

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4

ORIGINAL

5 IN THE MATTER OF THE HEARING CALLED
6 BY THE OIL CONSERVATION DIVISION FOR
7 THE PURPOSE OF CONSIDERING:

CASE NO. 14410

8 APPLICATION OF NADEL AND
9 GUSSMAN PERMIAN, LLC, FOR
10 COMPULSORY POOLING,
11 CHAVES COUNTY, NEW MEXICO.

10

11

REPORTER'S TRANSCRIPT OF PROCEEDINGS

12

EXAMINER HEARING

13

14

15 December 17, 2009
16 Santa Fe, New Mexico

16

17

18

BEFORE: WILLIAM P. JONES: Hearing Examiner
TERRY WARNELL: Technical Advisor

19

20

This matter came for hearing before the New Mexico
Oil Conservation Division, William P. Jones Hearing
Examiner, on December 17, 2009, at the New Mexico Energy,
Minerals and Natural Resources Department, 1220 South St.
Francis Drive, Room 102, Santa Fe, New Mexico.

21

22

23

24

25

REPORTED BY: PEGGY A. SEDILLO, NM CCR NO. 88
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

RECEIVED OCD
2009 DEC 28 A 9:15

I N D E X

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Page

APPLICANT'S EXHIBITS:

Exhibit No. 1	5
Exhibit No. 2	5

COURT REPORTER'S CERTIFICATE	6
------------------------------	---

A P P E A R A N C E S

For the Applicant:	JAMES BRUCE, ESQ.
	Attorney at Law
	P. O. Box 1056
	Santa Fe, NM 87501

1 HEARING EXAMINER: Let's call Case 14410,
2 application of Nadel and Gussman Permian, LLC for
3 compulsory pooling, Chaves County, New Mexico. Call for
4 appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
6 representing the applicant. I'm submitting this by
7 affidavit.

8 HEARING EXAMINER: Any other appearances?

9 MR. BRUCE: Mr. Examiner, I've handed you two
10 exhibits. Exhibits 1 is the verified statement of Crystal
11 Emerald Johnson, the landmand for Nadel and Gussman
12 Permian, which seeks to force pool the south half of
13 Section 20, Township 8 south, Range 33 east from the .
14 surface to the base of the Morrow formation.

15 The affidavit sets forth the parties being
16 pooled in the well unit for the 320 acre well unit.
17 There's a land plat and also the correspondence that --
18 well proposals sent out to the various parties.

19 And Exhibit C is the affidavit showing that this
20 is -- dry hole costs of about \$1.2 million, and total well
21 costs of about \$2 million. This is a 11,000 foot test.
22 And the location of this well is 660 feet from the east
23 and south lines.

24 When you look at this exhibit and the notice
25 exhibit, you'll see that there were a lot more people

1 notified of this well than are listed as the parties being
2 pooled. A lot of the parties have subsequently joined in
3 the well.

4 All of the parties were locatable, so there
5 isn't any need for any escrow provision in the order.
6 Applicant does request a 200 percent risk charge for
7 nonconsenting interest owners, and the overhead rates are
8 \$5,500 a month for a drilling well, and \$670 a month for a
9 producing well.

10 Mr. Examiner, the application requested pooling
11 of 40 acre, 160 acre, and 320 acre well units. However,
12 in the 40 acre well unit, everyone is a consenting party,
13 so there's no need to force pool any 40 acre well units.

14 And then Exhibit 2 is the affidavit of notice.
15 Notice was given, as I said, to a number of parties, more
16 than who are being pooled.

17 And I guess I'm on a lucky streak here.
18 Actually, everyone signed for their green cards and I got
19 them all back in time. So there was no need to publish
20 notice as against anyone.

21 And I'd move the admission of Exhibits 1 and 2
22 and ask that the matter be taken under advisement. And
23 this well also has an API number. It's 30-005-29108.

24 HEARING EXAMINER: Thank you. Exhibits 1 and 2
25 will be admitted. Any questions, Mr. Brooks?

1 MR. BROOKS: No questions.

2 HEARING EXAMINER: Thank you, Mr. Bruce. Case
3 No. 14410 will be taken under advisement. And that being
4 the last case on the docket, the docket is closed.

5 (Whereupon, the proceedings concluded.)
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25


I hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____
_____, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO) ss.
3
4

5 REPORTER'S CERTIFICATE
6

7 I, PEGGY A. SEDILLO, Certified Court
8 Reporter of the firm Paul Baca Professional
9 Court Reporters do hereby certify that the
10 foregoing transcript is a complete and accurate
11 record of said proceedings as the same were
12 recorded by me or under my supervision.

13 Dated at Albuquerque, New Mexico this
14 22nd day of December, 2009.
15
16
17

18 
19 PEGGY A. SEDILLO, CCR NO. 88
20 License Expires 12/31/09
21
22
23
24
25