

JTD RESOURCES, LLC
P. O. BOX 3422
MIDLAND, TEXAS 79702

OIL AND GAS INVESTMENTS

(432) 682-3712 OFFICE
(432) 682-8652 FAX

February 11, 2005

Chevron Texaco
11111 Wilcrest
Houston, Texas 77099

Attn: James Baca
Landman

OIL CONSERVATION DIVISION
CASE NUMBER
EXHIBIT NUMBER 3

Re: Proposal to Drill Round-Up #1 Well
T-19-S, R-38-E, N.M.P.M.
Section 35: SE/4 NE/4
Lea County, New Mexico

Gentlemen:

Reference is made to our letter of October 5, 2004 wherein we proposed the captioned well and suggested a spud date on or before November 15, 2004. Rig availability caused us to postpone drilling the Round-Up.

We now propose to drill the captioned well as a 7,800' Abo at the same location in the SE/4NE/4 of Section 35, T-19-S, R-38-E, 1980' FNL and 660' FEL. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or before June 1, 2005. Rig availability will again determine the timing of the spud date.

Chevron Texaco would own an approximate 8.3333% working interest in the proposed 40 acre unit. Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drilling costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should Chevron Texaco elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event Chevron Texaco elects not to participate, we would be receptive to purchasing an Oil and Gas Lease covering Chevron Texaco's undivided 1/12th mineral interest in the SE/4 NE/4 of Section 35 on the following terms and conditions: \$200.00 per acre bonus consideration and a 1/4 royalty for a 3 year paid-up lease. The lease would provide for a depth severance 100' below total depth drilled.

We would appreciate Chevron Texaco's prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC

Dan M. Leonard
Dan M. Leonard, Manager

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Return Receipt Fee (Endorsement Required)	1.75	Postmark Here
Restricted Delivery Fee (Endorsement Required)		Clerk: F17SN0
Total Postage & Fees	\$ 4.65	02/15/05

TERSVD Letters/Chevron Texaco Round-Up #1.wpd 2.wpd

Sent To	
CHEVRON TEXACO Attn: James Baca	
Street, Apt. No., or PO Box No.	11111 WILCREST
City, State, ZIP+4	HOUSTON, TX 77099

JTD RESOURCES, LLC
P.O. Box 3422
Midland, Texas 79702

OIL AND GAS INVESTMENT

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(432) 682-8652 FAX

February 11, 2005

Chesapeake Exploration Limited Partnership ✓
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

ATTN: Lynda F. Townsend, CPL/ESA
Senior Landman

RE: Proposal to Drill Round-Up #1 Well
T-19-S, R-38-E, N.M.P.M.
Section 35: SE/4 NE/4
Lea County, New Mexico

Gentlemen:

The Deed Records of Lea County, New Mexico indicate that Chesapeake Exploration Limited Partnership acquired Oil and Gas Leases from the J.M. Patterson Estate, and Carl A. Schellinger and wife Gloria Schellinger covering certain undivided interests in the captioned lands, being 0.923 net mineral acres, more or less.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the SE/4 NE/4 of Section 35, T-19-S, R-38-E, 1980' FNL and 660' FEL. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or before June 1, 2005. Rig availability will determine the timing of the spud date.

Chesapeake Exploration would own an approximate 2.3075% working interest in the proposed 40-acre unit. Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drilling costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00.

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should Chesapeake Exploration elect to

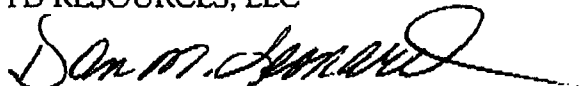
participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event Chesapeake Exploration elects not to participate, we would be receptive to discussing the terms of a farmout or assignment of said leases.

Lynda, we would appreciate your prompt consideration and response.

Very truly yours,

JTD RESOURCES, LLC


Dan M. Leonard, Manager

\ Enclosures

JTD RESOURCES, LLC
P. O. BOX 3422
MIDLAND, TEXAS 79702

OIL AND GAS INVESTMENTS

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(432) 682-8652 FAX

February 11, 2005

Jane B. Ramsland Oil and Gas Partnership
and as Attorney-in-fact for Christy B. Mallams,
V. Elaine Barnes, Steven C. Barnes, Laurie B. Barr,
Julie Ellen Barnes and Shirley B. Wynn
P.O. Box 10505
Midland, Texas 79702

Re: Proposal to Drill Round-Up #1 Well
T-19-S, R-38-E, N.M.P.M.
Section 35: SE/4 NE/4
Lea County, New Mexico

Ladies and Gentlemen:

The Deed Records of Lea County, New Mexico indicate that the J.C. Barnes Estate owns an undivided 1/112th mineral interest in the captioned lands, being .357 net mineral acres, more or less. James Dewey advises us that you all are the successors in interest to the Estate.

JTD Resources, LLC proposes to drill the captioned well as a 7,800' Abo test at a location in the SE/4NE/4 of Section 35, T-19-S, R-38-E, 1980' FNL and 660' FEL. The well would be operated by Capataz Operating, Inc., and Capataz proposes to spud on or before June 1, 2005. Rig availability will determine the timing of the spud date.

Your combined mineral interests would comprise an approximate .8925% working interest in the proposed 40 acre unit. Enclosed for your review are two copies of the AFE prepared by Capataz reflecting estimated drilling costs of \$390,002.00 and estimated completion costs of \$515,383.00, for an estimated total completed well cost of \$905,385.00

JTD Resources respectfully requests your support and participation in this proposed unit, operations of which would be governed by the terms and provisions of a mutually acceptable 1982 A.A.P.L. Model Form Operating Agreement. Should you elect to participate, please execute both copies of the enclosed AFE and return one copy to us at your earliest convenience. Upon receipt of same, we will prepare the Operating Agreement and forward it to you for review and execution.

In the event you elect not to participate, we would be receptive to purchasing an Oil and Gas Lease covering your .357 net mineral acre interest in the SE/4 NE/4 of Section 35 on the following terms and conditions: \$200.00 per acre bonus consideration and a 1/4 royalty for a 3 year paid-up lease. The lease would provide for a depth severance 100' below total depth drilled.

We would appreciate your prompt consideration and response. Thanks very much, and please do not hesitate to call me if you have any questions or concerns.

Very truly yours,

JTD Resources, LLC


Dan M. Leonard, Manager

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Return Receipt Fee (Endorsement Required)	1.75	Clerk: F175N0
Restricted Delivery Fee (Endorsement Required)		02/15/05
Total Postage & Fees	\$ 4.65	

ES\LETTERS\JTD LETTERS\barnes Round Up #1.wpd

Sent To	JANE B. RAMSLAND OIL & GAS PTNSHP.
Street, Apt. No. or PO Box No.	P.O. BOX 10505
City, State, ZIP+4	MIDLAND, TX 79702