State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen

Cabinet Secretary

Matthias Sayer

Deputy Cabinet Secretary

Heather Riley
Division Director



Response Required - Deadline Enclosed

Field Inspection Program
"Preserving the Integrity of Our Environment".

09-May-18

PERCUSSION PETROLEUM OPERATING, LLC

919 Milam Suite 2475 Houston TX 77002-7002

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

DEDE M	ADOLIFTE	12 FEDER	AΙ	. No.003

B-18-17S-29E

30-015-39031-00-00

Inspection Date

n Type Inspection Violation?

*Significant Non-Compliance? Corrective

Inspection No.

05/09/2018

Routine/Periodic

Tony Morales

Inspector

Yes

No

Action Due By: 8/12/2018

iTM1812950507

Violations

General Housekeeping (Rule 114)

Comments on Inspection:

OK. All Equipment and Location in Good Shape. PJ STAINING AROUND WELLHEAD

19.15.10.8