

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

**SETTLEMENT AGREEMENT BETWEEN  
THE OIL CONSERVATION DIVISION AND RAM ENERGY, LLC**

**AMENDMENT NO. 1**

The Oil Conservation Division (“OCD”) and RAM Energy, LLC (“RAM”) enter into this Amendment No. 1 to the Settlement Agreement attached as Exhibit A. Except as provided below, the terms of the Settlement Agreement remain in full force and effect.

1. Inactive Wells

A. RAM has plugged and abandoned the wells listed in Exhibit B. No later than sixty (60) days after the OCD Director executes Amendment No. 1, RAM shall obtain the release of these wells.

B. RAM has not plugged and abandoned the wells listed in Exhibit C. Beginning in the fourth quarter of 2021, RAM shall plug and abandon and obtain the release of a minimum of six (6) wells listed in Exhibit C each quarter. OCD may grant an extension of time for good cause shown. If RAM plugs more than six (6) wells during any quarter, it may deduct that number of wells from its obligation to plug and abandon and obtain the release of six (6) wells during the following quarter.

C. RAM shall deposit three hundred eighty thousand dollars (\$380,000) into the escrow account no later than August 31, 2021. Upon written confirmation that this deposit has been made, RAM will not be obligated to deposit funds into the escrow account on a monthly basis as required by the Settlement Agreement.

D. On a quarterly basis, RAM may request a reimbursement from the escrow account of fifteen thousand dollars (\$15,000) for each well identified in Exhibit C for which OCD has approved Form C-103P or received a final Form 3160-5 approved by BLM.

E. RAM shall complete the plugging and abandonment of the wells identified in Exhibit C on the schedule specified above regardless of the amount remaining in the escrow account.

2. Environmental Incidents. RAM shall complete the remediation of the open environmental incidents identified in Exhibit D as follows:

A. West Dollarhide South Queen Unit #092 (Incident ID nOY1804327005).

1. No later than thirty (30) days after the Effective Date of Amendment No. 1, RAM shall resubmit the Remediation Work Plan;

2. Upon OCD's approval of the Remediation Work Plan, OCD will establish a deadline, based on the scope of work, for the completion of remediation and submission of the final C-141 and closure report. OCD may grant an extension of the deadline to complete remediation and submit the final C-141 and closure report upon good cause shown.

B. Yates State #002 (Incident ID nTO1703852711).

1. No later than thirty (30) days after the Effective Date of Amendment No. 1, RAM shall contact the landowner to request access to the site.

2. No later than forty-five (45) days after the Effective Date of Amendment No. 1, RAM shall submit a status report as an addendum to the approved soil remediation plan and groundwater characterization plan. If the landowner has granted access to the site, the addendum shall describe the status and next steps with associated timelines to complete

the remediation and characterization work plans. If the landowner declines to grant access to the site, RAM shall provide the name and contact information of the landowner.

3. No later than ninety (90) days after either RAM informs OCD that the landowner will allow access to the site or OCD gives notice to RAM that the landowner will allow access to the site, RAM shall submit the final C-141 and closure report. OCD may grant an extension of the deadline to complete remediation and submit the final C-141 and closure report upon good cause shown.

C. Satellite 3 (Incident ID fOY1704157843).

1. No later than thirty (30) days after the Effective Date of Amendment No. 1, RAM shall resubmit the Remediation Work Plan.

2. Upon OCD's approval of the Remediation Work Plan, OCD will establish a deadline, based on the scope of work, for the completion of remediation and submission of the final C-141. OCD may grant an extension of the deadline to complete remediation and submit the final C-141 and closure report upon good cause shown.

3. Notice. Except as expressly provided above, RAM shall submit notices or other correspondence related to Amendment No. 1 and this Settlement Agreement by first class and electronic mail to:

Deputy Director for Administration and Compliance  
Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

OCD shall submit notices or other correspondence related to Amendment No. 1 or this Settlement Agreement by first class and electronic mail to:

RAM Energy, LLC  
Attention: Jason Meek  
2100 S. Utica Ave.  
Suite 175  
Tulsa, Oklahoma 74114

4. Entire Agreement. Amendment No. 1 and the Settlement Agreement constitutes the entire agreement between the Parties.

5. Modification. Any modification of Amendment No. 1 or the Settlement Agreement shall not be effective unless made in writing and executed by the Parties.

