

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14551

RESPONSE IN OPPOSITION TO MOTION FOR CONTINUANCE

Nadel and Gussman Permian L.L.C. ("NGP") opposes the motion by Chesapeake Operating Inc. ("Chesapeake") for a continuance, and in support thereof, states:

1. NGP proposed the wells which are the subject of this application three months ago. **Exhibit A.** Chesapeake's only response was e-mailed to NGP two weeks ago. It has had sufficient time to review the well proposal.

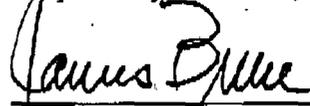
2. Chesapeake received notice of the hearing on September 13, 2010, **Exhibit B,** yet files this motion less than two days before hearing. This late request should be denied.

3. This hearing has already been continued once, from the September 30, 2010 hearing.

4. Chesapeake verbally requested a two week continuance from NGP, but now seeks a four week continuance. A four week continuance is excessive.

WHEREFORE, NGP requests that Chesapeake's request be denied. In the event that the Division orders a continuance, NGP requests a continuance only until October 28, 2010.

Respectfully submitted,



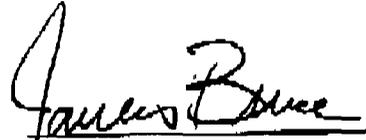
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

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 this 12th day of October, 2010 by facsimile transmission:

Ocean Munds-Dry
Holland & Hart LLP
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 983-6043


James Bruce

NADEL AND GUSSMAN PERMIAN, L.L.C.
601 N. Marienfeld, Suite 508
Midland, TX 79701
Office: (432) 682-4429
Fax: (432) 682-4325

July 14, 2010

Via Certified Mail, Return Receipt Requested

Justin Zerkle
Chesapeake Energy
P.O. Box 18496
Oklahoma City, OK 73154-0496

Via Certified Mail, Return Receipt Requested

cc: Justin Zerkle
Chesapeake Energy
6100 N. Western Avenue
Oklahoma City, OK 73118

Re: Picou Federal #1-H, SHL: 660' FNL & 330' FEL, BHL: 660' FNL & 330' FWL;
Picou Federal #2-H, SHL: 2100' FNL & 330' FEL, BHL: 1980' FNL & 330' FWL
Picou Federal #3-H, SHL: 2310' FSL & 330' FEL, BHL: 1980' FSL & 330' FWL
Picou Federal #4-H, SHL: 660' FSL & 330' FEL, BHL: 660' FSL & 330' FWL
Section 12, T-26-S, R-29-E
Eddy County, New Mexico

Dear Justin:

Nadel and Gussman Permian, L.L.C. ("NGP"), as an owner of interest in Section 12, T-26-S, R-29-E, Eddy County, New Mexico, hereby proposes to drill and operate the above captioned wells at the referenced locations to depths to adequately evaluate the Bone Spring Shales. This letter was previously sent to Gina Peterson, but has been revised and resent as we have been informed that you are the contact for the Eddy County, New Mexico area.

Regarding the above, enclosed for your further handling is an AFE for each well proposed, including a copy of each for your records. I have also included a C-102 plat for each proposed well. In the event that Chesapeake Energy ("Chesapeake") elects to participate in the captioned proposed wells, please execute one copy of each AFE and return to the undersigned.

Upon receipt of executed AFE's from Chesapeake, I will forward you our proposed Operating Agreement naming NGP as operator for your signature. Our proposed Operating Agreement will encompass all of Section 12.

Should you have any questions regarding the above, please call me at the above captioned telephone number.

Sincerely,

Emerald Johnson
Landman

EJ:bdh
Enc

EXHIBIT A

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mail piece or on the front if space permits. <p>1. Article Addressed to:</p> <p>Chesapeake Exploration, LLC P.O. Box 18496 Oklahoma City, Oklahoma 73134</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <p>3. Service Type: <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7008 0500 0001 4591 7153</p>

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-10-1540

EXHIBIT *B*