

EXHIBIT 8

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT

LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

October 13, 1999

VIA FACSIMILE (281) 552-1200

Mr. Donnie B. Champlin
Altura Energy, Ltd.
580 Westlake Park Blvd., Ste. 421D
Houston, TX 77079

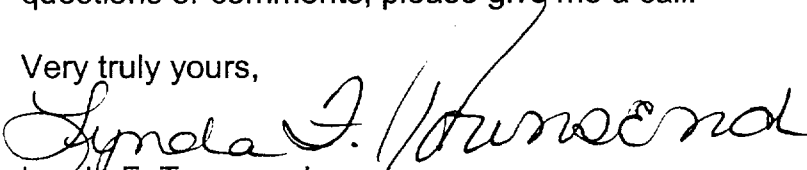
Re: S/2 Section 17-16S-36E
Lea County, New Mexico

Dear Mr. Champlin:

Altura Energy, Ltd. is the record owner of minerals in the captioned acreage. Previously, Chesapeake has leased 21.33 acres in the S/2 SW/4 and, at this time, would like to tender an offer for the remaining 64 acres in the N/2 SW/4 and the SE/4. Chesapeake is offering \$250.00 an acre for a total bonus consideration of \$16,000.00, an eighteen (18) month term and a one-quarter (1/4) royalty. These are the same terms as agreed upon in the original lease given Chesapeake in the S/2 SW/4.

I would appreciate hearing from you at your earliest convenience. Should you have any questions or comments, please give me a call.

Very truly yours,


Lynda F. Townsend

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT

LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

October 21, 1999

VIA FACSIMILE (281) 552-1628

Mr. D. B. Champlin, CPL
Altura Energy Ltd.
P. O. Box 4294
Houston, TX 77210

Re: College of the SW 1-17 Well
S/2 Section 17-16S-36E
Lea County, New Mexico

Dear Mr. Champlin:

Chesapeake is in receipt of your letter dated October 15, 1999 in which you advised that Altura is not granting any leases or term assignments at this time due to a pending sale of the company. While I certainly understand your present position regarding a lease request, as an alternative, Chesapeake would like to offer Altura the opportunity to participate in the captioned well.

Altura owns an unleased 64 net acres of the 320 acre unit for a working interest of 20.0%. The College of the SW 1-17 has been drilled to a depth of 12,100' to test the Atoka/Morrow formation and is waiting on completion pending the outcome of negotiations.

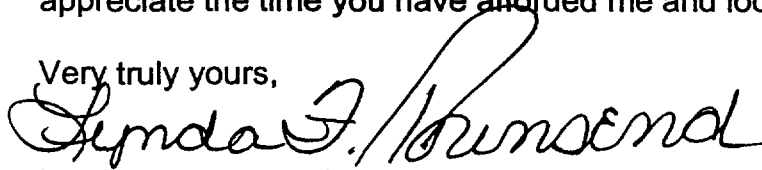
As you are aware, Chesapeake had previously taken a lease from Altura for acreage in the S/2 SW/4 of Section 17-16S-36E which acreage is situated in the presently permitted 80-acre unit for an 11,800' Strawn completion. However, since indications were that the Strawn was not productive in this wellbore, the decision was made to drill ahead to test the Atoka/Morrow formation at 12,100', necessitating a 320 acre unit encompassing the S/2 of the section. As stated above, Altura owns 64 net acres that are unleased in the remaining 240 acres of the Atoka/Morrow unit.

An AFE is enclosed reflecting AFE dry-hole costs of \$503,000 of which \$100,600 equates to your 20.0% share. Should you elect to participate in the College of the SW 1-17 well, please return an executed AFE along with a check for your share of the AFE dry-hole costs. Actual costs will be billed to you with a credit for this payment.

Page two
Altura Energy, Ltd.
October 21, 1999

If you have any questions, or require any further information, please give me a call. I appreciate the time you have afforded me and look forward to working with you.

Very truly yours,

A handwritten signature in cursive script, reading "Lynda F. Townsend". The signature is written in black ink and is positioned above the printed name.

Lynda F. Townsend

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	0753	
CONNECTION TEL		912815521628
SUBADDRESS		
CONNECTION ID		
ST. TIME	10/21 16:14	
USAGE T	00'42	
PGS.	2	
RESULT	OK	

CHESAPEAKE OPERATING, INC.

