

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

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

CASE NO. 20191

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

CASE NO. 20263

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

Percussion Petroleum Operating, LLC ("Percussion") (OGRID No. 371755), the applicant in the above-referenced matters, submits this consolidated 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

In Case No. 20191, Percussion seeks an order pooling all uncommitted interests from the top of the Yeso formation to a depth of 3200 feet in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to applicant's proposed **Nirvana No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 27 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 29. The completed interval for this well is at an orthodox well location pursuant to the Statewide rules for oil wells.

In companion Case No. 20263, Percussion seeks an order pooling all uncommitted interests from a depth of 3,201 feet to the bottom of the Yeso formation in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2S/2 of Section 28, and the SE/4SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit is to be dedicated to applicant's proposed **Nirvana No. 3H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27 to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 29. The completed interval for this well is at an orthodox well location pursuant to the Statewide rules for oil wells.

A depth severance exists in the Yeso formation in this area. Accordingly, Percussion seeks to pool only a portion of the Penasco Draw; San Andres Yeso Pool for each case. In Case No. 20191, Percussion seeks to pool from the top of the Yeso, at a stratigraphic equivalent of 2,279 feet, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926), to a depth of 3200 feet. In Case No. 20263, seeks to pool from a depth of 3200 feet to the bottom of the Yeso, at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log for the Len Mayer No. 1 Well (API No. 30-015-05926).

APPLICANT'S PROPOSED EVIDENCE

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

PROCEDURAL MATTERS

If uncontested, these consolidated cases will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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