6. Severability. If any provision of Amendment No. 1 or the Settlement Agreement is held invalid by a competent court of jurisdiction, the remainder of Amendment No. 1 and the Settlement Agreement shall not be affected and shall remain in force and effect.

7. Governing Law. Amendment No. 1 and the Settlement Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

8. Consent. The Parties executed Amendment No. 1 with the advice of counsel, knowingly, voluntarily, and with full appreciation of its meaning and effect.

9. Attorneys' Fees. The Parties shall pay their own attorney's fees and costs incurred in connection with Amendment No. 1.

10. Binding Effect. Amendment No. 1 shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors and assigns.

11. Counterparts. Amendment No. 1 may be executed by counterparts, and the counterparts shall constitute a single agreement binding on the Parties.

12. Electronic or Facsimile Transmission. Amendment No. 1 may be signed and delivered electronically by the Parties, and all such copies shall be valid and binding upon the Parties.

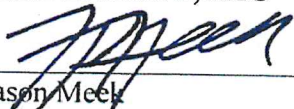
13. Effective Date. This Settlement Agreement shall be effective on the date of the last signature of a Party.

**OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
Adrienne Sandoval  
Director

Date: 8/31/2021

**RAM ENERGY, LLC**

  
\_\_\_\_\_  
Jason Meek  
Senior Vice President

Date: 19 Aug 2021

# **EXHIBIT A**

## **STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

### **SETTLEMENT AGREEMENT BETWEEN THE OIL CONSERVATION DIVISION AND RAM ENERGY LLC**

Pursuant to the New Mexico Oil and Gas Act, NMSA 1978, §§ 70-2-1 through 70-2-38, as amended (“Act”), and the rules promulgated in accordance with the Act, the Director of the Oil Conservation Division (“Division” or “OCD”), and RAM Energy, LLC (“Operator” or “RAM”) enter into this Settlement Agreement (“Agreement”). RAM agrees to comply with the following settlement for the specified violations of the Act and the rules promulgated in accordance with the Act, and in the event of non-compliance, the remedies detailed herein.

#### **1. FINDINGS**

1. The Division is charged with the authority to enforce the Act and the rules promulgated in accordance with the Act. NMSA 1978, § 70-2-6(A).
2. The New Mexico Attorney General is charged with collecting penalties issued pursuant to NMSA 1978, § 70-2-31.
3. RAM is the operator of record of ninety-eight (98) wells in New Mexico, under OGRID No. 309777.
4. Operator’s address of record with OCD is: 5100 East Skelly Drive, Suite 600, Tulsa, OK 74135.
5. The New Mexico Secretary of State has Operator registered under entity number 4904036 and identifies LEL Energy LLC, and Larry E Lee, as Managers.

6. Operator has one blanket letter of credit filed with the OCD, letter of credit no. LOC5121, from NBC Oklahoma - Tulsa, for the amount of \$50,000.00.

7. Operator has additionally furnished the OCD with twenty-two (22) single well bonds on file with the OCD from NBC Oklahoma - Tulsa for a total amount of \$213,753.00.

**Inactive Well and Financial Assurance Violations**

8. 19.15.25.8 NMAC requires an operator to plug and abandon or temporarily abandon a well within 90 days after: (1) a 60-day period following the suspension of drilling operations; (2) a determination that a well is no longer usable for beneficial purposes; or (3) a period of one year in which a well has been continuously inactive.

9. 19.15.5.9A(4) NMAC states that an operator is compliant with 19.15.5.9 NMAC if it has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:

- (a) two wells or 50 percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;
- (b) five wells if the operator operates between 101 and 500 wells;
- (c) seven wells if the operator operates between 501 and 1000 wells; and
- (d) 10 wells if the operator operates more than 1000 wells.