PO. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT

LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

October 21, 1999

VIA FACSIMILE (281) 552-1628

Mr. D. B. Champlin, CPL
Altura Energy Ltd.
P. O. Box 4294
Houston, TX 77210

Re: College of the SW 1-17 Well
S/2 Section 17-16S-36E
Lea County, New Mexico

Dear Mr. Champlin:

Chesapeake is in receipt of your letter dated October 15, 1999 in which you advised that Altura is not granting any leases or term assignments at this time due to a pending sale of the company. While I certainly understand your present position regarding a lease request, as an alternative, Chesapeake would like to offer Altura the opportunity to participate in the captioned well.

Altura owns an unleased 64 net acres of the 320 acre unit for a working interest of 20.0%. The College of the SW 1-17 has been drilled to a depth of 12,100' to test the Atoka/Morrow formation and is waiting on completion pending the outcome of negotiations.

As you are aware, Chesapeake had previously taken a lease from Altura for acreage in the S/2 SW/4 of Section 17-16S-36E which acreage is situated in the presently permitted 80-acre unit for an 11,800' Strawn completion. However, since indications were that the Strawn was not productive in this wellbore, the decision was made to drill



Fax Transmittal & U.S. Mail

Donnie B. Champlin, CPL
Land Negotiator
(281) 552-1228
(281) 552-1628 (Fax)

October 27, 1999

Ms. Lynda F. Townsend
Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

Dear Ms. Townsend:

Subject: Participation Proposal Dtd 10/21/99 – College of the SW 1-17
S/2 Sec. 17-T16S-R36E
North Lea Area
Lea County, New Mexico

In response to the captioned proposal, we wish to advise, that while we appreciate Chesapeake's dilemma with regard to Altura's uncommitted acreage position for an Atoka/Morrow spacing unit, we don't feel that it is equitable to be required to pick up full drill costs to gain entrance into the well, as our original understanding was that the well was to be a Strawn attempt. In any event, in the interest of trying to fairly resolve this issue, Altura proposes to pay its 20% working interest share of completion costs (AFE line item no's 233430, 233431, 233434, 233438, 233443, 230100 – tubing only, 230106, 230107, 230113 & 230120) for the well in order to move the program forward, given Chesapeake's current investment in the project.

Our proposal is further subject to final management approval and execution of a mutually acceptable 1982 form JOA, which shall be depth limited to the Atoka/Morrow formations. Thank you for your consideration. If you are in agreement with our proposal, please note your concurrence in the signature block provided below and fax return to the attention of the undersigned at (281) 552-1628. You may wish to consult with Altura's reservoir engineer, Ms. Stella Welsh (281-552-1219), prior to preparing a new AFE for Altura's execution in order to clarify final numbers associated with the previously referenced line items. In the interim, should you have any questions or require additional information, please don't hesitate to contact the undersigned at (281) 552-1228.

Sincerely,

A handwritten signature in dark ink, appearing to read "D. B. Champlin", followed by a stylized flourish.

D. B. Champlin, CPL
Exploitation Subteam
New Resource Capture

DBC:dbc

Chesapeake Operating, Inc.

Agreed To And Accepted This _____ Day of October, 1999.

By: _____

Title: _____

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT

LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

November 23, 1999

VIA FACSIMILE (281) 552-1628

Mr. D. B. Champlin, CPL
Altura Energy, Ltd.
P. O. Box 4294
Houston, TX 77210

Re: College of the SW 1-17 Well
S/2 Section 17-16S-36E
Lea County, New Mexico

Dear Mr. Champlin:

Pursuant to our telephone conversation of last week, Chesapeake must decline Altura's counter-offer as stated in your letter of October 27, 1999. We believe a 20.0% working interest participation in an Atoka test is equivalent to much more than the \$27,800 amount Altura is willing to commit to.

As an alternative, Chesapeake proposes AFE costs for the College of the SW well as calculated by the formula set out in the COPAS Bulletin No. 2, Determination of Values for Well Cost Adjustments Joint Operations. This provides an equitable solution, and this method has been implemented by the New Mexico Oil Conservation Division in other pooling determinations with similar circumstances. Using this formula, Altura would pay 12.796% of the intangible costs and 11.349% of the tangible costs. Based on our AFE estimates, Altura would bear a dry-hole cost of approximately \$64,300 and a completed well cost of approximately \$110,300; however, actual costs may vary from these estimates.

