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July 10, 2012

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

Case 14883

Dear Florene:

Enclosed for filing, on behalf of Nadel and Gussman Permian, L.L.C., are an original and one copy of an application for compulsory pooling, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the August 9, 2012 Examiner hearing. Thank you.

Very truly yours,


James Bruce

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

Parties Being Pooled

OWNER	TRACT INTEREST	NET ACRES	WELL INTEREST	COMMENT
Scott A. Harris	0.08174098	6.5393	4.087049%	
Cirrus Exploration	0.14861996	11.8896	7.430998%	
DHA, LLC	0.02123142	1.6985	1.061571%	PARTICIPATING
NGP	0.74840764	59.8726	37.420382%	
United New Mexico Financial Corp.	0.12500000	10.0000	6.250000%	
Cimarex	0.05000000	4.0000	2.500000%	
Howard E. Haskins & Ruth				
Gamble Haskins, as JT	0.03125000	2.5000	1.562500%	
Matt Bradshaw	0.03125000	2.5000	1.562500%	
Estate of Winnie Dill Knox	0.02812500	2.2500	1.406250%	
LD Exploration Inc.	0.02343750	1.8750	1.171875%	
Emma Felkins	0.02343750	1.8750	1.171875%	
Sharbro Oil LTD Company	0.01953125	1.5625	0.976563%	
Yates Bros.	0.01562500	1.2500	0.781250%	PROBABLY PARTICIPATING
Shackelford Oil Properties	0.01562500	1.2500	0.781250%	
John A. Yates Ind. And Trustee of Trust "Q"	0.01406250	1.1250	0.703125%	PROBABLY PARTICIPATING
Harvey E. Yates et ux Louise	0.01406250	1.1250	0.703125%	PROBABLY PARTICIPATING
SP Yates, et ux Estelle H.	0.01406250	1.1250	0.703125%	PROBABLY PARTICIPATING
Myco Industries	0.01015625	0.8125	0.507813%	PROBABLY PARTICIPATING
Jack Dill Knox	0.00937500	0.7500	0.468750%	
Therylene Knox Helm	0.00937500	0.7500	0.468750%	
COG Operating LLC and COG Oil & Gas	0.00729167	0.5833	0.364583%	PARTICIPATING
William J. McCaw	0.00729167	0.5833	0.364583%	PARTICIPATING
Nuevo Seis LP	0.00729167	0.5833	0.364583%	
Grady R. Stevens	0.00277778	0.2222	0.138889%	
Ede Schmaling Bullock	0.00364583	0.2917	0.182292%	
Lisa Schmaling Simmons	0.00364583	0.2917	0.182292%	
Texasal Oil & Gas Inc.	0.00208333	0.1667	0.104167%	
Linda Clayton Nelson	0.00187500	0.1500	0.093750%	
Joe A. Clayton III	0.00187500	0.1500	0.093750%	
Bert Nelson Myers	0.00173611	0.1389	0.086806%	
Paul Julian Casabonne	0.00130208	0.1042	0.065104%	
Regina Casabonne fka Regina Wood	0.00130208	0.1042	0.065104%	
Melinda Nell Jones	0.00130208	0.1042	0.065104%	
Elizabeth Myers Schrader	0.00104167	0.0833	0.052083%	
Rada Angeline Muncy Hamilton	0.00092593	0.0741	0.046296%	
Kenneth Fraillicks	0.00092593	0.0741	0.046296%	
Charlotte Soliz	0.00046297	0.0370	0.023148%	LEASED
Iona Jeanette Davis	0.00046297	0.0370	0.023149%	
Thyra Nell Myers Welborne	0.00092593	0.0741	0.046296%	
Ruth M. Myers	0.00092593	0.0741	0.046296%	
Martha B. Myers DSSP	0.00092593	0.0741	0.046296%	
John Larry Casabonne	0.00065104	0.0521	0.032552%	
Dale Douglas, et ux Renee R.	0.00065104	0.0521	0.032552%	
James E. Geltgey	0.00065104	0.0521	0.032552%	
Gay Brookshire Muncy	0.00015432	0.0123	0.007716%	
Billie Jean Muncy Case	0.00015432	0.0123	0.007716%	
Florine Muncy Stockton	0.00015432	0.0123	0.007716%	
Phillip McCubbins	0.00015432	0.0123	0.007716%	
Tipton Ferns McCubbins	0.00015432	0.0123	0.007716%	
Chaney Family Trust	0.00015432	0.0123	0.007716%	
Roy Weldon Muncy	0.00046296	0.0370	0.023148%	
Floy Noreen Muncy Lunquist	0.00046296	0.0370	0.023148%	
Vera Gladys Muncy Beckett	0.00046296	0.0370	0.023148%	
AcQuilla Fayes Maples	0.00046296	0.0370	0.023148%	
Allie Mae Lennard	0.00046296	0.0370	0.023148%	
Cordelia Johnson	0.00023148	0.0185	0.011574%	
Brian Hambright	0.00023148	0.0185	0.011574%	
Vivian Dohrmann	0.00046296	0.0370	0.023148%	
Allen Ray Young	0.00046296	0.0370	0.023148%	
James R. Smith et ux Kendall C.	0.00043403	0.0347	0.021701%	
Kemp B. Smith	0.00019842	0.0159	0.009921%	
Ray Smith	0.00019842	0.0159	0.009921%	
Owen Levy Muncy	0.00039683	0.0317	0.019841%	
Weldon Leroy Muncy	0.00039683	0.0317	0.019841%	
Ila Muncy Goodman	0.00039683	0.0317	0.019841%	
Jewel Muncy Kile	0.00039683	0.0317	0.019841%	
Herbert Gayle Muncy	0.00034722	0.0278	0.017361%	
Chelsea Casabonne Trust	0.00032552	0.0260	0.016276%	
Alana Casabonne Trust	0.00032552	0.0260	0.016276%	
Voight E. Healey	0.00030864	0.0247	0.015432%	
Elmer Dwight Healey	0.00030864	0.0247	0.015432%	
Louise Mitchell	0.00030864	0.0247	0.015432%	
Frank Lee Muncy	0.00030864	0.0247	0.015432%	
Harold D. Muncy	0.00030864	0.0247	0.015432%	
Coleen June Magnuson	0.00030864	0.0247	0.015432%	
Nancy McNeal	0.00004409	0.0035	0.002205%	
Geneva Shivers	0.00004409	0.0035	0.002205%	
Wes Brackman	0.00004409	0.0035	0.002205%	
Ila Mae Muncy Jacobs	0.00013228	0.0106	0.006614%	
Paul Herman Muncy	0.00013228	0.0106	0.006614%	
Bobby Jack Muncy	0.00013228	0.0106	0.006614%	
Betty Muncy	0.00011574	0.0093	0.005787%	
DHA, LLC	0.07291667	5.8333	3.645833%	PARTICIPATING
FIGP	0.42858920	34.2871	21.429460%	
TOTALS:		159.8715	99.919706%	