10. Operator currently has thirty-eight (38) wells out of a total of ninety-eight (98) wells out of compliance with 19.15.25.8 NMAC, exceeding the amount allowed under 19.15.5.9(A)(4) NMAC. See *Exhibit 1: Inactive Well List*.

11. 19.15.8.9.C NMAC requires that an operator cover a well that has been in temporary abandonment status for more than two years with a one-well financial assurance or a blanket plugging financial assurance for wells in temporary abandoned status.

## **II. CONCLUSIONS**

1. The OCD has jurisdiction over the parties and subject matter in this proceeding.

2. Operator is a person as defined by NMSA 1978, § 70-2-33(A) that may be subject to civil penalties under NMSA 1978, § 70-2-31(A).

3. Operator does not dispute that it is responsible for correcting the matters of non-compliance identified in this Agreement and wishes to settle this matter with the OCD.

## **III. SETTLEMENT AGREEMENT**

**WHEREFORE**, the parties agree to the following:

### **1. Compliance Schedule**

- a. Operator will continue to file Monthly Production Reports as required by 19.15.7.24 NMAC. If no production occurs, Operator must still report zero production to the OCD;
- b. The term of this Settlement Agreement will be three (3) years;
- c. RAM will immediately shut-in all of its eighty-eight (88) wells in the West Dollarhide Queen Sand Unit ("WDQSU");
- d. RAM will plug and abandon all of the WDQSU wells as follows:
  - i. Six (6) wells per quarter, for a total of twenty-four (24) wells, during the first year of this Agreement; and

- ii. Eight (8) wells per quarter, for a total of sixty-four (64) wells, in the second and third year of the Agreement period.
  - iii. RAM may fulfill any annual plugging requirement under this Paragraph III. d. by plugging wells earlier than required but may not move a quarterly plugging requirement to a later quarter.
- e. The Division will agree to release RAM's WDQSU single-well cash bonds for WDQSU wells pursuant to a turnover letter. The turnover letter, executed by both RAM and the Division, shall direct the bank holding a single-well bond(s) to make a check payable to the escrow agent designated by RAM and the Division. The monies deposited in the escrow account will be subject to the escrow agreement attached hereto as Exhibit 2 and made a part hereof. *See Exhibit 2: Escrow Agreement;*
- f. So long as RAM complies with the schedule and terms established in this Agreement to plug and abandon the WDQSU wells, the Division will forego enforcement of its financial assurance rules with respect to the WDQSU wells during the term of the Agreement;
- g. RAM will maintain compliance with State statutes and rules with respect to RAM's ten (10) non-WDQSU wells until RAM is no longer the operator of record of those wells;
- h. The Division will allow RAM to sell and transport oil and gas from its ten (10) non-WDQSU wells;

- i. The Division will allow RAM to sell and transfer its non-WDQSU wells. The proceeds of such sale will be deposited immediately into the escrow account that is subject to the terms of *Exhibit 2*;
- j. If the funds in the escrow account are depleted before RAM sells and transfers the ten non-WDQSU wells, RAM will make monthly deposits into the escrow account until the non-WDQSU wells are sold or the escrow account is fully funded. The monthly deposits will be equal to the net proceeds from production of the non-WDQSU wells, or thirty-thousand dollars (\$30,000) per month, whichever is greater;
- k. After RAM has sold and transferred the non-WDQSU wells, the escrow account will be considered fully funded when it contains twenty-thousand dollars (\$20,000) per remaining unplugged well. Regardless of funding in the escrow account, RAM will still be required to plug and abandon all of its WDQSU wells as agreed to in this Agreement;
- l. This Agreement will apply to all State, Federal, and Private WDQSU wells, unless the Bureau of Land Management ("BLM") provides the Division with its intent to exempt the Federal wells from the Agreement. The exemption must be provided in writing, signed by a duly authorized BLM representative;
- m. If the BLM opts out of this Agreement, RAM will still be obligated to plug and abandon the Federal WDQSU wells, and will be able to utilize escrow funds to pay the plugging costs;