If Altura and Chesapeake cannot reach an agreement within thirty (30) days of Altura's receipt of this proposal, Chesapeake will file for a pooling hearing with the New Mexico Oil Conservation Division in order to resolve this issue.

Should you have any questions or require any additional information, please give me a call.

Very truly yours,


Lynda F. Townsend

NEW MEXICO DISTRIBUTION	
AKM	RH IV
TLW	CAH
SCD	RGG
HJH	Prospect
JML	Prospect
GSD	IsRec
LFT	Other

ALTURA'S SHARE OF WELL COSTS

A. Intangibles

(1) Using Drilling Day Ratio allocation:
total days – 19

12 day to drill to base of Wolfcamp: $12/19 = 63.16\%$

3 days to drill to base of Strawn $3/19 = 15.79\%$

4 days to TD (base of Atoka) $4/19 = 21.05\%$

(2) allocation to owners of each zone

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 63.16%	21.05%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $\frac{1}{2}$ of 15.79%	28.945%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 63.16%	
	plus $\frac{1}{2}$ of 15.79%	
	plus 100% of 21.05%	49.995%

(3) allocation to Altura

(a) 13.333% of Wolfcamp	2.806%
(b) 20.0% of Atoka	9.99%

TOTAL 12.796%

B. Tangibles:

(1) Using footage Ratio allocation:
total footate = 12,050'

11,050 feet to base of Wolfcamp $11,050/12,050 = 91.7\%$

600' to base of Strawn $600/12,050 = 4.97\%$

400' to TD (base of Atoka) $400/12,050 = 3.32\%$

(2) allocation to owners of each zone:

(a) Wolfcamp WI:	$1/3^{\text{rd}}$ of 91.7%	30.566%
(b) Strawn WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $\frac{1}{2}$ of 4.97%	33.051%
(c) Atoka WI:	$1/3^{\text{rd}}$ of 91.7%	
	plus $\frac{1}{2}$ of 4.97%	
	plus 100% of 3.32%	36.37%

(3) allocation to Altura:

(a) 13.333% of Wolfcamp	4.075%
(b) 20% of Atoka	7.274%

TOTAL 11.349%

DEC-14-99 TUE 11:56 AM

RESOURCE MGMT

FAX:15058875251

PAGE 2

SOUTHEAST ROYALTIES, INC.

November 30, 1999

Lynda F. Townsend
Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496

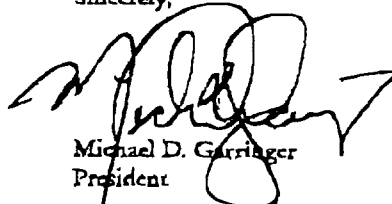
VIA FAX NO. 405-879-9562

Dear Ms. Townsend:

To follow our telephone conversation of this morning, please be advised we are thinking along the following lines:

1. A bonus and 10% of 8/8ths Overriding Royalty Interest OR
2. A Carried Revenue Interest based upon the 1.6667% WI less the carried portion of the expense recoverable to you.

Sincerely,



Michael D. Garringer
President

P. O. BOX 1658 • CARLSBAD, NM - 88221-1658
PHONE: (505) 887-2566 • FAX: (505) 887-3251

12/14/99(TUE) 11:52 [TX/RX NO 8022]

12/14/99 TUE 14:17 [TX/RX NO 7444]

CHESAPEAKE OPERATING, INC.

P.O. BOX 18496
OKLAHOMA CITY, OKLAHOMA 73154-0496
405/848-8000, EXT. 414
405/879-9562 FAX

LAND DEPARTMENT

LYNDA F. TOWNSEND, CPL/ESA
LANDMAN

November 29, 1999

VIA FACSIMILE (505) 887-5251

Mr. Mike Garringer
Southeast Royalties, Inc.
P. O. Box 1658
Carlsbad, NM 88221

Re: College of the SW 1-17 Well
S/2 Section 17-16S-36E
Lea County, New Mexico

Dear Mr. Garringer:

Pursuant to our telephone conversation of this date, Chesapeake Operating, Inc. would like to offer Southeast Royalties, Inc. the opportunity to participate in the drilling and attempted completion of the Atoka formation in the captioned well. Attached is Chesapeake's AFE reflecting dry-hole costs of \$503,000 and completed well costs of \$856,000. The proration unit for the College of the SW 1-17 well is 320 acres, being the S/2 of the section. Southeast owns a 1.6667% working interest in the unit below 11,870'.

