



December 14, 2004

Via Certified/Return Receipt Mail

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

> Re: Townsend #3 Well NE/4SE/4 Section 10 Township 13 South, Range 38 East Lea County, New Mexico

Gentlemen:

Matrix New Mexico Operating Company, LLC proposes the drilling of the Townsend #3 well as a 9,800' Wolfcamp test in the above captioned 40 acre spacing unit. An Authority for Expenditure is enclosed for your review.

If you desire to participate in the drilling of the above well, please execute and return one copy of the enclosed AFE so indicating your election. Upon receipt of your election to participate, an Operating Agreement will be sent to you for your review and acceptance. If you do not wish to participate in the drilling of this well, Matrix will consider acquiring your interest under mutually acceptable terms. Please do not hesitate to call if you have any questions concerning the enclosed.

Yours truly,

Fred C. Bryla^{ν} Vice President

Enclosures

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No.'s 13419 & 13420 Exhibit No. 3 Submitted by: <u>Matrix New Mexico Holdings, L.L.C.</u> Hearing Date: February 17, 2005





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Apollo Exploration, LLC c/o Chris Bright 1415 23rd Street Canyon, Texas 79015

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1



5725 Commonwealth Boulevard Sugar Land, Texas 77479 Phone 281-265-1212 Fax 281-265-1778

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Sunlight Exploration, Inc. c/o Chris Bright 1415 23rd Steet Canyon, Texas 79015

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Fred C. Bryla Vice President



MATRIX PRODUCTION COMPANY

5725 Commonwealth Boulevard Sugar Land, Texas 77479 Phone 281-265-1212 Fax 281-265-1778

December 14, 2004

Via Certified/Return Receipt Mail

Mr. Leroy Townsend 7650 East Vista Drive Scottsdale, AZ 85250

> Re: Townsend #3 Well NE/4SE/4 Section 10 Township 13 South, Range 38 East Lea County, New Mexico

Dear Mr. Townsend:

Matrix New Mexico Operating Company, LLC proposes the drilling of the Townsend #3 well as a 9,800' Wolfcamp test at the above captioned spacing unit. Our records indicate that you own a 0.555556% mineral ownership in the E/2 Section 10-13S-38E under the proposed well. Our records further indicate that Matrix New Mexico Holdings, LLC, through its representative, Mr. Randy Watts, has made several written offers to lease your minerals in this area without success. As an unleased mineral owner in the land set forth above, you have the right to participate directly in the drilling of the proposed well by paying your prorata share of the actual well drilling, completion, and operating costs.

If you desire to participate in the drilling of the above well, please execute and return one copy of the enclosed Authority For Expenditure so indicating your election. Upon receipt of your election to participate, an Operating Agreement will be sent to you for your acceptance and you will be invoiced for your share of the anticipated well cost (\$5,526.17). If you do not wish to participate in the cost of drilling of this well, Matrix will be willing to lease your minerals under the terms previously provided (providing to you a royalty, without any cost obligation). If you have any questions concerning the enclosed, or wish to lease your minerals, please feel free to contact Randy Watts at 505-622-5300.

Yours truly,

Fred C. Bryla Vice President

Enclosures

cc: Randy Watts





December 14, 2004

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WFV Partnership c/o Terry Wynn P.O. Box 64953 Lubbock, Texas 79464

