

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

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

CASE NO. 20248

PRE-HEARING STATEMENT

Percussion Petroleum Operating, LLC ("Percussion") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Mewbourne Oil Company

APPLICANT'S ATTORNEYS

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OPPONENT

Percussion Petroleum Operating, LLC

OPPONENT'S ATTORNEYS

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STATEMENT OF THE CASE

In Case Nos. 20190 and 20248, Mewbourne Energy Company and Percussion Petroleum Operating, LLC have filed competing applications.

In this case, Mewbourne Oil Company seeks an order pooling all mineral interests in the Glorieta-Yeso formation, dedicated to its Lakewood 34 Y2PA Fed. Com. Well No. 1 H, to a depth sufficient to test Glorieta-Yeso formation (North Seven Rivers-Glorieta Yeso Pool), underlying a horizontal spacing unit comprised of the E/2E/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

In Case No. 20190, Percussion has filed a competing application seeking an order approving a standard horizontal spacing and proration unit and pooling all uncommitted interests in the N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97564), from a depth of 2,803 to 3,700 feet, underlying the E/2 E/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Percussion seeks to pool only a portion of the N. Seven Rivers; Glorieta-Yeso Pool, subject to the depth severance in the Yeso formation in Section 34. Said horizontal spacing unit will be dedicated to Applicant's proposed **Lakewood Federal No. 20H** well.

It is Percussion's position that its development plan is superior to that of Mewbourne's, and is furthermore in the interests of conservation and the prevention of waste, while Mewbourne's is not. Percussion therefore opposes Mewbourne's application and requests that its application be granted.

PROPOSED EVIDENCE

<u>OPPONENT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sam Jones, Land	20 min.	6
CJ Lipinski, Petroleum Geologist	20 min.	6
Brian Zwart, Petroleum Engineer	20 min	4

PROCEDURAL MATTERS

Percussion Petroleum Operating, LLC requests that this matter be consolidated with Percussion's competing applications in Case No. 20190 and continued to a special hearing date, as previously discussed with the Examiners by electronic mail and agreed to by Mewbourne.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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Attorneys for Percussion Petroleum Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on February 13, 2019:

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/s/ Seth C. McMillan
Seth C. McMillan