

3 IN THE MATTER OF THE HEARING CALLED  
4 BY THE OIL CONSERVATION DIVISION FOR  
5 THE PURPOSE OF CONSIDERING:

6 APPLICATION OF NADEL & GUSSMAN  
7 PERMIAN, L.L.C. FOR APPROVAL OF  
8 A NONSTANDARD OIL SPACING AND  
9 PRORATION UNIT AND COMPULSORY  
10 POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 14883

ORIGINAL

11 REPORTER'S TRANSCRIPT OF PROCEEDINGS

12 EXAMINER HEARING

13 BEFORE: RICHARD EZEANYIM, CHIEF EXAMINER  
14 DAVID K. BROOKS, LEGAL EXAMINER  
15 PHILLIP GOETZE, TECHNICAL EXAMINER

16 March 21, 2013

17 Santa Fe, New Mexico

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18 This matter came on for hearing before the  
19 New Mexico Oil Conservation Division, Richard Ezeanyim,  
20 Chief Examiner, David K. Brooks, Legal Examiner and  
21 Phillip Goetze, Technical Examiner, on Thursday, March  
22 21, 2013, at the New Mexico Energy, Minerals and Natural  
23 Resources Department, 1220 South St. Francis Drive,  
24 Porter Hall, Room 102, Santa Fe, New Mexico.

25 REPORTED BY: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102

APPEARANCES

FOR APPLICANT NADEL & GUSSMAN PERMIAN, L.L.C.:

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FOR DHA, LLC:

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EXHIBITS OFFERED AND ADMITTED

|  |   |
|--|---|
| Nadel & Gussman Permian Exhibit<br>Numbers 10, 11 and 12 | 5 |
|--|---|

1 (11:18 a.m.)

2 EXAMINER EZEANYIM: Let's proceed now and  
3 go to the last page and call Case Number 14883. It is  
4 application of Nadel & Gussman Permian, LLC for approval  
5 of a nonstandard oil spacing and proration unit, Eddy  
6 County, New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of  
9 Santa Fe representing the Applicant.

10 I would note that this matter has been  
11 heard and was continued to allow some further  
12 negotiations, so I am merely submitting some notice  
13 exhibits for today.

14 EXAMINER EZEANYIM: Any other appearances?

15 MR. RANKIN: Yes, Mr. Examiner. Adam  
16 Rankin, with Holland & Hart, for DHA, LLC.

17 EXAMINER EZEANYIM: Any other appearances?

18 Okay. Go ahead, Mr. Bruce.

19 EXAMINER BROOKS: Can you tell me what date  
20 this was heard?

21 MR. BRUCE: I'm going to have to  
22 double-check. I believe it was --

23 EXAMINER EZEANYIM: This case was continued  
24 from January 24.

25 MR. BRUCE: It was actually, I think, heard

1 in November, maybe earlier December, Mr. Examiner. I'll  
2 get you the exact date.

3 EXAMINER BROOKS: We're going to have to  
4 run it down to find out whose case it actually is.

5 MR. FELDEWERT: William Jones.

6 EXAMINER BROOKS: Oh, that's unfortunate  
7 (laughter).

8 MR. BRUCE: Mr. Examiner, at the hearing --  
9 at the original hearing, it appeared that certain  
10 people -- I had gotten new addresses for one, and I had  
11 neglected to notify DHA. So Exhibit 10 was just an  
12 affidavit of mailing. As you can see, the letter to  
13 Mr. Bert Myers came back. And there were other returned  
14 letters.

15 So Exhibit 11 is just an Affidavit of  
16 Publication from the Carlsbad newspaper as to additional  
17 unlocatable parties.

18 And I believe I had forgotten to do my  
19 offset operator list, and so Exhibit 12 is simply the  
20 Affidavit of Notice to the offset operators, all of whom  
21 received actual notice of the application.

22 And finally, Mr. Rankin's client,  
23 Nadel & Gussman, is requesting that the application --  
24 that DHA and COG be dismissed from the pooling case.  
25 The parties have been working together, and it's been a

1 long, arduous process because title is so hideous in  
2 this matter, but they are making progress. So we'd  
3 ask -- Nadel & Gussman requests that those two parties  
4 be dismissed.

5 And with that, I'd move the admission of  
6 Exhibits 10, 11 and 12.

7 EXAMINER EZEANYIM: Mr. Rankin?

8 MR. RANKIN: No objection.

9 EXAMINER EZEANYIM: So are you asking for  
10 NBA [sic] to be dismissed?

11 MR. FELDEWERT: DHA and COG.

12 MR. BRUCE: And with that, I'd ask that the  
13 case be taken under advisement.

14 EXAMINER EZEANYIM: Okay. And what do you  
15 want to do with this exhibit, 10?

16 MR. BRUCE: I asked that those could be  
17 admitted.

18 EXAMINER EZEANYIM: Okay. 10 will be  
19 admitted.

20 EXAMINER BROOKS: I believe he said 10, 11  
21 and 12.

22 MR. BRUCE: 10, 11 and 12.

23 EXAMINER EZEANYIM: Oh, I misunderstood.  
24 My mistake. 10, 11 and 12 are admitted.

25 (Nadel & Gussman Permian Exhibit Numbers

1 10, 11 and 12 were offered and admitted  
2 into evidence.)

3 EXAMINER EZEANYIM: 14883 will be taken  
4 under advisement.

5 (Case Number 14883 concludes, 11:21 a.m.)  
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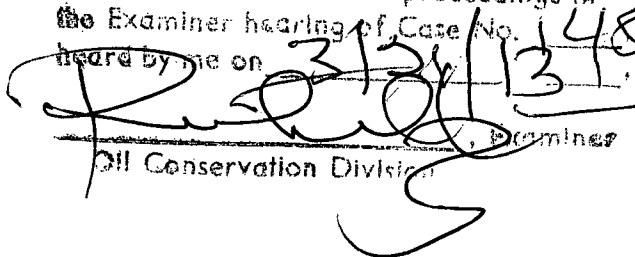
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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 14883  
heard by me on 3/31/13  
  
Examiner  
Oil Conservation Division

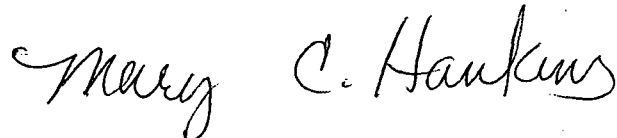
1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified  
6 Court Reporter No. 20, and Registered Professional  
7 Reporter, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that  
9 the foregoing pages are a true and correct transcript of  
10 those proceedings that were reduced to printed form by  
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's  
13 Record of the proceedings truly and accurately reflects  
14 the exhibits, if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither  
16 employed by nor related to any of the parties or  
17 attorneys in this case and that I have no interest in  
18 the final disposition of this case.

19   
20

21 MARY C. HANKINS, CCR, RPR  
22 Paul Baca Court Reporters  
23 New Mexico CCR No. 20  
24 Date of CCR Expiration: 12/31/2013  
25