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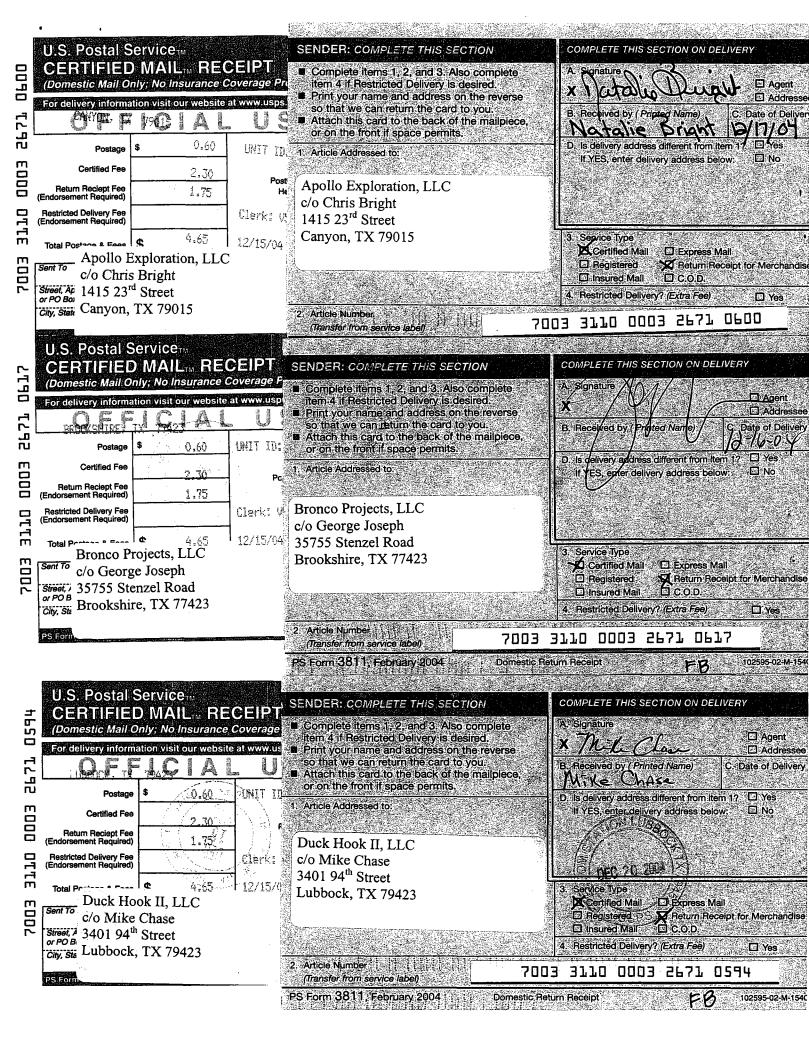
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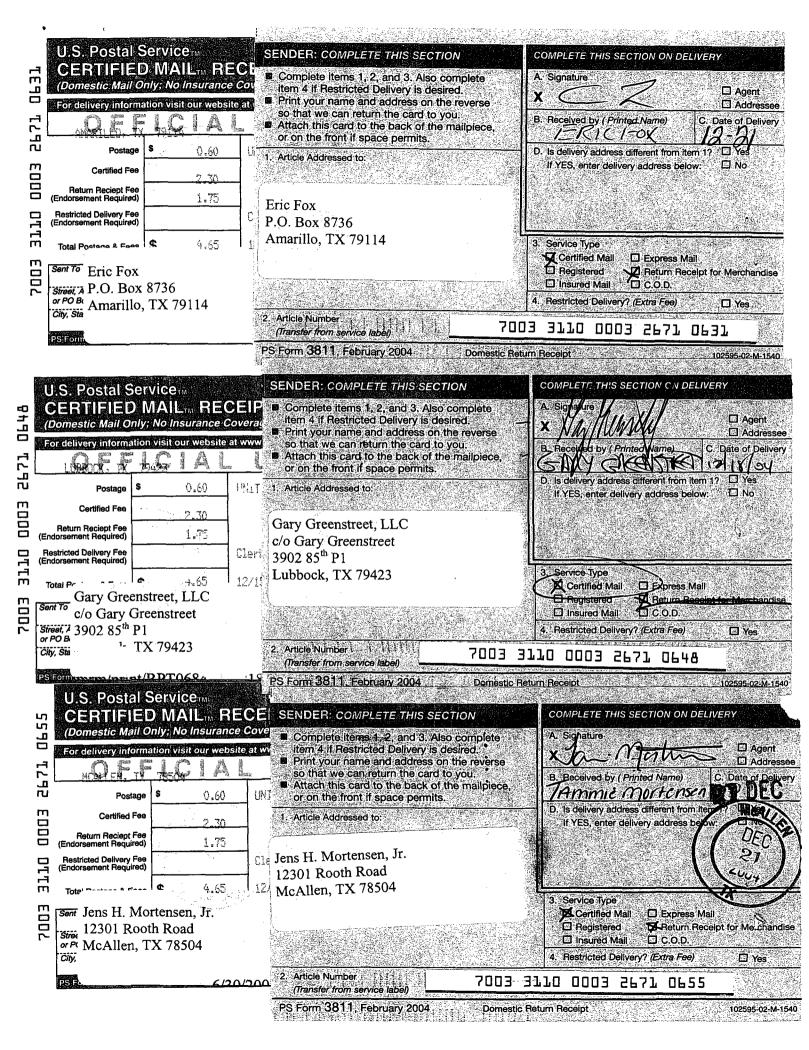
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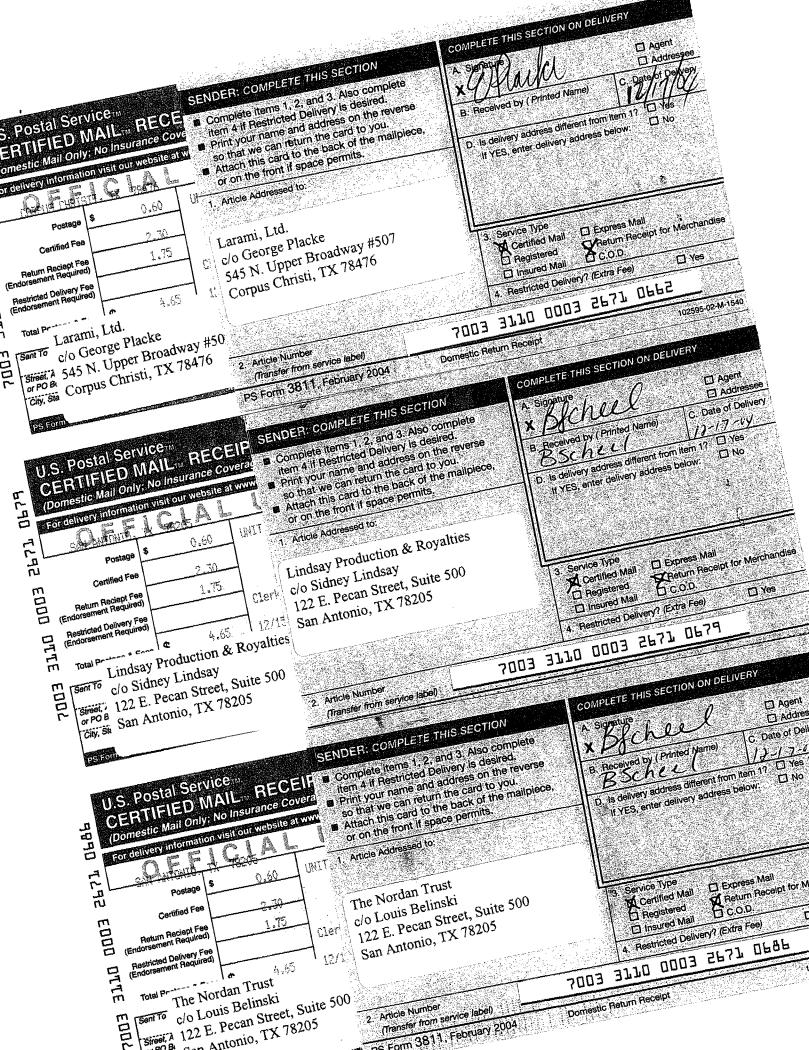
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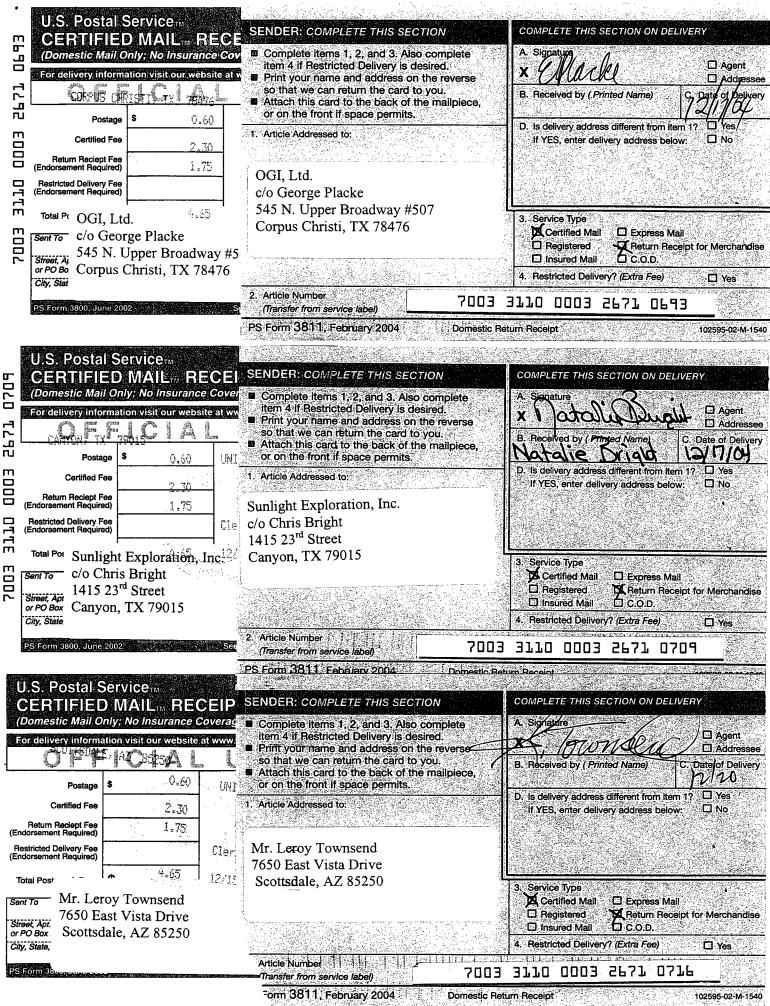
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	U.S. Postal Service	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
	CERTIFIED MAIL MECEIL (Domestic Mail Only; No Insurance Covera	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A Signature
	For delivery information visit our website at wwy	Print your name and address on the reverse	Addressee
	LOGEFHACIAL	so that we can return the card to you. Attach this card to the back of the mailpiece	C. Date of Delivery
U	Postage \$ 0.60 UNIT	or on the front in space permits.	D. Is derivery address different from item 1? U Yes
	Certified Fee 2.30	1. Article Addressed to:	TIMES aner delivery address below:
	Return Reciept Fee (Endorsement Required) 1.75	WFV Partnership	
	Restricted Delivery Fee (Endorsement Regulied)	3 T S (200	
-7 71	Total P	P.O. Box 64953	3. Service Type
η	WFV Partnership	Lubbock, TX 79464	Certified Mail
Į	Street, P.O. Box 64953		Registered G.O.D. Insured Mail C.O.D.
	Crity, Sta		4. Restricted Delivery? (Extra Fee)
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		PS Form 3811, February 2004	um Receipt





