

March 9, 2005

VIA FACSIMILE (918) 591-1796
& EXPRESS MAIL

Ms. Mona Ables
Samson Resources Company
2 W. 2nd St.
Tulsa, OK 74103

Re: Chesapeake's Proposed KF State 4 #1
S/2 Section 4-21S-35E
Lea County, New Mexico

Dear Sir or Madam:

Chesapeake Operating, Inc., on behalf of Chesapeake Permian, LP ("Chesapeake"), hereby proposes to drill the KF State 4 #1 well to an approximate depth of 12,100', or a depth sufficient to test the Morrow Formation and all other potentially productive formations encountered in the captioned well.

Please indicate the option of Samson Resources Company's ("Samson") choice below, sign and return this letter by facsimile, if available, to our office at (405) 767-4251, followed by a hard copy in the mail. If Samson elects to participate in the proposed operation, please also execute and return the enclosed AFE along with a check in the amount of \$76,812.50 (6.250000% WI X \$1,229,000.00), which represents Samson's share of the AFE dry hole costs. Please also include a Well Requirement Sheet containing a contact name, facsimile number and e-mail address, if available, to insure receipt of well information.

As an alternative to the above, Chesapeake would be interested in purchasing Samson's interest, including any producing well bores, subject to the negotiation of a mutually agreeable price and terms. If Samson is interested in pursuing this alternative, please so indicate in the space provided below and/or contact the undersigned. We will immediately forward this information to our Acquisitions and Divestitures Department for follow up. However, please be advised that entering into negotiations to sell Samson's interest does not excuse or allow Samson to delay the required election under this well proposal.

BEFORE THE
OIL CONSERVATION DIVISION
Case # 13492&13493 Exhibit No. ___
Submitted By:
Chesapeake Inc.
Hearing Date: August 22, 2005

CHK 000150

Ms. Mona Ables
March 9, 2005
Page 2 of 2

Your early attention and response to this proposal will be greatly appreciated. Should you have any questions, please contact the undersigned.

Sincerely,

Chesapeake Operating, Inc.

Lynda F. Townsend

_____ Samson Resources Company hereby elects to participate in the KF State 4 #1.

_____ Samson Resources Company hereby elects not to participate in the KF State 4 #1.

SAMSON RESOURCES COMPANY

By: _____

Name: _____

Title: _____

Date: _____

_____ Samson Resources Company is interested in selling its interest in this unit including any producing well bores. Please contact me to discuss.

W:\Permian\Operated Wells\KF State 4 #1\Certified Letters.doc\Operated Wells\KF State 4 #1_Certified Letters.doc

*** TX REPORT ***

TRANSMISSION OK

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RECIPIENT ADDRESS *919185911798
DESTINATION ID
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TIME USE 01'13
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RESULT OK



Lynda F. Townsend, CPL/ESA
Senior Landman

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Dear Sir or Madam:

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CHK 000152

CHESAPEAKE OPERATING, INC.

AUTHORIZATION FOR EXPENDITURE

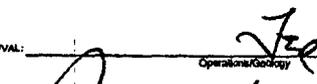
Project Area: Permian New Mexico
 Well Name: XP State 4 #1
 Operator: Chesapeake Operating, Inc.
 AFE #: 140222
 Spacing Unit: 8/2 Section 4-218-32E

County, State: Lee, New Mexico
 Dist: 372005
 Total Depth: 12,100'
 Formation: Morrow
 Property #: 819828

CODE	INTANGIBLE COSTS	WORK DESCRIPTION	DRY HOLE	PRODUCER
233400	Location:	Roads, Location, Pits	\$40,000.00	\$40,000.00
233401		Demages	\$12,000.00	\$12,000.00
233402		Governmental Filings	\$2,000.00	\$2,000.00
233404		Schedule Costs	\$0.00	\$0.00
233405		Reclamation	\$5,000.00	\$5,000.00
233406		Top Drive	\$0.00	\$0.00
233408	Drilling:	Pipeline Construction	\$0.00	\$0.00
233409		Fuel	\$55,000.00	\$55,000.00
233410		Drilling Contractor: 31/33 days @ \$12600 per day	\$389,000.00	\$413,000.00
233411		Directional Services	\$5,000.00	\$5,000.00
233413		Rig Mobilization/Demobilization	\$100,000.00	\$100,000.00
233414		Contract Labor	\$18,000.00	\$18,000.00
233415		Bits	\$34,000.00	\$34,000.00
233418		Supplies and Utilities	\$1,000.00	\$1,000.00
233420		Cement Conductor	\$0.00	\$0.00
233421		Cement Surface Casing	\$10,000.00	\$10,000.00
233422		Cement Intermediate Casing	\$18,000.00	\$18,000.00
233424		Cement Production Casing	\$0.00	\$0.00
233425		Cement Drilling Liner	\$0.00	\$0.00
233427		Cement Production Liner	\$0.00	\$0.00
233428		Net Logging	\$14,000.00	\$14,000.00
233429		Drilling Fluids, Mud, Chem.	\$75,000.00	\$102,000.00
233431		Drill String Inspection	\$5,000.00	\$5,000.00
233432		Open Hole Logging	\$35,000.00	\$35,000.00
233433		Flaring	\$0.00	\$0.00
233434		Downhole Partial Equipment	\$44,000.00	\$71,000.00
233435		Completion Liner	\$0.00	\$0.00
233436	Completion:	Cased Hole Services/Perforating	\$0.00	\$0.00
233437		Jetting	\$0.00	\$0.00
233438		Formation Stimulation	\$0.00	\$150,000.00
233439	General:	Surface Equipment Rental	\$22,000.00	\$112,000.00
233440		Transportation	\$8,000.00	\$10,000.00
233441		Flowback Handoff	\$0.00	\$0.00
233442		Blowouts/Emergencies	\$0.00	\$0.00
233443		Supervision	\$11,000.00	\$12,000.00
233444		Technical Labor	\$11,000.00	\$12,000.00
233445		Direct Labor	\$13,000.00	\$14,000.00
233446		Contractors	\$24,000.00	\$46,000.00
233447		Company Overhead	\$18,000.00	\$12,000.00
233448		Insurance	\$18,000.00	\$18,000.00
233449		Plug to Abandon	\$0.00	\$0.00
233450		0% Contingency	\$0.00	\$0.00
	TOTAL INTANGIBLES	Total Intangible Costs	\$1,045,000.00	\$1,327,000.00

