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:

CASE NO. 13,365

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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BEFORE: DAVID R. CATANACH, Hearing Examiner

N 20

January 6th, 2005

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Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, January 6th, 2005, at the New Mexico Energy, Minerals and Natural Resources

Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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EXHIBITS

Identified	Admitted
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APPEARANCES

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE Attorney at Law P.O. Box 1056 Santa Fe, New Mexico 87504

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WHEREUPON, the following proceedings were had at 1 2 9:47 a.m.: 3 EXAMINER CATANACH: All right, call the hearing back to order, and at this time I'll call Case 13,365, 4 which is the Application of Nadel and Gussman Permian, 5 L.L.C., for compulsory pooling, Eddy County, New Mexico. 6 7 Call for appearances. MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, 8 representing the Applicant. I have just have a brief 9 10 statement. EXAMINER CATANACH: Any additional appearances? 11 Okay, Mr. Bruce, go ahead. 12 MR. BRUCE: Mr. Examiner, this case was presented 13 before you a number of weeks ago. It wasn't yours? 14 EXAMINER CATANACH: I don't think so. 15 MR. BRUCE: Okay. It was presented to the 16 Division and evidence was presented. There were several 17 small interest owners collectively owning, oh, I think well 18 19 less than one percent of the working interest in the well, who -- including a couple of unlocatable interest owners, 20 21 and the notice was deficient on the publication notice. So 2.2 submitted as Exhibit B is the notice that was published regarding this hearing. 23 24 And then Exhibit A was -- I also attempted to 25 notify by mail certain of these small interest owners, and

notice of the hearing was given to them. I think 1 collectively these people own about .8 percent working 2 3 interest in the well. Testimony was presented with respect to these 4 5 people, but the notice wasn't ready at that time, and 6 therefore I'm just here to submit the additional notice 7 requirements. (Off the record) 8 EXAMINER CATANACH: Anything further, Mr. Bruce? 9 10 MR. BRUCE: No, sir. 11 EXAMINER CATANACH: Okay, there being nothing 12 further, Case 13,365 will be taken under advisement. 13 (Thereupon, these proceedings were concluded at 9:49 a.m.) 14 15 16 17 I do hereby certify that the foregoing is a complete record of the proceedings to 18 the Examiner hearing of Case No. 1336 heard by me on lanvary 6 19 L Examiner 20 Oil Conservation Division 21 22 23 24 25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL January 8th, 2005.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006