



Lynda F. Townsend, CPL/ESA
Senior Landman

August 8, 2007

VIA EMAIL (LHICKS@NEARBURG.COM)
AND U.S. MAIL

Ms. Linda Hicks
Nearburg Exploration Company, L.L.C.
3300 North "A" Street, Building 2, Suite 120
Midland, TX 79705

Re: Chesapeake's Proposed Deer Canyon 24 Fed 1H
N/2 Section 24-20S-21E
Eddy County, New Mexico

Dear Ms. Hicks:

Chesapeake Exploration, L.L.C. ("Chesapeake") hereby proposes to drill the Deer Canyon 24 Fed 1H well as a horizontal Wolfcamp to an approximate vertical depth of 5,200', plug back to 4480' and drill a lateral footage of 4420' for a final Wellbore of 8900'.

Please indicate below the option of your choice, sign, and return this letter by facsimile if available to our office at (405) 879-1450, followed by a hard copy in the mail. If you elect to participate in the proposed operation, please also execute and return the enclosed AFE, along with a check in the amount of \$524,328.09 (33.333% WI X \$1,573,000.00), which represents Nearburg's share of the dry hole costs.

As an alternative to the above, Chesapeake would be interested in purchasing Nearburg's interest in this unit including any producing well bores, subject to the negotiation of a mutually agreeable price and terms. If you are interested in pursuing this alternative, please so indicate in the space provided below and/or contact the undersigned. We will immediately forward this information to our Acquisitions and Divestitures Department for follow up.

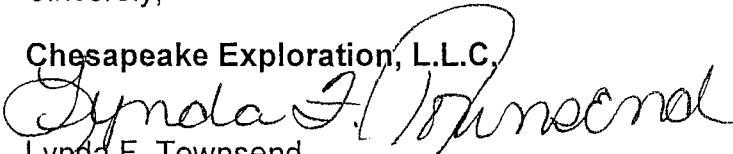
Before the Oil Conservation Division
Exhibit No. 4
Chesapeake Permian Corp
OCD CASE 14069
Hearing: January 24, 2008

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Your early attention and response to this proposal will be greatly appreciated. Should you have any questions, please contact the undersigned.

Sincerely,

Chesapeake Exploration, L.L.C.


Lynda F. Townsend

_____ I/We hereby elect to participate in the Deer Canyon 24 Fed 1H.

_____ I/We hereby elect **not** to participate in the Deer Canyon 24 Fed 1H.

NEARBURG EXPLORATION COMPANY, L.L.C.

By: _____

Name: _____

Title: _____

Date: _____

_____ I am interested in selling my/our interest in this unit including any producing well bores. Please contact me to discuss.