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2005 JAN 25 AM 10 18

January 25, 2005

*Case 13425*

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

Dear Florene:

Enclosed for filing are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Nadel and Gussman Permian, L.L.C. Please set this matter for the February 17, 2005 Examiner hearing. Thank you.

The advertisement has also been e-mailed to the Division.

Very truly yours,



James Bruce

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

Parties Being Pooled

John McIsaac  
3000 North Ocean Drive, Apt. 38-F  
Singer Island, Florida 33404

Larry Turner  
Star Route 2  
Lamesa, Texas 79331

Sande Wische  
126 Passaic Street  
Newark, New Jersey 07104

Chester J. Stuebben  
1275 Rock Avenue, #HH5  
North Plainfield, New Jersey 70600

Alan D. Tuck, Jr. & Evelyn Tuck  
2370 North Euclid  
Upland, California 91786

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2005 JAN 25 AM 10 18

APPLICATION OF NADEL AND GUSSMAN  
PERMIAN, L.L.C. FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 13425

APPLICATION

Nadel and Gussman Permian, L.L.C. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S $\frac{1}{2}$  of Section 32, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the S $\frac{1}{2}$  of Section 32, and has the right to drill a well thereon.

2. Applicant has drilled (a) the Brutus Well No. 1, with an orthodox surface and bottomhole gas well location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$  (Unit M) of Section 32 (directionally drilled), and (b) the Grizzly Well No. 1 at an orthodox gas well location in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  (Unit I) of Section 32, both to test the Morrow formation, and has simultaneously dedicated the S $\frac{1}{2}$  of Section 32 to the wells to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Dublin Ranch-Atoka Gas Pool and the Dublin Ranch-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$  of Section 32 in the drilling of the two wells.

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 S½ of Section 32, pursuant to NMSA 1978 §70-2-17.

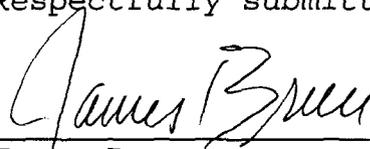
5. The pooling of all mineral interests underlying the S½ of Section 32 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the S½ of Section 32, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost thereof among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting said rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

**APPLICANT REQUESTS THAT, IN THE ABSENCE OF OBJECTION, THIS MATTER BE TAKEN UNDER ADVISEMENT.**

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

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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 13425: **Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S½ of Section 32, Township 22 South, Range 28 East, N.M.P.M., 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 Dublin Ranch-Atoka Gas Pool and Dublin Ranch-Morrow Gas Pool. The unit is simultaneously dedicated to the Brutus Well No. 1, located at an orthodox gas well location in the SW¼SW¼ of Section 32, and the Grizzly Well No. 1, located at an orthodox gas well location in the NE¼SE¼ of Section 32. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 4 miles north-northwest of Loving, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

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