

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

CERTIFIED MAIL NO. 4648

July 23, 2004

Chesapeake Energy Corporation  
Attn: Ms. Lynda F. Townsend  
P. O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

8-9-04 - (405) 879-9414 Linda Townsend  
They are likely to participate. Send a JOA:

8-16-04 - left message

OIL CONSERVATION DIVISION

Re: Proposed Morrow Test  
Osudo "9" State COM #1 well  
1,980' FNL & 660' FEL  
N/2 Section 9, T-21-S, R-35-E  
Lea County, New Mexico  
Osudo Prospect

CASE NUMBER

EXHIBIT NUMBER **2**

Ladies and Gentlemen:

Mewbourne Oil Company ("Mewbourne") hereby proposes drilling a 12,500' Morrow test at a location 1,980' FNL & 660' FEL of Section 9, T-21-S, R-35-E, Lea County, New Mexico to be called the Osudo "9" State COM #1 well. To facilitate drilling the well, Mewbourne also proposes forming a Working Interest Unit covering the N/2 of said Section 9. Assuming a successful completion requiring 320 acre spacing, the N/2 of said Section 9 would need to be communitized.

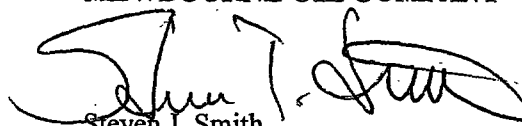
Based upon our most current title information Upland Corporation ("Upland") appears to own State of New Mexico Lease VO-7049 covering the NW/4 of said Section 9. Mr. Donnie Michael with Upland has advised us that he purchased this lease for Chesapeake Energy Corporation ("Chesapeake") and that he will be assigning the lease to Chesapeake in the near future. Assuming this is all correct, Chesapeake would have a 50.0% working interest in the proposed N/2 unit.

To indicate an election to participate in the proposed well and unit, please execute and return one of the enclosed AFE well cost estimates. Upon receipt of your election to participate, an AAPL 1982 Model Form JOA naming Mewbourne as Operator will be forwarded for your review and approval. Should you choose not to participate, Mewbourne hereby offers to purchase a two (2) year Term Assignment covering all of Chesapeake's interest in State Lease VO-7049 for \$200.00 per net acre based upon delivery of an 80% NRI to Mewbourne and use of a mutually acceptable assignment form.

Feel free to call me if you have any questions or would like to discuss this proposal in greater detail. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY



Steven J. Smith  
Senior Landman

**SENDER: COMPLETE THIS SECTION**

- ☐ 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 mailpiece or on the front if space permits.

1. Article/Addressee for:

Chesapeake Energy Corp.  
P.O. Box 18496  
Oklahoma City, OK 73154-0496  
Attn: Ms. Lynda F. Townsend

2. Article Number  
(transfer from ser/co label)

7002 2410 0000 1362 4648

PS Form 3811, August 2001

Domestic Return Receipt

162595-02-1/15-10

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*[Signature]*

☐ Agent

☐ Addressee

B. Delivered by (Print or Name)

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Registered Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes



*Osada 9 State Com #1*

# MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020  
MIDLAND, TEXAS 79701

(432) 682-3715  
FAX (432) 685-4170

CERTIFIED MAIL NO. 5119

August 27, 2004

Chesapeake Energy Corporation  
Attn: Ms. Lynda F. Townsend  
P. O. Box 18496  
Oklahoma City, Oklahoma 73154-0496

Re: Osudo "9" State COM #1 well  
1,980' FNL & 660' FEL  
N/2 Section 9, T-21-S, R-35-E  
Lea County, New Mexico  
Osudo Prospect

9-23 Left Message  
10-14 Linda called. Talked about Pooling.  
She asked if we would dismiss them since they  
signed AFE. Told her we need a signed  
JOA to dismiss. Said she would try to get  
the JOA looked at (She had n't looked at it yet)  
She said they were slow on JOAs.

Dear Lynda:

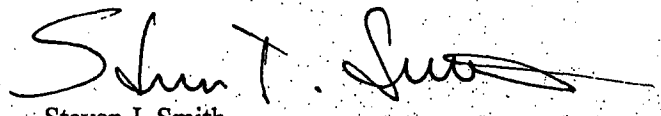
We are in receipt of the signed AFE signifying Chesapeake's desire to participate in the drilling of the referenced well. In order to proceed with drilling this well, we must first enter into a Joint Operating Agreement to create the working interest unit also proposed in the July 23<sup>rd</sup> letter. Accordingly, enclosed for your review and execution on behalf of Chesapeake is one original 1989 Model Form Joint Operating Agreement covering the N/2 of Section 9, T21S, R35E, Lea County, along with an extra set of signature pages.

Once the JOA and extra signature pages have been properly executed on behalf of Chesapeake, please return the extra signature pages to my attention for the completion of our files.

Thank you for your cooperation. Feel free to call me if you have any questions. My phone number is (432) 682-3715.

Sincerely,

MEWBOURNE OIL COMPANY

  
Steven J. Smith  
Senior Landman

Attachments

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee
<input type="checkbox"/> Print your name and address on the reverse so that we can return the card to you.	B. Received by (Printed Name) BRIAN WES
<input type="checkbox"/> Attach this card to the back of the mailpiece or on the front if space permits.	C. Date of Delivery AUG 30 2004
1. Article Addressed to: <b>Chesapeake Energy Corporation P.O. Box 18496 Oklahoma City, OK 73154-0496 Attn: Ms. Lynda F. Townsend</b>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address <input type="checkbox"/> No
	E. Mail Type <input checked="" 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.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
2. Article Number (Transfer from service label)	
PS Form 3811, August 2001	7002 2410 0000 1362 5119
Osudo 9 State COM #1	102595-02-1/1-040