

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

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

CASE NO. 20190

**APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

CASE NO. 20248

MOTION FOR CONTINUANCE

Percussion Petroleum Operating, LLC ("Percussion") hereby moves for a continuance of the above-captioned cases to a special docket date. In support of this motion, Percussion states the following:

1. These cases are set for the March 21, 2019 docket.
2. In Case Nos. 20190 and 20248, Mewbourne Energy Company and Percussion Petroleum Operating, LLC have filed competing applications.
3. In Case No. 20248, Mewbourne Oil Company seeks an order pooling all mineral interests in the Glorieta-Yeso formation, dedicated to its Lakewood 34 Y2PA Fed. Com. Well No. 1 H, to a depth sufficient to test Glorieta-Yeso formation (North Seven Rivers-Glorieta Yeso Pool), underlying a horizontal spacing unit comprised of the E/2E/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
4. In Case No. 20190, Percussion has filed a competing application seeking an order approving a standard horizontal spacing and proration unit and pooling all uncommitted interests in the N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97564), from a depth of 2,803 to 3,700 feet, underlying the E/2 E/2 of Section 34, Township 19 South, Range 25 East, NMPM, Eddy

County, New Mexico. Percussion seeks to pool only a portion of the N. Seven Rivers; Glorieta-Yeso Pool, subject to the depth severance in the Yeso formation in Section 34. Said horizontal spacing unit will be dedicated to Applicant's proposed **Lakewood Federal No. 20H** well.

5. It is Percussion's position that its development plan is superior to that of Mewbourne's, and is furthermore in the interests of conservation and the prevention of waste, while Mewbourne's is not.

6. Finally, Percussion requests a continuance of these matters on the ground that Mewbourne has failed to engage in good faith negotiation regarding the subject acreage.

7. At the time Percussion filed its Pre-Hearing Statement in Case No. 20248, on February 13, 2019, it was Percussion's understanding that Mewbourne agreed for these matters to be heard on a special docket date.

8. Email correspondence with the Division and Mewbourne's counsel on February 14, 2019, attached hereto as **Exhibit A**, reflect that Percussion and Mewbourne agreed to moving the cases to the March 21 docket for the purpose of continuing the cases until the Division was able to place these contested matters on special docket for hearing.

9. Additionally, Percussion's witnesses are unavailable on March 21, 2019.

10. Mewbourne is now opposed to a continuance of these matters.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/ Kaitlyn A. Luck

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Attorneys for Percussion Petroleum Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on March 14, 2019:

James Bruce
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/s/ Kaitlyn A. Luck
Kaitlyn A. Luck

From: Seth McMillan <SMcMillan@montand.com>
Sent: Thursday, February 14, 2019 1:49 PM
To: Jones, William V, EMNRD (WilliamV.Jones@state.nm.us); McMillan, Michael, EMNRD (Michael.McMillan@state.nm.us)
Cc: Hearings, OCD, EMNRD; Warnell, Terry G, EMNRD; jamesbruc@aol.com
Subject: Percussion and Mewbourne / Case Nos. 20248 and 20190 / Continuance of contested matters

Team OCD,

Just following up here. Jim and I agree that if the easiest thing for the Division to do would be to continue these matters to March 21 for the time being, we are fine with that approach.

Thanks,
Seth

From: Seth McMillan
Sent: Wednesday, February 13, 2019 2:00 PM
To: Jones, William V, EMNRD (WilliamV.Jones@state.nm.us) <WilliamV.Jones@state.nm.us>; McMillan, Michael, EMNRD (Michael.McMillan@state.nm.us) <Michael.McMillan@state.nm.us>
Cc: Hearings, OCD, EMNRD <OCD.Hearings@state.nm.us>; Warnell, Terry G, EMNRD <TerryG.Warnell@state.nm.us>; jamesbruc@aol.com
Subject: Percussion and Mewbourne / Case Nos. 20248 and 20190 / Continuance of contested matters to special docket date

Team OCD,

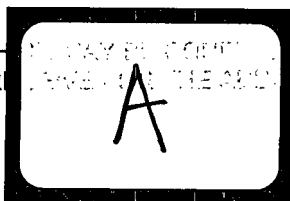
I represent Percussion in Case Nos. 20248 and 20190, having substituted in for Holland & Hart. Percussion and Mewbourne (Jim Bruce) have agreed to continue these contested matters to a special docket date. Per Terry's request, I just now submitted Percussion's PHS to him directly and we're waiting to hear back as to possible dates.

Thanks,
Seth



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