

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:)

CASE NO. 13,649

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 2nd, 2006

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 2nd, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

March 2nd, 2006
Examiner Hearing
CASE NO. 13,649

PAGE

REPORTER'S CERTIFICATE

7

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	5
Exhibit 2	3	5
Exhibit 3	5	5

* * *

A P P E A R A N C E S

FOR THE DIVISION:

CHERYL O'CONNOR
Assistant Counsel, NMOCD
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 8:41 a.m.:

3 EXAMINER EZEANYIM: Next, let's call Case Number
4 13,649. This is the Application of Nadel and Gussman
5 Permian, L.L.C., for compulsory pooling, Eddy County, New
6 Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant. I just am submitting this by
10 affidavit.

11 EXAMINER EZEANYIM: Any other appearances?

12 Okay, you may proceed.

13 MR. BRUCE: Mr. Examiner, I've handed you a
14 package of exhibits.

15 The first one is not really an exhibit, it's just
16 for reference. It's a copy of Order Number R-12,497. That
17 order force pooled this exact same acreage. I'm here today
18 because there was one additional unlocatable owner who
19 needed to be pooled.

20 Submitted as Exhibit 1 is a statement pursuant to
21 Rule 1207.A.(1) regarding this matter, but please move on
22 to Exhibit 2 and I'll explain the issue to you.

23 There is one 50-acre tract in this half-section
24 well unit that's owned by several people. Before the prior
25 hearing a landman had examined title and had -- on the

1 entire half section, and had correctly located all interest
2 owners in the entire half section, except for one thing.
3 In this 50 acres there was a gentleman who owns an interest
4 that is leased to Yates Petroleum Corporation and related
5 companies, named James Edward Brown. And Yates has joined
6 in the well and was not force pooled.

7 You'll see at the bottom there was also one
8 addition interest owner named James Edwin Brown, who owns
9 an interest in this 50-acre tract. Subsequent review of
10 the records by me located [sic] that there were two
11 different people, James Edward Brown and James Edwin Brown.
12 James Edwin Brown has owned this interest for about 40
13 years, but other than the original deed into him there is
14 no other information on this gentleman, and he is the
15 person, the unlocatable person, unleased mineral interest
16 owner who we seek to force pool, due to the error in the
17 review of the title by the landman.

18 Regarding this unit, it's the east half of
19 Section 30, Township 23 South, 28 East. A well is going to
20 be drilled at an orthodox location in the northwest quarter
21 northeast of the section. As I said, the person being
22 pooled is James Edwin Brown, who -- his last known address
23 was simply Pecos County, Texas.

24 We've reviewed the records of Eddy County and
25 Pecos County and have not been able to locate him. At this

1 point, as I said, it's been 40 years with no interests --
2 or I should say instruments, of record, and that is stated
3 in Exhibit 1, the affidavit of the landman for Nadel and
4 Gussman. Pursuant to that Rule, there's a land plat
5 attached and an AFE for the well, which was submitted in
6 the prior case also.

7 And finally Exhibit 3 is the affidavit of
8 publication of notice as against James Edwin Brown. It was
9 published in the Carlsbad newspaper since we could not
10 locate an address for this gentleman who's been missing for
11 almost 40 years now. There weren't any other leases
12 executed by him or anything else, so -- he was simply
13 unlocatable.

14 And so I move the admission of Exhibits 1, 2 and
15 3 and ask that this well unit be pooled as to his interest.

16 EXAMINER EZEANYIM: Exhibits 1, 2 and 3 will be
17 admitted into evidence.

18 Do you have any questions?

19 MS. O'CONNOR: No.

20 EXAMINER EZEANYIM: I was wondering why, the last
21 time we did this case, that these two people were not
22 located at that time.

23 MR. BRUCE: Well, James Edward Brown was located,
24 and he has been leased to Yates Petroleum, Mr. Carr's
25 client.

1 EXAMINER EZEANYIM: Except Edward -- Edwin Brown,
2 which one is --

3 MR. BRUCE: And for some reason I think the --
4 simply put, the landman who was looking at the title
5 confused James Edward Brown and James Edwin Brown and
6 thought they were one and the same person.

7 EXAMINER EZEANYIM: Oh, okay.

8 MR. BRUCE: And that whole interest was leased to
9 Yates, when in fact only part of it was leased to Yates.

10 EXAMINER EZEANYIM: And that's why you came
11 forward now, to make sure -- Okay, good.

12 No questions?

13 MS. O'CONNOR: (Shakes head)

14 EXAMINER EZEANYIM: At this time Case Number
15 13,469 will be taken under advisement.

16 Let's take about 10-minute break to allow us to
17 set up a conference call here, to get some of the smaller
18 cases out of the way before we come to the big ones.

19 So we'll come back about nine o'clock.

20 (Thereupon, these proceedings were concluded at
21 8:47 a.m.)

22 * * *

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the Examiner hearing of Case No. 13469
heard by me on 3/18/79

STEVEN T. BRENNER, ECR
Oil Conservation Division

STEVEN T. BRENNER, ECR
(505) 989-9317

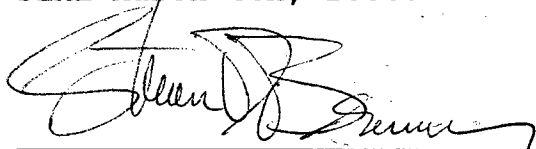
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL March 4th, 2006.


STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006

STEVEN T. BRENNER, CCR
(505) 989-9317