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Via Certified/Return Receipt Mail

Apollo Exploration, LLC c/o Chris Bright 1415 23rd Street Canyon, Texas 79015

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cc: Randy Watts





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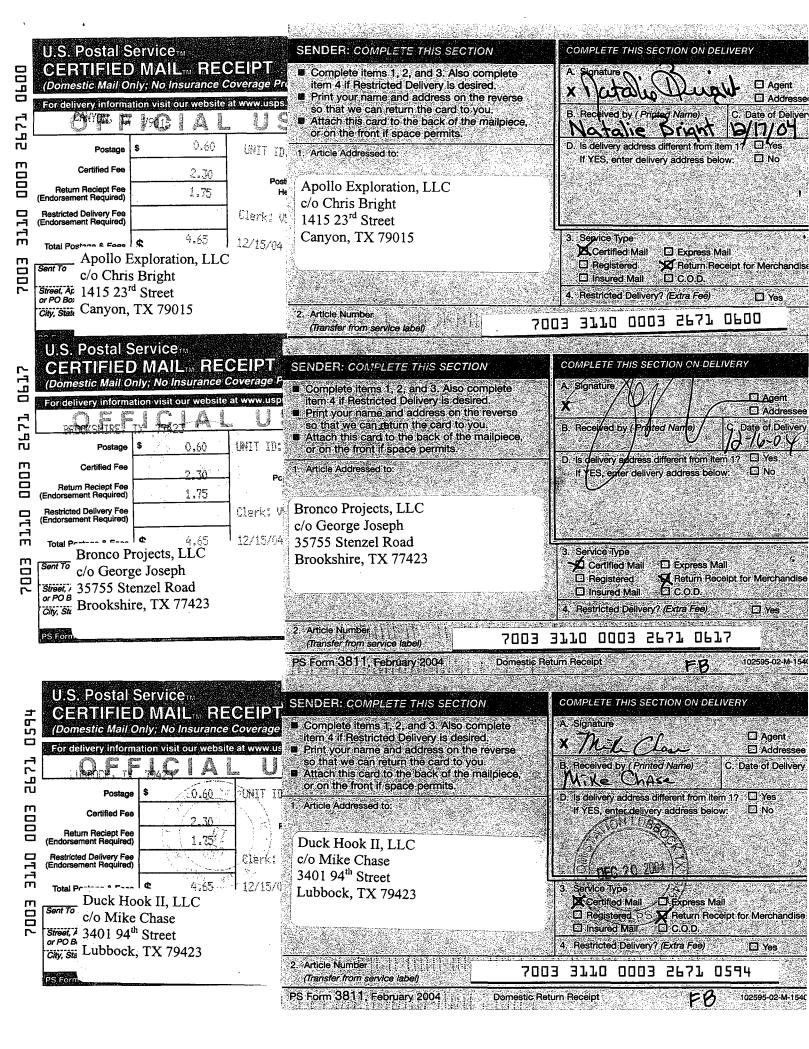
