

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. 13,425

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 3rd, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 3rd, 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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I N D E X

March 3rd, 2005
Examiner Hearing
CASE NO. 13,425

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

| Applicant's | Identified | Admitted |
|-------------|------------|----------|
| Exhibit 1 | 3 | 4 |
| Exhibit 2 | 4 | 4 |
| Exhibit 3 | 4 | 4 |

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A P P E A R A N C E S

FOR THE APPLICANT:

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

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

1 WHEREUPON, the following proceedings were had at
2 8:40 a.m.:

3 EXAMINER EZEANYIM: At this time I call Case
4 Number 13,425. This is the Application of Nadel and
5 Gussman Permian, L.L.C., for compulsory pooling, Eddy
6 County, New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant. I have no witnesses, just a
10 short statement.

11 EXAMINER EZEANYIM: Any other appearances?

12 Okay, Mr. Bruce, you may continue.

13 MR. BRUCE: Mr. Examiner, this case seeks the
14 force pooling of the south half of Section 32, 22 South, 28
15 East, for all units spaced on 320 acres. This matter is
16 being submitted to you by affidavit under Division Rule
17 1207.A.(1).

18 Attached -- or submitted to you as Exhibit 1 is
19 an affidavit of the landman setting forth all the matters
20 required by the Division Rule. The people being force
21 pooled are five small interest owners who combine to own
22 about one half of one percent interest in the well unit.

23 There are two locatable owners, Chester Stuebben
24 and Sandy Wische, and they have been mailed by certified
25 mail a copy of the Application. That is submitted as

1 Exhibit 2.

2 There are three unlocatable owners, Larry Turner,
3 John McIsaac and Alan Tuck and Mrs. Evelyn Tuck. Applicant
4 has been unable to locate them, and a statement regarding
5 the attempts made to locate them are included in the
6 affidavit.

7 The correspondence sent to the parties is
8 submitted with the affidavit, together with the authorities
9 for expenditure for the well and a statement as to the
10 requested overhead rates.

11 Also submitted as Exhibit 3 is a copy of the
12 notice published in the newspaper with respect to these
13 interest owners since they are -- several were unlocatable.

14 So I would move the admission of Exhibits 1, 2
15 and 3.

16 And again, this case was advertised that in the
17 absence of objection it will be taken under advisement.

18 EXAMINER EZEANYIM: There being no objection,
19 Exhibit Number 1 through 3 will be admitted into evidence.

20 This well is yet to be drilled, right?

21 MR. BRUCE: These wells have been drilled, Mr.
22 Examiner.

23 EXAMINER EZEANYIM: They have been drilled.
24 When?

25 MR. BRUCE: Yeah.

1 EXAMINER EZEANYIM: When -- Do you know when they
2 were --

3 MR. BRUCE: One was drilled about a year and a
4 half ago, and one was late last year.

5 EXAMINER EZEANYIM: So what are they doing now?
6 This is now shut in?

7 MR. BRUCE: Both wells are producing. There is
8 one well in each quarter section under Division Rules.

9 EXAMINER EZEANYIM: Yeah.

10 MR. BRUCE: Both are producing from the Morrow
11 currently.

12 EXAMINER EZEANYIM: I'm looking for -- oh, here
13 it is. Is the AFE here too?

14 MR. BRUCE: They should be right at the very end
15 of Exhibit 1, Mr. Examiner.

16 EXAMINER EZEANYIM: Kind of hard to read, but
17 that's okay.

18 What overhead rates are you asking for in this
19 case?

20 MR. BRUCE: \$7000 a month for a drilling well and
21 \$700 a month for a producing well.

22 EXAMINER EZEANYIM: And this well was drilled in
23 that area?

24 MR. BRUCE: Yes, that's what the landman states
25 in his affidavit.

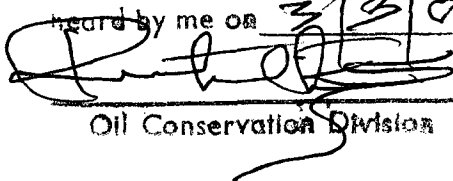
1 And I think those rates have been granted to
2 Applicant and to a couple other operators in this area.

3 EXAMINER EZEANYIM: Okay. At this time Case
4 Number 13,425 will be taken under advisement.

5 (Thereupon, these proceedings were concluded at
6 8:45 a.m.)

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12 I do hereby certify that the foregoing is
13 a complete record of the proceedings in
14 the Examiner hearing of Case No. 13425
15 heard by me on 3/3/05

16 
17 , Examiner
18 Oil Conservation Division
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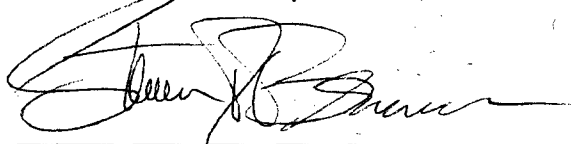
CERTIFICATE OF REPORTER

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 March 4th, 2005.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006