

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. 12957

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

OPPONENT'S ATTORNEY

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 E½ of
Section 35, Township 23 South, Range 27 East, NMPM, to form a
standard 320-acre gas spacing and proration unit for any and all
formations and/or pools developed on 320-acre spacing. The unit is
to be dedicated to applicant's Palo Duro Well No. 1, to be drilled
at an orthodox location in the SE¼ of Section 35. 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 charge for the risk involved in
drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE**APPLICANT****WITNESSES**

Sam H. Jolliffe IV
(landman)

EST. TIME

15 min.

EXHIBITS

- (a) Land plat
- (b) Interest list
- (c) Correspondence
- (d) AFE

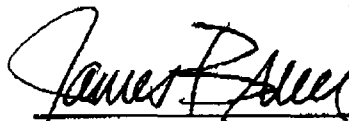
Keith Logan
(geologist)

15 min.

- (a) Structure map
- (b) Isopach
- (c) Cross section

OPPONENT**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Applicant