

**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.**

MAY 24 2018 PM02:41

CASE NO. 16157

**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

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Julia Broggi, Esq.
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com

APPLICANT'S STATEMENT OF CASE

Percussion seeks an order (1) creating a 160-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 32, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Red Lake, Glorieta-Yeso

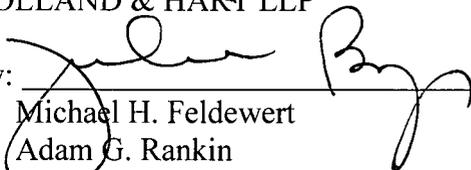
Pool (51120). Percussion proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Red Lake 32 State Com 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 32. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells and, therefore, is unorthodox to the spacing and proration units to the west and southwest

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

By:  _____

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 Adam G. Rankin
 Julia Broggi
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**ATTORNEYS FOR PERCUSSION PETROLEUM
 OPERATING, LLC**