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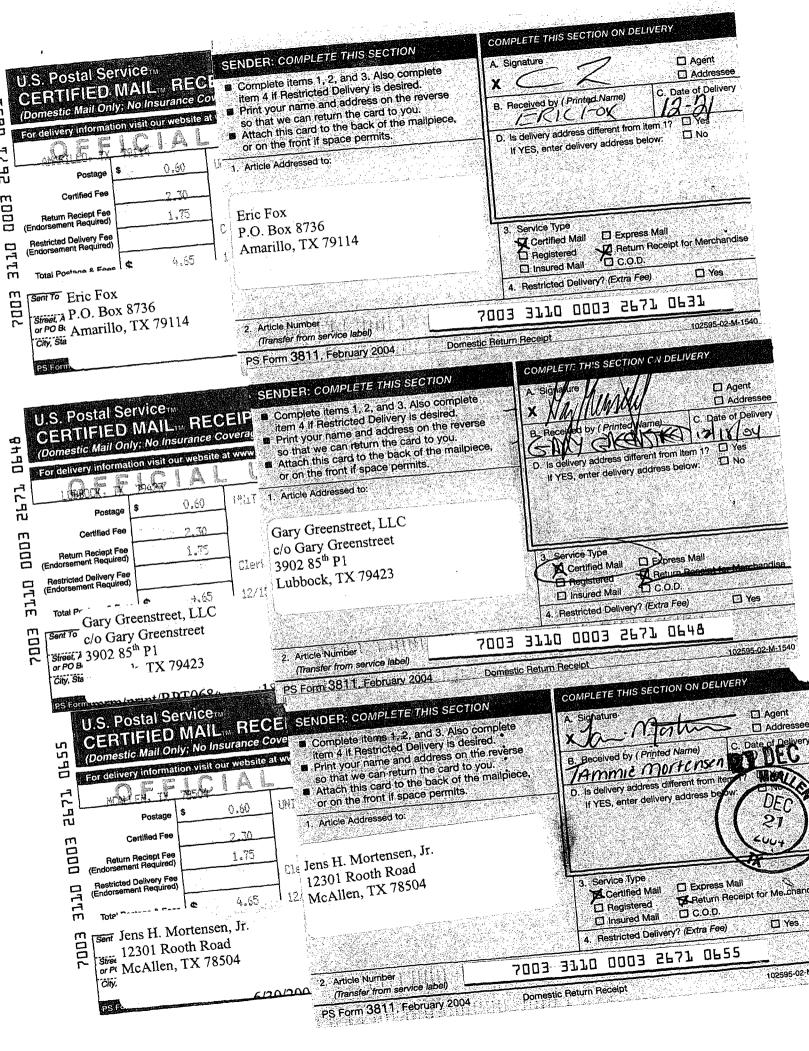
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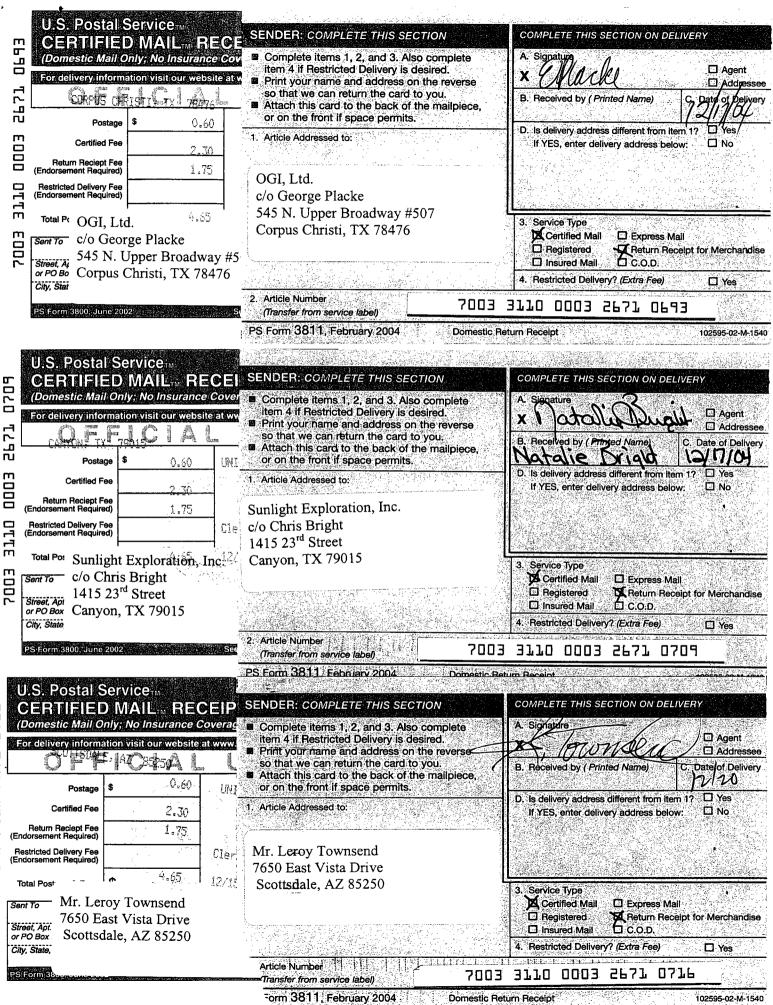
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Fred C. Bryla/ Vice President





