

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. 12957

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 E½ of Section 35, Township 23 South, Range 27 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. The unit is to be dedicated to applicant's Palo Duro Well No. 1, to be drilled at an orthodox location in the SE¼ of Section 35. 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 charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE**APPLICANT**

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sam H. Jolliffe IV (landman)	15 min.	(a) Land plat (b) Interest list (c) Correspondence (d) AFE
Keith Logan (geologist)	15 min.	(a) Structure map (b) Isopach (c) Cross section

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

Respectfully submitted,



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

Attorney for Applicant