

**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. 20231

**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 pooling all uncommitted interests in the 320-acre horizontal spacing unit in the N. Seven Rivers Pool (97565) comprised of the E/2 of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit,

including the adjacent proximity tracts, will be dedicated to four proposed wells: the **Shelby 2H Well**, the **Shelby 3H Well**, the **Shelby 4H Well**, and the **Shelby 5H Well**. The **Shelby 2H Well** and the **Shelby 3H Well** will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 14 to a standard bottom-hole location in the SW/4 SE/4 (Unit L) of Section 23. The **Shelby 4H Well** and the **Shelby 5H Well** will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 14 to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 23. Incorporating the proximity tracts, both wells will be at a standard location.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Mike Roach, Landman	Approx. 10	Approx. 5
C.J. Lipinski, Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

If uncontested, this case will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

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