

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

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION FOR THE PURPOSES
OF CONSIDERING:

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CASE NO. 14551

APPLICATION OF NADEL AND GUSSMAN PERMIAN, LLC FOR APPROVAL OF
FOUR NON-STANDARD OIL SPACING AND PRORATION UNITS AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil
Conservation Commission.

APPEARANCES OF PARTIES

APPLICANT

Nadel & Gussman Permian LLC

ATTORNEY

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

OPPOSING PARTY

Chesapeake Operating LLC
Attn: Justin Zerkle
6100 N. Western Ave.
Oklahoma City, OK 73148

ATTORNEY

Ocean Munds-Dry
Holland & Hart LLP
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STATEMENT OF CASE

OPPOSING PARTY

Chesapeake Operating is the designated operator under several existing and valid operating agreements in the west-half of this section. Nadel and Gussman's proposal to drill four horizontal wells traversing from east to west interfere with the existing agreements. Furthermore, Nadel and Gussman is attempting to develop acreage in the west-half in which it likely has no interest. Chesapeake has proposed that Nadel and Gussman develop the acreage in the east-half of the section with horizontal wells that traverse north-south.

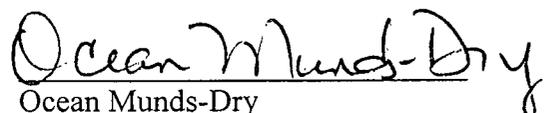
PROPOSED EVIDENCE

APPLICANT

WITNESSES	ESTIMATED TIME	EXHIBITS
Justin Zerkle, Landman	20 minutes	3
Robert Martin, Petroleum Geologist	1 hour	9

PROCEDURAL MATTERS

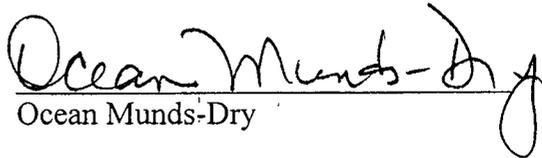
Chesapeake has none at this time.


Ocean Munds-Dry
Attorney for Chesapeake Operating LLC

CERTIFICATE OF SERVICE

I certify that on October ²¹18, 2010 I served a copy of the foregoing document to the following by Email and U.S. Mail:

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Ocean Munds-Dry