- n. If Ram desires to sell more than a cumulative total of 50% of its non-New Mexico assets during the term of this Agreement, then RAM will notify the OCD of the sale before it closes and, if the escrow account is not fully funded at the time of the closing, RAM will deposit sale proceeds sufficient to fully fund the escrow account.
- o. Operator shall file a quarterly compliance report, due on the 15<sup>th</sup> day of the following month, identifying each well that RAM has plugged, the date the well was plugged, and providing an accounting of and the funds deposited in and/or distributed from the escrow account. Transfer of a well identified on *Exhibit 1* to another operator does not count towards Operator's obligation to plug wells under the terms of this Agreement but does reduce the total number of wells for which Operator is responsible under the terms of this Agreement. The final written compliance report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager and to the New Mexico Special Assistant Attorney General who is signatory to this Agreement so that it is received by the compliance deadline of September 1, 2021;
- p. Unless the OCD grants an extension, in writing, prior to the expiration of the deadline, should Operator miss any deadlines identified in paragraphs III.1.d (i) and (ii) above, the OCD may plug and abandon the well for which the deadline was missed and recoup the associated costs from RAM. Notwithstanding the foregoing, Operator shall be responsible for any and all costs of plugging its wells. Thus, pursuant

to NMSA 1978, § 70-2-14(E), the Division may bring suit against Operator for all costs associated with plugging any of Operator's wells, should the funds in the escrow account prove to be insufficient;

- q. The OCD will notify Operator, pursuant to 19.15.8.13 NMAC, if OCD intends to plug and abandon a well that has missed the compliance deadline as established by this Agreement. Operator expressly waives its right to oppose any application of the Division for an order authorizing the Division to plug a well that has not been plugged pursuant to this Agreement;
- r. OCD will not withhold approval of reasonable extensions of the deadlines in this Agreement, for good cause shown, provided Operator requests extensions prior to the expiration of the deadlines and remains in compliance with the other terms of the Agreement, the Act, and the rules promulgated in accordance with the Act;
- s. Operator shall bear the costs to comply with the terms of this Agreement;
- t. Upon the parties execution of this Agreement, OCD will request the dismissal without prejudice of the claims in OCD Case No. 16041;
- u. For purposes of determining compliance with 19.15.5.9.A NMAC, this Agreement will also serve as an Agreed Compliance Order covering the wells identified in *Exhibit 1*, so long as Operator remains in compliance with the terms of this Agreement, the Act, and the rules promulgated in accordance with the Act.

- v. After the OCD acknowledges in writing that RAM has fulfilled all of its obligations under this Agreement, RAM will close the escrow account and any funds remaining in the account will be returned to RAM.

2. Civil Penalties

- a. Should Operator fail to place acceptable financial assurance on file with the OCD as provided by Paragraph III.1.h, Operator shall pay a civil penalty of \$50.00 per day until compliance is achieved, unless the OCD grants an extension in writing prior to the expiration of the deadline. OCD will not withhold approval of reasonable extensions for good cause shown, provided Operator requests extensions prior to the expiration of the deadlines, and remains in compliance with the other terms of the Agreement, the Act, and the rules promulgated in accordance with the Act. For purposes of this Section, lack of financial resources does not constitute good cause;
- b. Should Operator fail to comply with any provision of this Agreement other than financial assurance, Operator shall pay a civil penalty of \$200.00 per day until compliance is achieved, unless the OCD grants an extension in writing prior to the expiration of the deadline. OCD will not withhold approval of reasonable extensions for good cause shown, provided Operator requests extensions prior to the expiration of the deadlines, and remains in compliance with the other terms of the Agreement, the Act, and the rules promulgated in accordance with the Act.

