

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

**APPLICATION OF LIME ROCK RESOURCES
II-A, L.P. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case No. 20210

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

Case No. 20227

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

Case No. 20371

PREHEARING STATEMENT

This pre-hearing statement is submitted by Ann Landrith Holdings, LLC, by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Lime Rock Resources II-A, L.P.

ATTORNEY:

James Bruce

OPPOSITION OR OTHER PARTY:

Percussion Petroleum Operating, LLC

Michael H. Feldewert
Adam G. Rankin

Ann Landrith Holdings, LLC

Ernest L. Padilla
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PO Box 2523
Santa Fe, NM 87504

STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY

Ann Landrith Holdings, LLC contends that the proposed spacing and proration units violate the pooling provisions of the oil and gas lease between Ann Landrith Holdings and Lime Rock. Furthermore, there has been no good faith attempt by Lime Rock or Percussion to negotiate an amendment to the pooling provisions of the oil and gas lease to conform the underlying royalty or other consideration to current horizontal drilling standards and existing market conditions.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
<u>OPPOSITION</u>		
Don Hanson, Jr. Landman/Attorney	15 minutes	5

PROCEDURAL MATTERS

Although Lime Rock Case No. 203919 has been submitted by affidavit, the case was continued to allow further negotiation between the parties. Nonetheless, Ann Landrith Holdings LLC should be allowed to present evidence of current royalty rates and practices relative to horizontal drilling as proposed by Lime Rock. Furthermore, this case should be consolidated with Lime Rock Cases 20210 and Percussion Petroleum Operating Cases 20232 and 20371, all of which propose to pool the oil and gas interests covered by an oil and gas lease between Ann Landrith Holdings, LLC, as lessor, and Lime Rock, as lessee, and involve the same issues insofar as the interests of Ann Lindrith Holdings are concerned.

Ann Landrith Holdings, LLC will file a Motion to Dismiss based on the nature of its objection herein in all of the related cases.

Respectfully submitted,

PADILLA LAW FIRM, P.A.

/s/ ERNEST L. PADILLA

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing pleading was electronically mailed to the following:

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Adam G. Rankin	agrarkin@hollandhart.com
James Bruce	jamescbu@aol.com

on this 23rd day of May, 2019.

/s/ ERNEST L. PADILLA