

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

**APPLICATION OF LIME ROCK RESOURCES  
II-A, L.P. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**Case No. 20210**

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

**Case No. 20227**

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

**Case No. 20371**

**PREHEARING STATEMENT**

This pre-hearing statement is submitted by Ann Landrith Holdings, LLC, by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Lime Rock Resources II-A, L.P.

**ATTORNEY:**

James Bruce

**OPPOSITION OR OTHER PARTY:**

Percussion Petroleum Operating, LLC

Michael H. Feldewert  
Adam G. Rankin

Ann Landrith Holdings, LLC

Ernest L. Padilla  
Padilla Law Firm, P.A.  
PO Box 2523  
Santa Fe, NM 87504

**STATEMENT OF CASE**

**APPLICANT:**

**OPPOSITION OR OTHER PARTY**

Ann Landrith Holdings, LLC contends that the proposed spacing and proration units violate the pooling provisions of the oil and gas lease between Ann Landrith Holdings and Lime Rock. Furthermore, there has been no good faith attempt by Lime Rock or Percussion to negotiate an amendment to the pooling provisions of the oil and gas lease to conform the underlying royalty or other consideration to current horizontal drilling standards and existing market conditions.

**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES	EST. TIME	EXHIBITS
<b><u>OPPOSITION</u></b>		
Don Hanson, Jr. Landman/Attorney	15 minutes	5

**PROCEDURAL MATTERS**

Although Lime Rock Case No. 203919 has been submitted by affidavit, the case was continued to allow further negotiation between the parties. Nonetheless, Ann Landrith Holdings LLC should be allowed to present evidence of current royalty rates and practices relative to horizontal drilling as proposed by Lime Rock. Furthermore, this case should be consolidated with Lime Rock Cases 20210 and Percussion Petroleum Operating Cases 20232 and 20371, all of which propose to pool the oil and gas interests covered by an oil and gas lease between Ann Landrith Holdings, LLC, as lessor, and Lime Rock, as lessee, and involve the same issues insofar as the interests of Ann Lindrith Holdings are concerned.

Ann Landrith Holdings, LLC will file a Motion to Dismiss based on the nature of its objection herein in all of the related cases.

Respectfully submitted,  
PADILLA LAW FIRM, P.A.  
**/s/ ERNEST L. PADILLA**  
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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing pleading was electronically mailed to the following:

Gary Larson	<a href="mailto:glarson@hinklelawfirm.com">glarson@hinklelawfirm.com</a>
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on this 23<sup>rd</sup> day of May, 2019.

**/s/ ERNEST L. PADILLA**