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**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, AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 16408**

**PERCUSSION PETROLEUM OPERATING, LLC'S  
PRE-HEARING STATEMENT**

Percussion Petroleum Operating, LLC ("Percussion") (OGRID No. 371755), the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Percussion Petroleum Operating, LLC

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

Percussion seeks an order (1) creating, if necessary, a 160-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 22, Township 19 South, Range 25 East,

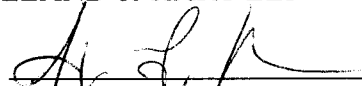
NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the North Seven Rivers; Glorieta-Yeso Pool (97565). Percussion proposes to dedicate the above-referenced spacing and proration unit to the **Ross Ranch 22 9H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 22, and the **Ross Ranch 22 10H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.

### APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Rett Dalton, Landman	Approx. 10	Approx. 5
C.J. Lipinski, Geologist	Approx. 10	Approx. 4

Respectfully submitted,

HOLLAND & HART LLP

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