9 N, X=507545.7 E
D - Y=648770.9 N, X=512811.0 E

CORNER COORDINATES TABLE
NAD 83 NME

A - Y=650248.2 N, X=548747.5 E
B - Y=650134.5 N, X=554039.4 E
C - Y=648970.6 N, X=548724.7 E
D - Y=648833.6 N, X=553990.1 E

GEODETIC COORDINATES

NAD 27 NME
SURFACE LOCATION
Y=649066.7 N
X=512667.2 E
LAT.=32.784368° N
LONG.=104.292116° W

GEODETIC COORDINATES

NAD 83 NME
SURFACE LOCATION
Y=649129.4 N
X=553846.2 E
LAT.=32.784483° N
LONG.=104.292631° W

FIRST TAKE POINT

NAD 27 NME
Y=6491146.3 N
X=512225.0 E
LAT.=32.784588° N
LONG.=104.293555° W

FIRST TAKE POINT

NAD 83 NME
Y=649209.0 N
X=553404.0 E
LAT.=32.784702° N
LONG.=104.294069° W

LAST TAKE POINT &
BOTTOM HOLE LOCATION

NAD 27 NME
Y=649265.2 N
X=507652.1 E
LAT.=32.784918° N
LONG.=104.308434° W

LAST TAKE POINT &
BOTTOM HOLE LOCATION

NAD 83 NME
Y=649327.9 N
X=548831.1 E
LAT.=32.785032° N
LONG.=104.308949° 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.

Signature

Date

Printed Name

E-mail Address

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.

NOVEMBER 22, 2017

Date of Survey

Signature & Seal of Professional Surveyor

Professional Surveyor
NEW MEXICO
3239
Ronald E. Eidson
Certificate Number: 3239
ACK
JWS/C W.O. 17.11.1016

EXHIBIT A

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF PERCUSSION
PETROLEUM OPERATING, LLC FOR A
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POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 16157

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Adam G. Rankin, attorney in fact and authorized representative of **PERCUSSION
PETROLEUM OPERATING, LLC** the Applicant herein, being first duly sworn, upon oath,
states that the above-referenced Applications have been provided under the notice letters and
proof of receipts attached hereto.



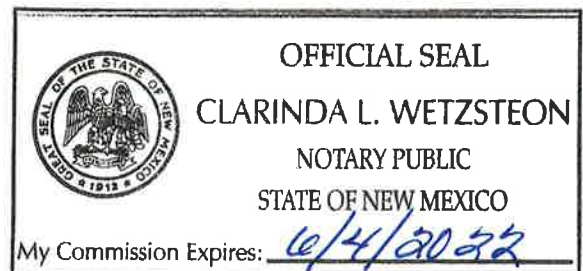
Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 14th day of June, 2018 by Adam G.
Rankin.



Notary Public

My Commission Expires: 6/4/2022





Adam G. Rankin

Associate

Phone (505) 988-4421

Fax (505) 983-6043

agrarkin@hollandhart.com

April 20, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

**Re: Application of Percussion Petroleum Operating, LLC for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico.
Red Lake 32 State Com 2H Well**

This letter is to advise you that Percussion Petroleum Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on May 17, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Josh Grisham at (713) 589-2337 or josh@percussionpetroleum.com.

Sincerely,

Adam G. Rankin

**ATTORNEY FOR PERCUSSION PETROLEUM
OPERATING, LLC**

10816539_1



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 - Red Lake 32 State Com 2H Well
CM# 100391.0001 20180417
Offset List

Shipment Date: 04/17/2018

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	7
Total	7

*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 0008 0494 44



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery										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	SORD Fee	SH Fee				
1. 9214 8901 9403 8305 5868 12	VANGUARD OPERATING LLC 5847 SAN FELIPE STE 3000 HOUSTON TX 77057	0.49	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50							
2. 9214 8901 9403 8305 5868 29	ST DEVOTE LLC 919 MILAM SUITE 2475 HOUSTON TX 77002	0.49	3.45								1.50							
3. 9214 8901 9403 8305 5868 36	LIME ROCK RESOURCES IIA L P 1111 BAGBY ST STE 4600 HOUSTON TX 77002	0.49	3.45								1.50							
4. 9214 8901 9403 8305 5868 43	XTO HOLDINGS LLC 810 HOUSTON STREET FORT WORTH TX 76102	0.49	3.45								Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling			
5. 9214 8901 9403 8305 5868 50	ST DEVOTE LLC 919 MILAM SUITE 2475 HOUSTON TX 77002	0.49	3.45								Adult Signature Restricted Delivery	Adult Signature Required						
6. 9214 8901 9403 8305 5868 67	ZIPZ DELAWARE I LLC 2000 POST OAK BLVD STE 100 HOUSTON TX 77056	0.49	3.45									1.50						
7. 9214 8901 9403 8305 5868 74	LRE OPERATING LLC 1111 BAGBY ST STE 4600 HOUSTON TX 77002	0.49	3.45									1.50						
Total Number of Pieces Listed by Sender 7	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)																



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Welcome Clory Wetzsteon, (Not [Clory Wetzsteon?](#))

Company:

Holland & Hart LLP

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My Tools

Mail Jobs
Mail Pieces
Manual Mailings
Reports
Setup
Account
Tools

Mail Pieces

Filter:

< No Filter >

Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8305 5868 74	LRE OPERATING LLC	Delivered		
	1111 BAGBY ST STE 4600	Signature	No	
	HOUSTON TX 77002	Received		
9214 8901 9403 8305 5868 67	ZPZ DELAWARE I LLC	Delivered		
	2000 POST OAK BLVD STE 100	Signature	No	
	HOUSTON TX 77056	Received		
9214 8901 9403 8305 5868 50	ST DEVOTE LLC	Delivered		
	919 MILAM SUITE 2475	Signature	No	
	HOUSTON TX 77002	Received		
9214 8901 9403 8305 5868 43	XTO HOLDINGS LLC	Delivered		
	810 HOUSTON STREET	Signature	No	
	FORT WORTH TX 76102	Received		
9214 8901 9403 8305 5868 36	LIME ROCK RESOURCES II-A L P	Delivered		
	1111 BAGBY ST STE 4600	Signature	No	
	HOUSTON TX 77002	Received		
9214 8901 9403 8305 5868 29	ST DEVOTE LLC	Delivered		
	919 MILAM SUITE 2475	Signature	No	
	HOUSTON TX 77002	Received		
9214 8901 9403 8305 5868 12	VANGUARD OPERATING LLC	Delivered		
	5847 SAN FELIPE STE 3000	Signature	No	
	HOUSTON TX 77057	Received		

100 items per page

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