

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

**APPLICATION OF PERCUSSION
PETROLEUM OPERATING, LLC FOR A
NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

APR 26 2018 PM03:40

CASE NO. 16129

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

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

STATEMENT OF CASE

Percussion Petroleum Operating, LLC ("Percussion") (OGRID No. 371755) seeks an order (1) creating a 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 27, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the N Seven Rivers; Glorieta-Yeso Pool (97565) underlying this acreage. Percussion proposes to dedicate the above-referenced spacing and proration unit as

the project area for its proposed **South Boyd Federal Com No. 18H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 34 to a non-standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 27. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells. Percussion is seeking separate administrative approval for this unorthodox well location.

APPLICANT'S PROPOSED EVIDENCE

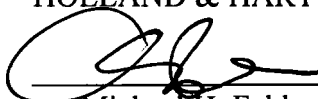
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Rett Dalton, Landman	Approx. 20	Approx. 8
C.J. Lipinski, Geologist	Approx. 15	Approx. 4

PROCEDURAL MATTERS

Percussion requests that Case Nos. 16128 and 16129 be presented together at hearing.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

**ATTORNEYS FOR PERCUSSION PETROLEUM
OPERATING, LLC**