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. 13,930

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

Attention: Sam H. Jolliffe IV

(432) 682-4429

OPPONENT

APPLICANT'S ATTORNEY

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

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 following described acreage in Section 20, Township 23 South, Range 28 East, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the North Loving-Strawn Gas Pool, North Loving-Atoka Gas Pool, and North Loving-Morrow Gas Pool; and the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Chronos Fee Well No. 1, to be drilled at an orthodox location in the NW/4 of Section 20. 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.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Sam H. Jolliffe IV

20 min.

Approx. 6

(landman)

OPPONENT

<u>WITNESSES</u>

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.