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Oil Conservation Division

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July 1, 2003

Via Hand Delivery

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

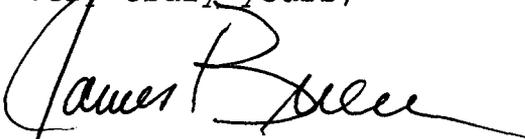
Case 13115

Dear Florene:

Enclosed for filing are an original and one copy of an application for a non-standard unit, etc., together with a proposed advertisement, filed on behalf of Nadel and Gussman Permian, L.L.C. Please set this matter for the July 24, 2003 Examiner hearing. Thank you.

The advertisement is also on the enclosed disk.

Very truly yours,



James Bruce

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

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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Oil Conservation Division

APPLICATION OF NADEL AND GUSSMAN
PERMIAN, L.L.C. FOR A NON-STANDARD
GAS SPACING AND PRORATION UNIT AND
AN UNORTHODOX GAS WELL LOCATION, OR
FOR ALTERNATIVE RELIEF, EDDY COUNTY,
NEW MEXICO.

Case No. 13115

APPLICATION

Nadel and Gussman Permian, L.L.C. applies for an order (i) approving a non-standard gas spacing and proration unit in the Delaware formation, and an unorthodox gas well location, or (ii) in the alternative declaring that the subject well is considered an oil well, and in support thereof, states:

1. Applicant is operator of the Tucker Fee Well No. 1Y (the "Well"), located 1600 feet from the south line and 2300 feet from the east line (Unit Letter J) of Section 28.

2. The Well was drilled to and completed in the Delaware formation, and is within the boundaries of the North Esperanza-Delaware Pool (the "Pool"). The Pool is governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to the outer boundary of a governmental quarter-quarter section. The Well was at a standard location when drilled, and the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28 was dedicated thereto pursuant to Division regulations.

3. The well is producing from a Delaware zone at a gas:oil ratio in excess of 100,000:1, and presumably is a gas well under Division regulations, despite being within the boundaries of an oil pool. Therefore, well spacing and location rules are uncertain.

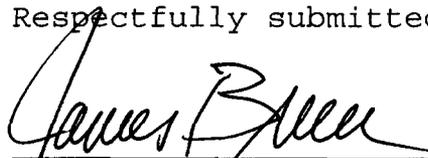
4. As a result, applicant requests approval of a non-standard gas spacing and proration unit in the Delaware formation comprising the W½SE¼ of Section 28, and approval of the above location as an unorthodox gas well location.

5. In the alternative, applicant requests that the Division declare (i) the Well is an oil well because it is within an oil pool, (ii) the current acreage dedication is appropriate, and (iii) the Well's location is orthodox.

6. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,



James Bruce
Post Office Box 1056
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Attorney for Nadel and Gussman
Permian, L.L.C.