

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

APPLICATION OF PERCUSSION
PETROLEUM OPERATING, LLC FOR
COMPULSORY POOLING AND APPROVAL
OF AN UNORTHODOX WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 20189

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) pooling all uncommitted interests in the N. Seven Rivers; Glorieta-Yeso Pool (97565) comprised of the W/2 W/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico; and 2) approving an unorthodox well location. Said horizontal spacing unit is to be dedicated to applicant's proposed **Lakewood Federal No. 15H**

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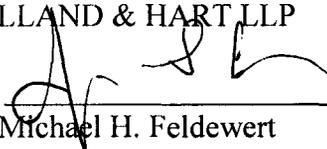
Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 3, Township 20 South, Range 25 East to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 34. The completed interval is at an unorthodox location. The first take point is 100 feet from the South line, 1205 feet from the West line and the last take point is 100 feet from the North line, 1205 feet from the West line. Accordingly, the completed interval is closer than 330 feet to the East line and encroaches on the spacing unit to the east.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Stan Mitchell, Landman | Approx. 10 | Approx. 5 |
| C.J. Lipinski, Geologist | Approx. 10 | Approx. 4 |

Respectfully submitted,

HOLLAND & HART LLP

By: 

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