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U.S. Postal Service	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
ru CERTIFIED MAIL. RECE	Complete items 1, 2, and 3. Also complete	A Signature
(Domestic Mail Only: No Insurance Cove	item 4 if Restricted Delivery is desired.	Agent
For delivery information visit our website at w	 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, 	B. Received by (Printed Name) C. Date of Delivery
	or on the front if space permits.	<u>IU11/Q</u>
Certified Fee	1. Article Addressed to:	D. Is delivery address different from item 1? D Yes /
Betum Berjent Fee	n an agus an tha ann an Anna ann an Anna. Anna ann an Anna ann ann ann ann ann ann	
(Endorsement Required)	Larami, Ltd.	
Restricted Delivery Fee (Endorsement Required)	c/o George Placke 545 N. Upper Broadway #507	
Total Pr 4.65 1	Corpus Christi, TX 78476	3. Service Type
Larami, Ltd.		Certified Mail Express Mail Registered Creturn Receipt for Merchandise
c/o George Placke		□ Insured Mail C.O.D.
City, Sta Corpus Christi, TX 78476		4. Restricted Delivery? (Extra Fee)
	2. Article Number (Transfer from service label) 7003	3170 0003 5657 0665
	PS Form 3811, February 2004 Domestic Ref	urn Receipt 102595-02-M-1540
		00000100-0040
U.S. Postal Service M CERTIFIED MAIL RECEIP	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
(Domestic Mail Only; No Insurance Coverage	Complete items 1, 2, and 3. Also complete	A. Signature
For delivery information visit our website at www	item 4 if Restricted Delivery is desired. Print your name and address on the reverse	× Stcheel Agent
C CONFIGURAL U	so that we can return the card to you.	B. Received by (Printed Name) C. Date of Delivery
N Postage \$ 0.60 UNIT	Attach this card to the back of the mailpiece, or on the front if space permits.	BScheel 12-17-14
Certified Fee	1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: 'No
2.30 Partum Provint Fox		
(Endorsement Required) <u>1.75</u> Restricted Delivery Fee Clark	Lindsay Production & Royalties	
Clark	c/o Sidney Lindsay 122 E. Pecan Street, Suite 500	L^{-1}
TT Total Protoco • 5000 € 4.65 - 12/15	San Antonio, TX 78205	3. Service Type
Lindsay Production & Royalties		Certified Mail Express Mail Registered Registered
P- Street, 122 E Pecan Street Suite 500		Insured Mail C.O.D.
Chy, Sti San Antonio, TX 78205		4. Restricted Delivery? (Extra Fee)
PSIFOTA.	2. Article Number 7003 3	JJO 0003 5677 0679
1992-1990-1994-1999-1999-1999-1999-1999-1999	(Transfer from service (abe))	
	SENDER: COMPLETE THIS SECTION	
U.S. Postal Service M CERTIFIED MAIL RECEIF	1999년 1991년 1월 1991년 1월 1991년 199 1991년 1991년 1991	COMPLETE THIS SECTION ON DELIVERY
District Mail Only; No Insurance Covera	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A Signeture ▼KLCh00 l □ Agent
For delivery information visit our website at www	Print your name and address on the reverse so that we can return the card to you.	
C CARTELCOLAL I	Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery BSChee (1)
D Postage \$ 0.60 UNIT	Article Addressed to:	D ₄ is delivery address different from item 1? Yes
Certified Fee		If YES, enter delivery address below:
Return Reciept Fee	The Nordan Trust	
Restricted Delivery Fee	c/o Louis Belinski	
H (Endorsement Required)	122 E. Pecan Street, Suite 500	3. Service Type
Total Person 10 0.65 12/1	San Antonio, TX 78205	Certified Mail
Co Louis Belinski		Registered Q Return Receipt for Merchandise Insured Mail C.O.D.
Street, A 122 E. Pecan Street, Suite 500		4. Restricted Delivery? (Extra Fee)
City, Sta San Antonio, TX 78205	2. Article Number 7003	110 0003 2671 0686
PS.Form	(Iransfer from service jabel)	
	PS Form SO 11, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540



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m	Comestic Mail Only; No Insurance Covera For delivery information visit our website at www		o ⊏'ır	SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
072			Covera	 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 mailplecest of the second to the the part of the second to the second	A Signature X AUM A Agent
671					Addressee
ū	Postage	\$ 0.60	UNI T	or on the front if space permits.	D. is derivery laddress different from item 1?
EOI	Certified Fee	2.30	1.10 ⁻⁰ .10 ⁻⁰ .	1. Article Addressed to:	No.
	Return Reciept Fee (Endorsement Required)	1.75		WFV Partnership	\bigcup
2	Restricted Delivery Fee (Endorsement Required)		Cler	c/o Terry Wynn	
TE ED	Total P WFV Pai Sent To c/o Terry	tnership Wynn	1774 1274 1	P.O. Box 64953 Lubbock, TX 79464	3. Service Type Certified Mail Express Mail Registered
70	Street, P.O. Box	64953			Insured Mail C.O.D.
	or POB Lubbock, TX 79464			4. Restricted Delivery? (Extra Fee)	
	City, Str. PS:Form&8005Junterzuur			2 Article Number 7003	3110 0003 2671 0723
				PS Form 3811, February 2004 Domestic Ret	urn Receipt 102595-02-M-1540