

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 GUSSMAN
PERMIAN, L.L.C. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 13,425

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

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

APPLICANT'S ATTORNEY

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

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 Morrow formation underlying the S½ of Section 32, Township 22 South, Range 28 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. The unit is to be dedicated to applicant's Brutus Well No. 1, located in the SW¼SW¼ of Section 32, and the Grizzly Well No. 1, located in the NE¼SE¼ of Section 32. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES****EST. TIME****EXHIBITS**

THIS MATTER WILL BE SUBMITTED BY AFFIDAVIT PURSUANT TO RULE 1207.1(b).

OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

-None-

Respectfully submitted,



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

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