



Sara L. Caldwell
Assistant Landman

October 16, 2007

VIA FACSIMILE (432) 682-8652
AND U.S. MAIL

Mr. Dan M. Leonard
JTD Resources, LLC
P.O. Box 3422
Midland, TX 79702

Re: Vinson #1
SE/4 SW/4 Section 4-20S-38E
Lea County, New Mexico

Dear Mr. Leonard:

Enclosed is an executed copy of JTD Resources, LLC's AFE for the drilling of captioned well. This is to follow up the election of Chesapeake Exploration, L.L.C. by letter dated September 25, 2007.

Please call me should you have any questions.

Sincerely,

Chesapeake Exploration, L.L.C.

A handwritten signature in cursive script, appearing to read "Sara L. Caldwell".

Sara L. Caldwell

Enclosure

W:\Permian_North\Non-Operated Wells\Vinson #1\Election-20070925.doc

Chesapeake
Rebuttal #4
Case No. 14010

JTD RESOURCES, LLC
AUTHORITY FOR EXPENDITURE

WELL NAME: Vinson #1

PROSPECT NAME: Southwest Nadine

LOCATION: 2,310' FWL & 330' FSL

COUNTY & STATE: Lea, New Mexico

Section 4-T20S-R38E

OBJECTIVE: Re-entry for Multi-pay oil well.

(Abo, Drinkard, Tubb & Blinbry)

AFE CODE: Re-enter & Complete

INTANGIBLE COSTS**BCP****ACP****TOTAL**

PERMITS	502		702		
TITLE OPINION & CURATIVE	504	6,000	704		6,000
SURVEYING / STAKE LOCATION	506		706		0
DAMAGES & R-O-W'S	508	10,000	708		10,000
ROADS, LOCATION, PITS, LINERS, ETC.	510	5,000	710	3,000	8,000
DRILLING - USE DD WROVER UNIT (5 days)	512	21,000			21,000
DRILLING - DAYWORK	514		714		0
DRILLING MUD & CHEMICALS	516		716		0
WATER	518	1,500	718	4,500	6,000
BITS, REAMERS, ETC.	520	3,500	720	0	3,500
FUEL	522				0
CEMENTING SURFACE	524				0
CEMENTING INTERMEDIATE	526				0
CEMENTING PRODUCTION			728	35,000	35,000
TUBULAR SERVICES AND TOOLS	530		730	2,000	2,000
CASING CREWS / PU LD MACHINE	532		732	4,500	4,500
FLOAT EQUIPMENT	534		734	2,350	2,350
TESTING; DST & COMPLETION	536		736		0
OPEN HOLE LOGGING / CASED HOLE LOGGING	538			3,800	3,800
MUD LOGGING	540				0
WELDING & HOURLY LABOR	542	1,200	742	5,200	6,400
EQUIPMENT RENTAL	544	7,000	744	4,200	11,200
TRUCKING, TRANSPORTATION, FORKLIFT	546	1,850	746	750	2,600
COMPLETION UNIT (15 days)			748	63,000	63,000
FORMATION STIMULATION (1 large acid, 3 fracs)			750	225,000	225,000
WIRELINE SERVICES / PERFORATING	552		752	15,000	15,000
GEOLOGIC / ENGINEERING	554	1,000	754	2,500	3,500
CONTRACT LABOR	556	7,700	756	18,500	26,200
DRILLING WELL RATE (A/O)	558	7,800	758		7,800
INSURANCE	560	15,600	760		15,600
MISCELLANEOUS	562	1,500	762	2,500	4,000
CONTINGENCY (7.50%)	564	6,799	764	29,385	41,022
TOTAL INTANGIBLES		97,449		421,185	523,472

TANGIBLE COSTS

CONDUCTOR CASING	602				0
SURFACE CASING	604				0
					0
INTERMEDIATE CASING	608				0
					0
DEEP INTERMEDIATE CASING	612				0
					0
PRODUCTION CASING / LINER	616		816		0
8,100', 5.1/2", J-55 & N-80 Casing				81,700	81,700
TUBING: 8,000' of 2 7/8", 8.5#, 8rd EUE J55	620		820	40,000	40,000
WELLHEAD EQUIPMENT	622	1,500	822	3,000	4,500
SURFACE LIFT & ELECTRICITY	624		824	85,000	85,000
RODS AND PUMP	626		826	17,000	17,000
PACKERS, BP'S, DOWNHOLE EQUIPMENT	628		828		0
GAS PRODUCTION EQUIPMENT	630		830		0
SEPARATOR, TREATER	632		832	5,800	5,800
FLOWLINES, VALVES, CONNECTIONS	634		834	12,000	12,000
TANKS (Water and Production)	636		836	7,000	7,000
MISCELLANEOUS	638		838	1,500	1,500
CONTINGENCY (7.50%)	640	113	840	17,475	17,588
TOTAL TANGIBLES		1,613		250,475	252,088
TOTAL WELL COSTS		99,061		671,660	775,560

PLUGGING COST

566

25,939

TOTAL DRY HOLE

125,000

Prepared By: Bill Pierce

Date of Final Preparation: August 9, 2007

Consulting Engineer - Delta P Petroleum Services

IT IS RECOGNIZED THAT THE AMOUNTS HEREIN ARE ESTIMATES ONLY AND APPROVAL OF THIS AFE SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN THE OPERATION SPECIFIED ABOVE, WHETHER MORE OR LESS THAN SET OUT HEREIN.

JTD Resources, LLC

Approved By:

Title:

Date:

Approved By:

Title:

Date:

Printed Name:

Aubrey K. McClendon

Company:

Chesapeake Exploration, L.L.C.,

%W.I.

successor by merger to

Chesapeake Exploration Limited Partnership