

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

2012 SEP 11 P 4:02

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 APPROVAL OF A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14,883

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Nadel and Gussman Permian, LLC
Suite 508
601 North Marienfeld
Midland, Texas 79701

Attention: Emerald Johnson
(432) 682-4429

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the E/2W/2 of Section 24, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Super Chief Well No. 1, a horizontal well with a surface location in the SE/4SW/4, and a terminus in the NE/4NW/4, of Section 24. 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

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Emerald Johnson (landman)	20 min.	Approx. 8
Scott Germann (geologist)	20 min.	Approx. 4

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

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,
LLC