

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. 13195

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

Stanico Energy Corporation

OPPONENT'S ATTORNEY

Gregory J. Nibert
Hinkle Law Firm
P.O. Box 10
Roswell, New Mexico 88201
(505) 623-9332

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 following described acreage in Section 4, Township 23 South, Range 28 East, NMPM, and in the following manner: The S $\frac{1}{4}$ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the North Loving-Atoka Gas Pool and Undesignated North Loving-Morrow Gas Pool; the SW $\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within that vertical extent; the S $\frac{1}{4}$ SW $\frac{1}{4}$ to form a standard 80-acre oil spacing and proration unit for any formations and/or pools

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developed on 80-acre spacing within that vertical extent, including but not limited to the Undesignated South Culebra Bluff-Bone Spring Pool; and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Herradura Bend-Delaware Pool. The units are to be dedicated to applicant's Apollo Fee Well No. 1, to be drilled at an orthodox location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4. 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 cost-plus 200% charge for the risk involved in drilling and completing the well.

OPPONENTPROPOSED EVIDENCEAPPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sam Jolliffe (landman)	15 min.	Approx. 4
Keith Logan (geologist)	10 min.	Approx. 3

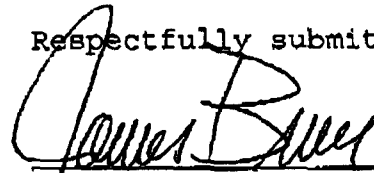
OPPONENT

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

-None-

Respectfully submitted,




James Bruce
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(505) 982-2043

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

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 12th day of December, 2003:

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