

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 13,365

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by
the Oil Conservation Division.

APPEARANCES

APPLICANT

Nadel and Gussman Permian, L.L.C.
Suite 508
601 North Marienfeld
Midland, Texas 79701

APPLICANT'S ATTORNEY

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

Attention: Sam H. Jolliffe IV
(915) 682-4429

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Montoya formation underlying the following described acreage in Section 33, Township 22 South, Range 28 East, NMPM, and in the following manner: The S½ 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; and the SW¼ to form a standard 160 acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Artemis Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW¼ of Section 33. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

WVJ 11/3/04

OPPONENTPROPOSED EVIDENCEAPPLICANTWITNESSES

Sam Jolliffe
(landman)

EST. TIME

15 min.

EXHIBITS

Approx. 5

OPPONENTWITNESSESEST. TIMEEXHIBITSPROCEDURAL MATTERS

-None-

Respectfully submitted,



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