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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. 20230

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

ATTORNEY

Percussion Petroleum Operating, LLC

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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 S/2 of Section 12, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Said horizontal spacing unit,

20H Well and the Rose South 21H Well. The Rose South 20H Well will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 7, Township 19 South, Range 26 East, to a standard bottom-hole location in the NW/4 SW/4 (Unit L) of Section 12, Township 19 South, Range 25 East. The Rose South 21H Well will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 7, Township 19 South, Range 26 East to a standard bottom-hole location in the SW/4 (Unit L) of Section 7, Township 19 South, Range 26 East to a standard bottom-hole location in the SW/4 SW/4 (Unit M) of Section 12, Township 19 South, Range 25 East. 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

Rv

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ATTORNEYS FOR PERCUSSION PETROLEUM OPERATING, LLC