As an alternative, Chesapeake offers a bonus of \$250.00 an acre and a two (2) year term for a term assignment covering Southeast's interest in the S/2 of Section 17-16S-36E.

Please let me hear from you at your earliest convenience. Should Southeast and Chesapeake be unable to reach an agreement within thirty (30) days of Southeast's receipt of this proposal, Chesapeake will file for a pooling hearing with the New Mexico Oil Conservation Division in order to resolve this issue.

Very truly yours,



Lynda F. Townsend

NEW MEXICO DISTRIBUTION	
AKM -	RH IV -
TLW -	CAH -
SCD -	RGG -
HJH -	Well -
JML -	Prospect
GSD -	LsRec
LFI -	Other -

CHESAPEAKE OPERATING, INC.

AUTHORIZATION FOR EXPENDITURE

Project Area: Lovington
Well Name: College of the SW 1-17 (Re-entry)
Operator: Chesapeake Operating, Inc.
AFE #: 952332
Spacing Unit: S/2 Section 17-16S-36E

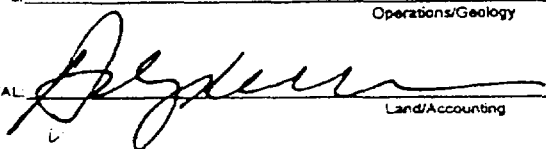
County, State: Lea, New Mexico
Date: October 22, 1999
Total Depth: 12,100'
Formation: Strawn/Atoka

CODE	INTANGIBLE COSTS	WORK DESCRIPTION	DRY HOLE	PRODUCER
233400	Location:	Roads, Location, Pits	\$20,000.00	\$20,000.00
233406		Reclamation	\$20,000.00	\$20,000.00
233401		Damages	\$6,000.00	\$6,000.00
233402	Legal:	Governmental Filings	\$2,000.00	\$2,000.00
233403		Title Opinions	\$3,000.00	\$3,000.00
233404		Seismic Costs	\$50,000.00	\$50,000.00
233408	Drilling:	Top Drive	\$0.00	\$0.00
233408		Pipeline Construction	\$0.00	\$0.00
233410		Drilling Contractor: 18 days @ \$5,300/day	\$95,000.00	\$95,000.00
233411		Directional Services	\$46,000.00	\$46,000.00
233413		Rig Mobilization/Demobilization	\$20,000.00	\$20,000.00
233414		Contract Labor	\$10,000.00	\$15,000.00
233415		Bits	\$30,000.00	\$30,000.00
233416		Supplies and Utilities	\$1,000.00	\$3,000.00
233417		Cement Conductor	\$0.00	\$0.00
233417		Cement Surface Casing	\$0.00	\$0.00
233417		Cement Intermediate Casing	\$0.00	\$0.00
233417		Cement Production Casing	\$0.00	\$20,000.00
233417		Cement Drilling Liner	\$0.00	\$0.00
233417		Cement Production Liner	\$0.00	\$0.00
233418		Mud Logging	\$11,000.00	\$11,000.00
233419		Drilling Fluids, Mud, Chem.	\$20,000.00	\$20,000.00
233421		Drill String Inspection	\$0.00	\$0.00
233423		Open Hole Logging	\$22,000.00	\$22,000.00
233427		Fishing	\$0.00	\$0.00
233428		Downhole Rental Equipment	\$10,000.00	\$10,000.00
233430	Completion:	Completion Unit	\$0.00	\$20,000.00
233431		Cased Hole Logging/Perforating	\$0.00	\$10,000.00
233433		Jetting	\$0.00	\$0.00
233434		Formation Stimulation	\$0.00	\$10,000.00
233437	General:	Surface Equipment Rental	\$18,000.00	\$19,000.00
233438		Transportation	\$0.00	\$3,000.00
233441		Frac Fluid Hauloff	\$0.00	\$0.00
233442		Blowout/Emergencies	\$0.00	\$0.00
233443		Company Supervision/Engineering	\$10,000.00	\$15,000.00
233444		Consultants	\$8,000.00	\$8,000.00
233446		Company Overhead	\$8,000.00	\$13,000.00
233447		Insurance	\$5,000.00	\$5,000.00
233449		Major Construction Overhead	\$0.00	\$2,000.00
233450		Plug to Abandon	\$0.00	\$0.00
		20% Contingency	\$83,000.00	\$100,000.00
TOTAL	INTANGIBLES	Total Intangible Costs	\$498,000.00	\$598,000.00
CODE	TANGIBLE COSTS	WORK DESCRIPTION		
230100	Tubulars:	Surface Casing:	\$0.00	\$0.00
230100		Intermediate Casing:	\$0.00	\$0.00
230100		Production Casing: 12.100' 5 1/2"	\$0.00	\$82,000.00
230100		Drilling Liner:	\$0.00	\$0.00
230100		Production Liner:	\$0.00	\$0.00
230100		Tubing: 11.500' 2 7/8"	\$0.00	\$40,000.00
230104		Float Equipment	\$0.00	\$2,000.00
230106	Lease Equipment:	Wellhead Equipment	\$3,000.00	\$7,000.00
230107		Downhole Equipment	\$0.00	\$3,000.00
230111		Artificial Lift-Pumping Unit	\$0.00	\$50,000.00
230113		Production Equipment	\$0.00	\$30,000.00
230115		Compressor/Compression	\$0.00	\$0.00
230116		Pipeline Equipment	\$0.00	\$0.00
230120		Non-Controllable Equipment	\$1,000.00	\$1,000.00
		20% Contingency	\$1,000.00	\$43,000.00
TOTAL	TANGIBLES	Total Tangible Costs	\$5,000.00	\$258,000.00
		Total Costs	\$503,000.00	\$856,000.00

