

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM31200

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
LAKEWOOD FED 1

2. Name of Operator

NEARBURG PRODUCING COMPANY
Percussion Petroleum LLC
Contact: VICKI JOHNSTON
E-Mail: vjohnston1@gmail.com9. API Well No.
30-015-24231-00-S1

3a. Address

3300 NORTH A STREET BLDG 2 STE 120
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 830-537-4599

10. Field and Pool or Exploratory Area
SEVEN RIVERS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 34 T19S R25E SWSE 660FSL 1993FEL

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Successor of Operator
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Change of Operator:

New Operator:
Percussion Petroleum Operating LLC (OGRID 371755)
1010 Lamar Street, Suite 1540
Houston, Texas 77002Old Operator:
Nearburg Producing Company (OGRID 15742)
3300 North A Street, Suite 120
Midland, Texas 79705BC 1-3-18
Accepted for record - NMOCNM OIL CONSERVATION
ARTESIA DISTRICT

JAN 03 2018

SEE ATTACHED FOR
CONDITIONS OF APPROVAL RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #364463 verified by the BLM Well Information System
For NEARBURG PRODUCING COMPANY, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 02/07/2017 (17PP0179SE)

Name (Printed/Typed) LUPE CARRILLO

Title COO AND CO-FOUNDER

Signature (Electronic Submission)

Date 01/20/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>C. Nimmer</u>	Title <u>Engineer</u>	Date <u>11/21/17</u>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office <u>BLM-CFO</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #364463 that would not fit on the form

32. Additional remarks, continued

Percussion Petroleum Operating LLC accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased lands.

See attached:

C-145 approved by New Mexico OCD

C-145 attachment - affected wells list

NPC to Percussion - complete well list

Designation of Agent letter

C-145

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/C104...>

District I
1635 N. Frank Dr., Hobbs, NM 88240
Phone: (505) 345-6181 Fax: (505) 343-9730
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1565 Fax: (505) 748-4730
District III
1008 Rio Rancho Rd., Aztec, NM 87410
Phone: (505) 334-9176 Fax: (505) 334-8170
District IV
1228 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3475 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505
Change of Operator

Form O-148
August 1, 2014
Form 330173

Previous Operator Information

OPRD: 18742
Name: NEARBURG PRODUCING CO
Address: 3300 N. A Street, Bldg 2,
Suite 130
City, State, Zip: Midland, TX 79707

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OPRD: 371755
Name: PERCUSSION PETROLEUM OPERATING, LLC
Address: 1010 Lamer St,
Suite 1540
City, State, Zip: Houston, TX 77002

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, PERCUSSION PETROLEUM OPERATING, LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17, 13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

PERCUSSION PETROLEUM OPERATING, LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

C-145

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/C104...>

As the operator of record of wells in New Mexico, PERCUSSION PETROLEUM OPERATING, LLC agrees to the following statements:

1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I have familiarized myself with all applicable statutes and rules, not just the rules referenced in this Set. I understand that the OCD's rules (18.18.2-18.15.112 NMAC) and the Water Quality Control Commission's rules (20.6.2-20.6.7 NMAC) are available at the New Mexico State Records Center and Archives website (www.nm.gov.state.nm.us).
2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 18.18.9.9(B) NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 18.18.9.9(C)(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 18.18.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 18.18.7.24(C) NMAC.
4. I UNDERSTAND THAT New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 18.18.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 18.18.25 NMAC. I understand that I can check my compliance with the basic requirements of 18.18.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. I must keep current with financial assurance for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, or blanket plugging financial assurance for wells in temporarily abandoned status, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 18.18.8.8(C) NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 18.18.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. I have read 18.15.5.8 NMAC, commonly known as "Rule 5.9" and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (18.18.25.8 NMAC). **If I am in violation of 18.18.25.8 NMAC, I may not be allowed to drill, operate or produce any additional wells, and will not be able to obtain any new injection permits. See 18.18.16.14 NMAC, 18.18.25.8 NMAC, 18.18.2.8 NMAC and 18.18.14.10 NMAC. If I am in violation of 18.18.25.8 NMAC the OCD may alter rules and policies, revoke my existing injection permits. See 18.18.25.8 NMAC.**
8. For injection (or disposal) wells, I acknowledge that I have read and agree to operate my wells in compliance with 18.18.29 NMAC. I acknowledge that I have read and agree to the terms of my injection permit. I understand that I must report injection volume and injection pressure on my monthly C-115 report. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 18.18.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a wastewater disposal well or special purpose injection well, authority for that injection automatically terminates. See 18.18.26.12 NMAC. I understand that if I transfer operation of any injection well to another operator, the OCD must approve the transfer or authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 18.18.26.15 NMAC.
9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 18.18.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 18.18.9.9(B) NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

