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March 18, 2003

Via Fax and Hand Delivery

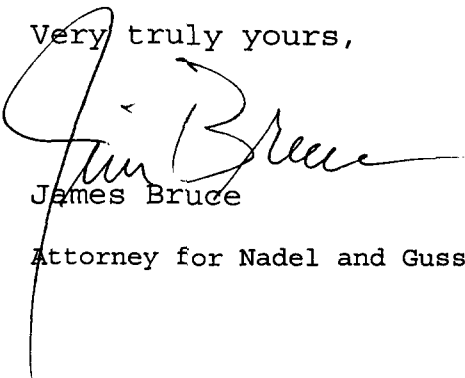
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing are an original and one copy of two applications for compulsory pooling, together with proposed advertisements, filed on behalf of Nadel and Gussman Permian, L.L.C. Please set these matters for the April 10, 2003 Examiner hearing.

The advertisements are also on the enclosed disk.

Very truly yours,

  
James Bruce

Attorney for Nadel and Gussman Permian, L.L.C.

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MAR 18 2003

Oil Conservation Division

Case 13044

Parties Being Pooled

I. E½ §28-21S-27E.

Devon Energy Production Company, L.P.  
P.O. Box 108838  
Oklahoma City, Oklahoma 73101-8838

OXY USA WTP LP  
Suite 6000  
6 Desta Drive  
Midland, Texas 79710

Rubicon Oil & Gas I, L.P.  
Suite 1130  
400 West Illinois  
Midland, Texas 79701

Redfern Enterprises, Inc.  
P.O. Box 2127  
Midland, Texas 79702

II. S½ §27-23S-26E.

Natomas North America, Inc.  
n/k/a Sempra Energy Production Company  
Suite 525  
8235 Douglas Avenue  
Dallas, Texas 75225

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NADEL AND GUSSMAN  
PERMIAN, L.L.C. FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

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Oil Conservation Division

No. 13044

APPLICATION

Nadel and Gussman Permian, L.L.C. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S½ of Section 27, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the S½ of Section 27, and has the right to drill a well thereon.

2. Applicant proposes to drill its South Carlsbad State 27 Well No. 7, at an orthodox location in the SW¼ of the section, to a depth sufficient to test the Morrow formation, and seeks to dedicate the S½ of Section 27 to the well to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the South Carlsbad-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½ of Section 27 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order

pooling all mineral interest owners in the S½ of Section 27, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the S½ of Section 27 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the S½ of Section 27, from the surface to the base of the Morrow formation; and
- B. Designating applicant as operator of the well.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Nadel and Gussman  
Permian, L.L.C.

**PROPOSED ADVERTISEMENT**

Case 13044: Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order to pooling all mineral interests from the surface to the base of the Morrow formation underlying the S½ of Section 27, Township 23 South, Range 26 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the South Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's South Carlsbad State 27 Well No. 7, to be drilled at an orthodox gas well location in the SW¼ of Section 27. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9½ miles west-southwest of Loving, New Mexico.

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