

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