	B & B #010	P	O-22-19S-25E	O	30-015-29770	O	97482	WC; GLORIETA-YESO
	B & B #011H	S	P-22-19S-25E	P	30-015-30816	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317227	BOYD 26L STATE #001	S	L-26-19S-25E	L	30-015-36348	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317228	BOYD STATE #001	S	M-26-19S-25E	M	30-015-25925	G	74640	CEMETARY;MORROW (GAS)
317232	CHEVRON 32 STATE COM #001	S	A-32-17S-27E	A	30-015-29368	G	80400	LOGAN DRAW;MORROW (GAS)
317233	COMET 22 FEDERAL #001	F	M-22-16S-28E	M	30-015-35832	O	97102	CROW FLATS; WOLFCAMP
	COMET 22 FEDERAL #002	F	L-22-16S-28E	L	30-015-35818	O	97102	CROW FLATS; WOLFCAMP
317234	COVERT COM #001	P	F-06-20S-25E	F	30-015-21676	G	75880	DAGGER DRAW;MORROW (GAS)
317235	CROW FLATS 10 FEDERAL #001	F	H-10-16S-28E	H	30-015-30168	G	76079	DIAMOND MOUND;MORROW (GAS)
317236	DAGGER DRAW 31 FEDERAL COM #004	F	2-31-19S-25E	E	30-015-26740	O	15472	DAGGER DRAW;UPPER PENN, NORTH
317237	DORAMI 33 FEDERAL COM #001	F	L-33-19S-25E	L	30-015-29899	O	74640	CEMETARY;MORROW (GAS)
317238	EAGLE CREEK 14 #001	P	C-14-17S-25E	C	30-015-30246	G	76240	EAGLE CREEK;ATOKA- MORROW, E (GAS)
317239	EXXON 33 FEDERAL COM #001	F	E-33-17S-27E	E	30-015-29021	G	80400	LOGAN DRAW;MORROW (GAS)
317240	FAIRCHILD 24 #001	P	E-24-19S-25E	E	30-015-28151	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	FAIRCHILD 24 #002H	P	L-24-19S-25E	L	30-015-39013	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317241	FOSTER 31 FEDERAL #003	F	4-31-19S-25E	M	30-015-27493	O	15472	DAGGER DRAW;UPPER PENN, NORTH
	FOSTER 31 FEDERAL #003	F	4-31-19S-25E	M	30-015-27493	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317242	HAWK 27 FEDERAL #001	F	J-27-19S-25E	J	30-015-29489	O	74640	CEMETARY;MORROW (GAS)
317243	HUBER FEDERAL #002	F	G-03-20S-25E	G	30-015-24261	G	74640	CEMETARY;MORROW (GAS)
	HUBER FEDERAL #003H	F	1-03-20S-25E	A	30-015-38163	O	11795	CEMETARY;YESO (ABOLISHED)
	HUBER FEDERAL #004H	F	2-03-20S-25E	B	30-015-39022	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	HUBER FEDERAL #005H	F	N-03-20S-25E	N	30-015-39177	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	HUBER FEDERAL #006H	F	M-03-20S-25E	M	30-015-39765	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317245	LAKEWOOD FEDERAL #001	F	O-34-19S-25E	O	30-015-24231	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317246	LOGAN DRAW 30 FEDERAL COM #001	F	H-30-17S-27E	H	30-015-31038	G	80400	LOGAN DRAW;MORROW (GAS)
317249	MORRIS 26 E #001	S	E-26-19S-25E	E	30-015-26057	O	55670	SEVEN RIVERS;YESO (ABOLISHED)
317250	MORRIS BOYD 26 FEE COM #001H	P	P-26-19S-25E	P	30-015-38962	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317251	MUCHO MESA 24 STATE #001	S	K-24-18S-24E	K	30-015-29943	G	82775	PENASCO DRAW;PERMO PENN (GAS)
317252	OSAGE BOYD 15 #002	P	K-15-19S-25E	K	30-015-28599	O	72840	BOYD;MORROW (GAS)
	OSAGE BOYD 15 #004	P	N-15-19S-25E	N	30-015-28628	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	OSAGE BOYD 15 #005	S	M-15-19S-25E	M	30-015-28885	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	OSAGE BOYD 15 #007	P	L-15-19S-25E	L	30-015-28981	O	15472	DAGGER DRAW;UPPER PENN, NORTH
	OSAGE BOYD 15 #007	P	L-15-19S-25E	L	30-015-28981	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317253	OSAGE BOYD 15 FEDERAL COM #006	F	C-15-19S-25E	C	30-015-28945	O	72840	BOYD;MORROW (GAS)
	OSAGE BOYD 15 FEDERAL COM #008	P	F-15-19S-25E	F	30-015-28992	O	15472	DAGGER DRAW;UPPER PENN, NORTH
317254	PARINO #001	P	I-23-19S-25E	I	30-015-23049	G	97565	N. SEVEN RIVERS; GLORIETA-YESO

