

# CONCHO RESOURCES INC.

Fasken Center, Tower II  
550 W. Texas Ave., Ste. 1300  
Midland, Texas 79701

(432) 683-7443  
FAX 683-7441

April 7, 2004

*Via Fax and Certified/Return Receipt Mail*

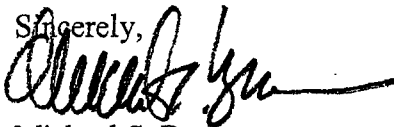
TO: Working Interest Owners on Attached Exhibit "A"

RE: Burrus 26 #2 Well Proposal  
2250' FNL & 500' FWL of Section 26  
Township 12 South, Range 38 East  
Lea County, New Mexico

Gentlemen:

Chesapeake Permian, L.P. (successor to Concho Exploration Inc.) proposes the drilling of the Burrus 26 #2 well as a 9800' Wolfcamp test at the captioned location. An Authority For Expenditure estimating the cost of our proposed well is enclosed herewith. If you desire to participate in the drilling of our well please execute and return one copy of the enclosed Authority For Expenditure. Please also complete and return the enclosed Well Information Requirements Schedule.

Sincerely,



Michael S. Braun  
Consulting Landman  
Chesapeake Permian, L.P.  
(Successor to Concho Exploration Inc.)

\_\_\_\_\_ Will participate in the drilling of the Burrus 26 #2 well and  
have enclosed an executed Authority For Expenditure.

\_\_\_\_\_ Will not participate in the drilling of the Burrus 26 #2 well.

**MATRIX PRODUCTION COMPANY AND  
MATRIX NEW MEXICO HOLDINGS, LLC**

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_  
Date: \_\_\_\_\_

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 13280 Exhibit No. 2  
Submitted By:  
Chesapeake Inc.  
Hearing Date: July 8, 2004