CODE	TANGIBLE COSTS	WORK DESCRIPTION	DRY HOLE	PRODUCER
230108	Tubulars:	Conductor	\$0.00	\$0.00
230109		Surface Casing: 13-3/8" 45'	\$14,000.00	\$14,000.00
230110		Intermediate Casing: 9-5/8" 3,350'	\$149,000.00	\$149,000.00
230111		Production Casing: 8-1/2" 12,100'	\$0.00	\$160,000.00
230112		Drilling Liner	\$0.00	\$0.00
230113		Production Liner	\$0.00	\$0.00
230114		Riser Equipment	\$0.00	\$15,000.00
230115	Lease Equipment:	Tubing: 2-7/8" 12,000'	\$0.00	\$54,000.00
230116		Wellhead Equipment	\$13,000.00	\$41,000.00
230117		Downhole Equipment	\$0.00	\$10,000.00
230118		Artificial Lift Pumping Unit	\$0.00	\$0.00
230119		Production Equipment	\$0.00	\$35,000.00
230120		Compressor/Compression	\$0.00	\$0.00
230121		Pipeline Equipment	\$0.00	\$0.00
230122		Non-Conditionable Equipment	\$0.00	\$0.00
	TOTAL TANGIBLES	Total Tangible Costs	\$164,000.00	\$485,000.00
		Total Costs	\$1,229,000.00	\$1,812,000.00

Prepared by: DFD Approved by: GMB

OPERATOR'S APPROVAL:  DATE: _____
 Operations/Geology

OPERATOR'S APPROVAL:  DATE: 3/8/05
 Land/Accounting

NON-OPERATOR'S APPROVAL: _____ DATE: _____

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. In executing this AFE, the participant agrees to pay its proportionate share of actual costs incurred, including legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. The Operator may contract with an affiliated entity to drill the well at prevailing rates in the area. Participant shall be covered by and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in amounts acceptable to the Operator by the date of spud.



Lynda F. Townsend, CPL/ESA
Senior Landman

March 9, 2005

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& EXPRESS MAIL

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Samson Resources Company
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S/2 Section 4-21S-35E
Lea County, New Mexico

Dear Sir or Madam:

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Chesapeake Energy Corporation
6100 N. Western Ave. • Oklahoma City, OK 73118 • P.O. Box 18406 • Oklahoma City, OK 73154-0406
405.879.2414 • fax 405.767.4251 • townsendl@cheenergy.com

PAGE 2/4 • RCVD AT 3/11/2005 2:08:59 PM (Central Standard Time) • SVR: FAXSRV/0 • DMS: 7156 • CSID: Samson • DURATION (mm-ss): 00-00-18

EXHIBIT

Shubert No. 8119

P8

Ms. Mona Ables
March 9, 2005
Page 2 of 2

Your early attention and response to this proposal will be greatly appreciated. Should you have any questions, please contact the undersigned.

Sincerely,

Chesapeake Operating, Inc.

Lynda F. Townsend
Lynda F. Townsend

- Samson Resources Company hereby elects to participate in the KF State 4 #1.
- Samson Resources Company hereby elects not to participate in the KF State 4 #1.

SAMSON RESOURCES COMPANY

By: *Marlin R. Garrett*
 Name: Marlin R. Garrett
 Title: Vice President
 Date: 3/22/05

Samson Resources Company is interested in selling its interest in this unit including any producing well bores. Please contact me to discuss.

CHESAPEAKE OPERATING, INC.