317255	PARINO 23L #002	F	L-23-19S-25E	L	30-015-25939	G	72840	BOYD;MORROW (GAS)
317256	PARINO 23M FEE #001	P	M-23-19S-25E	M	30-015-36174	O	96065	WC;GLORIETA-YESO
	PARINO 23M FEE #001	P	M-23-19S-25E	M	30-015-36174	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317257	RED LAKE 32 STATE G #001	S	G-32-17S-27E	G	30-015-34316	O	97253	RED LAKE; SAN ANDRES
317259	ROSE 12A #001	P	A-12-19S-25E	A	30-015-25991	G	97970	WC-015 S192512A;STRAWN (GAS)
317260	ROSS RANCH 22 #001	P	L-22-19S-25E	L	30-015-27457	G	74640	CEMETARY;MORROW (GAS)
	ROSS RANCH 22 #002	P	E-22-19S-25E	E	30-015-27458	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	ROSS RANCH 22 #003	P	C-22-19S-25E	C	30-015-28375	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	ROSS RANCH 22 #004	P	F-22-19S-25E	F	30-015-28380	G	97565	N. SEVEN RIVERS; GLORIETA-YESO
	ROSS RANCH 22 #006A	P	N-22-19S-25E	N	30-015-29769	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	ROSS RANCH 22 #007	P	K-22-19S-25E	K	30-015-28378	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	ROSS RANCH 22 #008	P	M-22-19S-25E	M	30-015-28379	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317261	SANDY CROSSING 32 STATE COM #001	S	I-32-17S-27E	I	30-015-29421	G	51300	RED LAKE;QUEEN-GRAYBURG-SA
317263	SHELBY 23 #001	P	B-23-19S-25E	B	30-015-41784	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317264	SOUTH BOYD 27 #002	P	C-27-19S-25E	C	30-015-29767	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #003	P	E-27-19S-25E	E	30-015-28498	O	15472	DAGGER DRAW;UPPER PENN, NORTH
	SOUTH BOYD 27 #003	P	E-27-19S-25E	E	30-015-28498	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #006	P	D-27-19S-25E	D	30-015-28588	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #008	P	G-27-19S-25E	G	30-015-29138	O	74635	CEMETARY;ATOKA, NORTH (GAS)
	SOUTH BOYD 27 #009	P	B-27-19S-25E	B	30-015-29297	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #010H	S	A-27-19S-25E	A	30-015-30869	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #011	P	F-27-19S-25E	F	30-015-30817	O	15472	DAGGER DRAW;UPPER PENN, NORTH
	SOUTH BOYD 27 #011	P	F-27-19S-25E	F	30-015-30817	O	97482	WC; GLORIETA-YESO
	SOUTH BOYD 27 #011	P	F-27-19S-25E	F	30-015-30817	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 #012	P	N-27-19S-25E	N	30-015-30793	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317265	SOUTH BOYD 27 COM #004	P	L-27-19S-25E	L	30-015-28289	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 COM #005	S	M-27-19S-25E	M	30-015-28801	O	15472	DAGGER DRAW;UPPER PENN, NORTH
	SOUTH BOYD 27 COM #005	S	M-27-19S-25E	M	30-015-28801	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
	SOUTH BOYD 27 COM #007	S	K-27-19S-25E	K	30-015-29010	O	97565	N. SEVEN RIVERS; GLORIETA-YESO
317266	TRIGG 29 FEDERAL COM #001	F	I-29-17S-27E	I	30-015-28711	G	80400	LOGAN DRAW;MORROW (GAS)
317267	WERTHIEM 34 FEDERAL #001	F	I-34-19S-25E	I	30-015-00117	G	74640	CEMETARY;MORROW (GAS)



January 14, 2017

DESIGNATION OF AGENT

Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220

Re: Agent Authorization

To Whom It May Concern:

Please be informed that Vicki Johnston is an Agent employed by Gray Surface Specialties. She is authorized to prepare and submit APDs, Sundry Notices, and other BLM-required forms on behalf of Percussion Petroleum Operating, LLC (OGRID #371755)

Vicki can be contacted as follows:

- Telephone: (830) 537-4599 or (281) 468-2448
- Email: vjohnston1@gmail.com
- Mailing Address: 116 White Oak Trail, Boerne, Texas 78006

Sincerely,

Lupe Carrillo

Chief Operating Officer & Co-Founder

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. Greene St
Carlsbad, NM 88220
Ph: (575) 234-5972

Conditions of Approval for Change of Operator

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.