Prepared by: JKD

Approved by: JML

OPERATOR'S APPROVAL: _____ DATE: _____
Operations/Geology

OPERATOR'S APPROVAL:  DATE: 10/22/99
Land/Accounting

NON-OPERATOR'S APPROVAL: _____ DATE: _____

WILLIAM A. CHALFANT, CPL

Ofc: (915) 684-9819
Fax: (915) 682-2601

CHALFANT PROPERTIES, INC.

Oil & Gas Leasing and Properties

1502 NORTH BIG SPRING

P. O. BOX 3123

MIDLAND, TEXAS 79702-3123

October 21, 1999

COPY

Mr. Mike Garringer
SOUTHEAST ROYALTIES, INC.
P. O. Box 1658
Carlsbad, New Mexico 88221

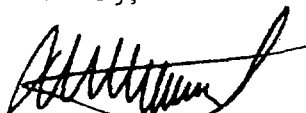
Re: S/2 of Section 17,
T-16-S, R-36-E,
Lea County, New Mexico

Dear Mr. Garringer:

As we discussed on the phone, I would like to purchase a term assignment covering Southeast Royalties' 1.6666% working interest below 11,870 feet under the above captioned land. I can offer \$250.00 per mineral acre for a three year term assignment of your interest.

This offer is contingent upon a mutually acceptable form of assignment. After you have had a chance to think this over please give me a call.

Sincerely,



William A. Chalfant

WAC:moh

AAPL's FIRST INDEPENDENT LANDMAN OF THE YEAR 1998 - 1999

11/19/99 FRI 11:23 [TX/RX NO 7329]

Facsimile Transmission Sheet

WILLIAM A. CHALFANT, CPL

Ofc: (915) 684-9819

Fax: (915) 682-2601

CHALFANT PROPERTIES, INC.*Oil & Gas Leasing and Properties*

1502 NORTH BIG SPRING

P.O. BOX 3123

MIDLAND, TEXAS 79702-3123

ATTENTION: LYNDA TOWNSENDCOMPANY: C.O.I.PAGES (INCLUDING COVER) 2DATE: NOV 19, 1999FROM: BILL CHALFANT

FAX NO. SENT TO: _____

MEMO: _____

****CONFIDENTIALITY NOTICE****

THE INFORMATION CONTAINED IN THIS FAX MESSAGE IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE RECIPIENT(S) NAMED ABOVE. THIS MESSAGE SHOULD BE CONSIDERED A PRIVILEGED AND CONFIDENTIAL COMMUNICATION. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT YOU HAVE RECEIVED THIS DOCUMENT IN ERROR AND THAT ANY REVIEW, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS MESSAGE IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY TELEPHONE (COLLECT) TO ARRANGE FOR RETURN OF THE ORIGINAL FAXED DOCUMENTS. THANK YOU.