AUTHORIZATION FOR EXPENDITURE

Project Name: Farnsworth Works Well Name: 10' Hole # 01 Operator: Chesapeake Operating, Inc APC #: 14822 Spurring Unit: 5-2 Section 4-115-30E		County, Subj Rely Total Depth Perforator Property #:	Loc. Name/Notes 2/7/05 12,107 Mason 07620	
CD00	INTANGIBLE COSTS	WORK DESCRIPTION	QTY HD P	PRODUCER
220400	Leasehold	Roofs, Location, P/B	\$40,000.00	\$40,000.00
220401		Demolition	\$12,000.00	\$12,000.00
220402		Constructional P/B	\$2,000.00	\$2,000.00
220403		Rebar/Concrete	\$4.00	\$4.00
220404		Rebar/Concrete	\$4.00	\$4.00
220405		Tap Drive	\$4.00	\$4.00
220406	Utility	Pipeline Construction	\$2,000.00	\$2,000.00
220407		Post	\$2,000.00	\$2,000.00
220408		Drilling Contractor: 3 1/2" Dia @ \$1200 per day	\$36,000.00	\$36,000.00
220409		Directional Services	\$3,000.00	\$3,000.00
220410		RD Measurement/Documentation	\$100,000.00	\$100,000.00
220411		Contract Labor	\$10,000.00	\$10,000.00
220412		Soil	\$4,000.00	\$4,000.00
220413		Supply and Utilities	\$1,000.00	\$1,000.00
220414		Contract Contractor	\$10,000.00	\$10,000.00
220415		Contract Surface Grading	\$10,000.00	\$10,000.00
220416		Contract Intermediate Grading	\$2,000.00	\$2,000.00
220417		Contract Production Grading	\$2,000.00	\$2,000.00
220418		Contract Drilling Liner	\$4.00	\$4.00
220419		Contract Production Liner	\$4.00	\$4.00
220420		Well Logging	\$14,000.00	\$14,000.00
220421		Drilling Fluids, Mud, Chem.	\$75,000.00	\$75,000.00
220422		Well Bore Inspection	\$3,000.00	\$3,000.00
220423		Open Hole Logging	\$20,000.00	\$20,000.00
220424		Logging	\$2,000.00	\$2,000.00
220425		Downhole Fluid Equipment	\$44,000.00	\$44,000.00
220426	Completion	Completion Unit	\$2,000.00	\$2,000.00
220427		Capacitor Voltage Transformer	\$2,000.00	\$2,000.00
220428		ACSR	\$2,000.00	\$2,000.00
220429		Foundation Installation	\$2,000.00	\$2,000.00
220430	Contract	Surface Equipment Rental	\$22,000.00	\$22,000.00
220431		Transportation	\$2,000.00	\$2,000.00
220432		Production Material	\$2,000.00	\$2,000.00
220433		Electricity/Water	\$2,000.00	\$2,000.00
220434		Supplies	\$11,000.00	\$11,000.00
220435		Technical Labor	\$11,000.00	\$11,000.00
220436		Contract Labor	\$11,000.00	\$11,000.00
220437		Composites	\$12,000.00	\$12,000.00
220438		Contracting Overhead	\$10,000.00	\$10,000.00
220439		Insurance	\$2,000.00	\$2,000.00
220440		Per 10 Minutes	\$2.00	\$2.00
220441		Per Contingency	\$2.00	\$2.00
220442		Total Intangible Costs	\$1,243,000.00	\$1,243,000.00
CD00	TANGIBLE COSTS	WORK DESCRIPTION	QTY HD P	PRODUCER
220100	Tubular	Condition	\$2.00	\$2.00
220101		Surface Grading	\$14,000.00	\$14,000.00
220102		Intermediate Grading	\$40,000.00	\$40,000.00
220103		Production Grading	\$2,000.00	\$2,000.00
220104		Drilling Liner	\$2.00	\$2.00
220105		Production Liner	\$2.00	\$2.00
220106		Fluid Equipment	\$4,000.00	\$4,000.00
220107	Lease Equipment	Tubing	\$2.00	\$2.00
220108		Wellhead Equipment	\$11,000.00	\$11,000.00
220109		Seawater Equipment	\$2.00	\$2.00
220110		Artificial Lift Pumping Unit	\$2.00	\$2.00
220111		Production Equipment	\$2,000.00	\$2,000.00
220112		Compressor/Compressor	\$2.00	\$2.00
220113		Production Equipment	\$2.00	\$2.00
220114		Flow Control Equipment	\$2.00	\$2.00
220115		Per Contingency	\$2.00	\$2.00
220116		Per Contingency	\$2.00	\$2.00
220117		Total Tangible Costs	\$184,000.00	\$184,000.00
TOTAL		Total Costs	\$1,427,000.00	\$1,427,000.00

Prepared by: DJT Approved by: CJB 2,012,000

OPERATOR'S APPROVAL: [Signature] DATE: _____

OPERATOR'S APPROVAL: [Signature] DATE: 3/18/05

NON-OPERATOR'S APPROVAL: [Signature] DATE: 3/22/05

The costs on this APC are estimates only and may not be considered as ceilings or any specific item or the total cost of the project. In executing this APC, the participant agrees to pay its proportionate share of actual costs incurred, including legal, caution, regulatory, insurance and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. The Operator may contract with an affiliate entity to use the well or processing rates in the area. Participant shall be covered by and held proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in amounts acceptable to the Operator by the date of sign.