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF NADEL AND GUSSMAN PERMIAN
L.L.C. FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

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Case No. 14883

APPLICATION

Nadel and Gussman Permian L.L.C. applies for an order (i) approving a non-standard oil spacing and proration unit in the Glorieta-Yeso formation in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Glorieta-Yeso formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24, and has the right to drill a well thereon.
2. Applicant proposes to drill the Super Chief Well No. 1 to a depth sufficient to test the Glorieta-Yeso formation. Applicant seeks to dedicate the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well is a horizontal well with a surface location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$, and a terminus in the NE $\frac{1}{4}$ NW $\frac{1}{4}$, of Section 24.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24 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 wells or to otherwise commit their interests to the wells, 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 E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24 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. Approving a non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24;
- B. Pooling all mineral interests in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 24 as to the Glorieta-Yeso formation;
- C. Designating applicant as operator of the well;
- E. Considering the cost of drilling and completing the well, and allocating the costs among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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.

PROPOSED ADVERTISEMENT

Case No. 14883 :

Application of Nadel and Gussman Permian, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the E/2W/2 of Section 24, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Super Chief Well No. 1, a horizontal well with a surface location in the SE/4SW/4, and a terminus in the NE/4NW/4, of Section 24. 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. The units are located approximately 4-1/2 miles southeast of Atoka, New Mexico.

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