

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.*

**Carlsbad Field Office**  
**OCD Artesia**

5. Lease Serial No.  
NMNM15291  
6. Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

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

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
HUBER FEDERAL 12H

2. Name of Operator  
PERCUSSION PETRO OPERATING LLC  
Contact: LELAN ANDERS  
Email: leland@percussionpetroleum.com

9. API Well No.  
30-015-44710-00-X1

3a. Address  
919 MILAM STREET SUITE 2475  
HOUSTON, TX 77002

3b. Phone No. (include area code)  
Ph: 713-429-1291

10. Field and Pool or Exploratory Area  
N SEVEN RIVERS-GLOR-YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 34 T19S R25E SESW 454FSL 2385FWL  
32.610977 N Lat, 104.473488 W Lon

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                                   |   |  |   |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize                 | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report           | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Recomplete                | <input type="checkbox"/> Other          |
|  | <input type="checkbox"/> Change Plans            | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <input type="checkbox"/> Convert to Injection    | <input type="checkbox"/> Plug Back            | <input type="checkbox"/> 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 recomplete 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 recompletion 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.

Changing the production casing due to new frac designs and ESP limits - see attached revised drill plan.

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AUG 07 2018

DISTRICT II-ARTESIA O.C.D.

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

Electronic Submission #426522 verified by the BLM Well Information System  
For PERCUSSION PETRO OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/10/2018 (18PP2160SE)

|                                   |                  |
|-----------------------------------|------------------|
| Name (Printed/Typed) BRIAN WOOD   | Title CONSULTANT |
| Signature (Electronic Submission) | Date 07/06/2018  |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |                                     |                      |
|---|-------------------------------------|----------------------|
| Approved By <u>/s/ Jonathon Shepard</u>   | Title <u>Petroleum Engineer</u>     | Date <u>8/8/2018</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>Carlsbad Field Office</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 \*\***

*RWP 8-8-18.*

Percussion Petroleum Operating, LLC  
Huber Federal 12H  
SHL 454' FSL & 2385' FWL 34-19S-25E  
BHL 20' FSL & 2256' FWL 3-20S-25E  
Eddy County, NM

DRILL PLAN PAGE 1  
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Drilling Program

1. ESTIMATED TOPS (no change)

| Formation/Lithology     | TVD   | MD    | Contents            |
|-------------------------|-------|-------|---------------------|
| Quaternary caliche      | 000'  | 000'  | water               |
| Grayburg dolomite       | 638'  | 638'  | hydrocarbons        |
| San Andres dolomite     | 823'  | 824'  | hydrocarbons        |
| (KOP                    | 2297' | 2300' | hydrocarbons)       |
| Glorieta silty dolomite | 2383' | 2386' | hydrocarbons        |
| Yeso dolomite           | 2538' | 2550' | hydrocarbons & goal |
| TD                      | 2856' | 8329' | hydrocarbons        |

2. NOTABLE ZONES (no change)

Yeso is the goal. Closest water well (RA 02958) is  $\geq 1758'$  northeast. Depth to water was not recorded in this 450' deep well.

3. PRESSURE CONTROL (no change)

A 3000-psi 5000' rated BOP stack consisting of annular preventer and double (blind and pipe) ram will be used below surface casing to TD. See attached BOP and choke manifold diagrams.

Pressure tests will be conducted before drilling out from under all casing strings. Third party test crews will conduct all tests. All tests will be recorded for 10-minutes on low pressure (500 psi) and 10-minutes on high pressure (3000-psi). After BOP testing is complete, test casing (without test plug) to 2000-psi for 30 minutes. All tests will be charted on a plot. BOPs will be function tested every day.

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DRILL PLAN PAGE 2  
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4. CASING & CEMENT (change to tapered long string & reduce cement volume)

All casing will be API and new.

| Hole O. D. | Set MD        | Set TVD       | Casing O. D.                  | Weight (lb/ft) | Grade | Joint | Collapse | Burst | Tension |
|------------|---------------|---------------|-------------------------------|----------------|-------|-------|----------|-------|---------|
| 12.25"     | 0' - 1273'    | 0' - 1272'    | Surface 9.625"                | 36             | J-55  | STC   | 1.125    | 1.125 | 1.8     |
| 8.75"      | 0' - 2575'    | 0' - 2560'    | 1 <sup>st</sup> Product. 7"   | 32             | L-80  | BTC   | 1.125    | 1.125 | 1.8     |
| 8.75"      | 2575' - 8329' | 2560' - 2856' | 2 <sup>nd</sup> Product. 5.5" | 17             | L-80  | BTC   | 1.125    | 1.125 | 1.8     |

| Casing Name | Type | Sacks       | Yield | Cu. Ft. | Weight   | Blend   |
|-------------|------|-------------|-------|---------|--|---|
| Surface     | Lead | 633         | 1.32  | 835     | 14.8   | Class C + 2% CaCl + ¼ pound per sack celloflake                       |
| TOC = GL    |      | 100% Excess |       |         | centralizers per Onshore Order 2   |   |
| Production  | Lead | 435         | 1.97  | 857     | 12.6   | 65/65/6 Class C + 6% gel + 5% salt + ¼ #/sack celloflake + 0.2% C41-P |
|             | Tail | 1686        | 1.32  | 1940    | 14.8   | Class C + 2% CaCl + ¼ pound per sack celloflake                       |
| TOC = GL    |      | >50% Excess |       |         | 1 centralizer on 1 <sup>st</sup> collar and every 10 <sup>th</sup> collar to 1200' + 1 inside the surface casing |   |

5. MUD PROGRAM (no change)

An electronic/mechanical mud monitor with a minimum pit volume totalizer, stroke counter, and flow sensor will be used. All necessary mud products (LCM) will be on site to handle any abnormal hole condition that may be encountered while drilling this well. A closed loop system will be used.

| Type | Interval (MD) | lb/gal | Viscosity | Fluid Loss | Plastic Viscosity | Yield Point |
|------|---------------|--------|-----------|------------|-------------------|-------------|
|------|---------------|--------|-----------|------------|-------------------|-------------|

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|                       |               |           |       |    |     |      |
|-----------------------|---------------|-----------|-------|----|-----|------|
| fresh water/gel       | 0' - 1273'    | 8.4 - 9.2 | 36-42 | NC | 3-5 | 5-7  |
| fresh water/cut brine | 1273' - 2300' | 8.3 - 9.2 | 28-30 | NC | 1   | 1    |
| cut brine             | 2300' - 8329' | 8.6 - 9.2 | 29-32 | NC | 4-5 | 6-10 |

6. CORES, TESTS, & LOGS (no change)

No core or drill stem test is planned.

A mud logger will be used from GL to TD. Samples will be collected every 10' in the lateral pay zone.

No electric logs are planned at this time.

7. DOWN HOLE CONDITIONS (no change)

No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is  $\approx 1228$  psi. Expected bottom hole temperature is  $\approx 113^\circ$  F.

A Hydrogen Sulfide Drilling Operation Plan is attached.

8. OTHER INFORMATION (no change)

Anticipated spud date is upon approval. It is expected it will take  $\approx 1$  month to drill and complete the well.

St. Devote LLC has operating rights in both leases. St. Devote LLC is a subsidiary of Percussion.