



August 11, 2009

**VIA FEDERAL EXPRESS**  
**AND FACSIMILE (405) 935-1450**

Chesapeake Exploration LP  
6100 N. Western Avenue  
Oklahoma City, OK 73118  
Attn: Kevin Pfister

RE: Big Game Prospect  
Blackhawk "11" Federal Com #1  
S2S2 of Section 11-T16S-R28E  
Eddy County, New Mexico

Dear Mr. Pfister:

COG Operating LLC (hereinafter referred to as Concho) hereby propose the drilling of a horizontal well to a depth sufficient to adequately test the Crow Flats Abo formation at an anticipated total vertical depth of 6680' and total measured depth being approximately 11,130'. The surface location for this well has been permitted at 430' FSL & 430' FWL with a bottomhole location at 330' FSL & 330' FEL with the dedicated project area being the S2S2 of Section 11, Township 16 South, Range 28 East, Eddy County, New Mexico. Included herein is our AFE dated August 10, 2009 as well as a copy the submitted Permit to Drill.

We ask that you join Concho to the full extent of your interest in the drilling, testing and completing of this proposed well by indicating your acceptance in the space provided.

However, in the event you do not wish to participate, Concho respectfully requests that you consider as an alternative either of the below proposals:

**Proposal 1:**

Concho would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Chesapeake Exploration LP's or its entity's of record contractual and leasehold interests situated in Section 11-T16S-R28E, Eddy County, New Mexico.

**Proposal 2:**

Chesapeake Exploration LP or its entity of record will farmout all of its contractual and leasehold interests in Section 11-T16S-R28E, Eddy County, New Mexico, retaining an

overriding royalty interest equal to the difference between existing lease burdens of record and twenty percent (20%), proportionately reduced.

Please indicate below the option of your choice below, sign and return this letter at your earliest convenience to my attention by any of the following methods:

- US Mail – 550 West Texas Avenue, Suite 1300, Midland, Texas 79701
- Fax – 432.685.4398
- Email – Jspradlin@conchoresources.com

Should you have any questions, please do not hesitate to contact me at 432.683.7443.

Very truly yours,

**COG Operating LLC**



Jan Preston Spradlin, CPL  
Senior Landman

\_\_\_\_\_ I/We hereby elect to participate in the Blackhawk "11" Federal Com #1  
\_\_\_\_\_ I/We hereby elect **not** to participate in the Blackhawk "11" Federal Com #1  
\_\_\_\_\_ I/We hereby elect to pursue Proposal 1  
\_\_\_\_\_ I/We hereby elect to pursue Proposal 2

CHESAPEAKE EXPLORATION LP

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Shipment Receipt****Address Information****Ship to:**

Kevin Pfister  
Chesapeake Exploration LP  
6100 N WESTERN AVE

OKLAHOMA CITY, OK  
73118-1044  
US  
4057674752

**Ship from:**

COG Operating LLC  
550 W. Texas Ave., Ste. 100

Midland, TX  
79701  
US  
4326837443

**Shipping Information**

Tracking number: 797837404361  
Ship date: 08/11/2009  
Estimated shipping charges: 14.95

**Package Information**

Service type: Priority Overnight  
Package type: FedEx Envelope  
Number of packages: 1  
Total weight: 0.2LBS  
Declared value: 0.00USD  
Special Services:  
Pickup/Drop-off: Drop off package at FedEx location

**Billing Information**

Bill transportation to: Sender  
Your reference: -Blackhawk 11.EC #1  
P.O. no.:  
Invoice no.:  
Department no.:

**Thank you for shipping online with Fedex ShipManager at fedex.com.**

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## Detailed Results

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## Shipment Dates

## Destination

Ship date ② Aug 11, 2009

OKLAHOMA CITY, OK

Delivery date ② Aug 12, 2009 8:41 AM

[Signature Proof of Delivery](#) ②

## Shipment Facts

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## Service type

Priority Envelope

## Delivered to

Mailroom

## Weight

0.5 lbs/0.2 kg

## Reference

Blackhawk 11 FC #1

## Shipment Travel History

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Aug 12, 2009 6:38 AM	At local FedEx facility	OKLAHOMA CITY, OK	
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Aug 12, 2009 12:56 AM	Arrived at FedEx location	MEMPHIS, TN	
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Machine ID : Concho Land

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Date : 08-11 10:59am  
To : 814059351450  
Number of pages : 007  
Start time : 08-11 10:59am  
End time : 08-11 11:00am  
Pages sent : 007  
Status : OK

Job number : 489 \*\*\* SEND SUCCESSFUL \*\*\*

**CONCHO**

FAX

Fasken Center, Tower II  
550 West Texas Avenue, Suite 1300  
Midland, TX 79701

Phone: (432) 683-7443  
Land Dept. Fax: (432) 685-4398

Total Pages (including cover): 7

Privileged and Confidential

Date: August 11, 2009

To: Kevin Rister

Fax: Chesapeake Supl.

405-935-1450

From: Jan Spradlin

Subject: Blackhawk II Ac. #1

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Jan Conner 432-686-3006