

# LATIGO

Petroleum, Inc.

Fasken Center Tower II • 550 W. Texas, Suite 700 • Midland, Texas 79701 • 432-684-4293 • 432-684-0829 FAX

February 3, 2005

*Via Certified Mail/Return Receipt Requested*

Chesapeak Exploration L.P.  
Attn: Kathy Blick  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

**RE: PROPOSAL TO DRILL**  
Marine Fed 19 #1  
Section 19, T-25-S, R-27-E  
Eddy County, New Mexico

Dear Kathy:

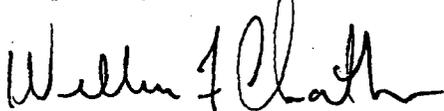
**Latigo Petroleum, Inc. ("Latigo")** proposes to drill the Marine Fed 19 #1 well located 1480' FNL & 1130' FWL Section 19, T-25-S, R-27-E, Eddy County, New Mexico to test. The proposal is to drill to a depth of 12,100' or to a depth sufficient to test the Morrow formation. The N/2 Section 19, T-25-S, R-27-E is the dedicated Spacing Unit.

Please find attached an AFE for \$ 2,580.00 for the operation. Please notify Latigo of your election as provided for within 30 days of receipt. If you consent to the operation sign and return one original copy of the AFE along with your reporting requirements to me at the letterhead address.

Should Chesapeak Exploration L.P. not want to participate in the Marine Fed 19 #1, please give the undersigned a call to discuss Farmout terms.

If you have questions, please do not hesitate to give me a call at (432) 684-4293 or email me at [bchatham@latigopetro.com](mailto:bchatham@latigopetro.com).

Respectfully submitted,



William F. Chatham, CPL  
Sr. Staff Landman

Attachment: AFE (2)