- c. Operator shall pay any civil penalty in Paragraphs III.2.a. or III.2.b. within 45 days of Operator receiving a demand from the OCD. OCD shall make demand to Operator for penalties to the following address:

5100 East Skelly Drive  
Suite 600  
Tulsa, OK 74135

- d. Payment shall be made to the State of New Mexico General Fund by certified or corporate check and sent to the following address:

Director, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive Santa Fe, NM 87505  
Re: RAM Energy, LLC., Settlement Agreement Penalties

#### **IV. OTHER TERMS AND CONDITIONS**

- 1. By signing this Agreement, Operator expressly:
  - a. acknowledges the authority of the Director to render the above Findings, Conclusions, and Agreement;
  - b. agrees to comply with the Agreement;
  - c. as to the Agreement, waives any right, pursuant to the Act or otherwise, to a hearing either prior or subsequent to the entry of this Agreement or to an appeal from this Agreement; and
  - d. agrees that if it fails to comply with this Agreement, OCD may enforce the Agreement by suit or otherwise to the same extent and with the same effect as a final OCD Order entered after notice and hearing or civil suit in accordance with all terms and provisions of the Oil and Gas Act.
- 2. Nothing in this Agreement relieves Operator of its liability should its operations create waste and/or pose additional threats to the environment or

correlative rights, or commits other violations of the Act or rules promulgated in accordance with the Act.

3. Should Operator's escrow funds prove to be insufficient to cover the costs associated with plugging and abandoning the wells subject to this Agreement, the OCD reserves its rights under the Oil and Gas Act for indemnification and costs pursuant to NMSA 1978, § 70-2-14.
4. In the event any one or more of the provisions in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.
5. This Agreement shall be governed by the laws of the State of New Mexico.
6. Any dispute, legal proceeding, or litigation arising in connection with this Agreement shall be brought in Santa Fe County, New Mexico, and the parties consent to the jurisdiction of such court.
7. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.
8. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement.
9. The parties represent and warrant that the individuals executing this Agreement on the parties' behalf are competent and duly authorized to execute this Agreement and further agree that this representation shall be

legally sufficient evidence of actual or apparent authority to bind their respective entities to all the terms and conditions of this Agreement.

10. The parties agree that this Agreement may be electronically signed. The parties further agree that electronic signatures, signatures provided by facsimile transmission, or in Portable Document Format (PDF) sent by electronic mail, shall be deemed to be original signatures and are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.
11. This Agreement contains all of the terms of the Settlement Agreement between the parties, there being no oral agreements not contained herein.
12. Operator and the OCD have the right to modify this Agreement by written instrument signed by both parties. Once Operator complies with all the terms of this Agreement, this Agreement will terminate.

Done at Santa Fe, New Mexico this 3 day of October, 2018.

By: Heather Riley  
Heather Riley  
Director, Oil Conservation Division

### ACCEPTANCE

RAM ENERGY, LLC (OGRID No. 309777), operator of record of the wells identified in *Exhibits I*, hereby accepts the foregoing Agreement, and agrees to all of the terms and provisions as set forth in the Agreement.

By: 

Print Name: Jason Meek

Title: Senior VP and CFO

Date: 20 Sept '18

NEW MEXICO SPECIAL ASSISTANT ATTORNEY GENERAL, representing the Oil Conservation Division of the Energy, Minerals and Natural Resources Department, hereby accepts the foregoing Agreement, and agrees to all of the terms and provisions as set forth in the Agreement, and retains jurisdiction to enforce this Agreement should the provisions not be complied with.

NEW MEXICO SPECIAL  
ASSISTANT ATTORNEY GENERAL

By: 

Print Name: Kate Harriman

Title: Special Assistant Attorney General

Date: 10/3/18

*Exhibit 1: Well List*

## Inactive Well List

Total Well Count: 98 Inactive Well Count: 38

Printed On: Tuesday, September 11 2018

District	API	Well	ULSTR	OCD Unit	Ogrid	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-025-05019	JOHN SHULTS #001	O-13-12S-37E	O	309777	RAM ENERGY LLC	P	O	01/2015			
1	30-025-30832	STATE 8 #003	D-08-16S-34E	D	309777	RAM ENERGY LLC	S	O	10/2002	WOLFCAMP TA 12/28/09 TA EXP 01/25/2015	T	1/25/2015
1	30-025-12263	WEST DOLLARHIDE QUEEN SAND UNIT #006	B-30-24S-38E	B	309777	RAM ENERGY LLC	F	I	02/2016	QUEEN		
1	30-025-12271	WEST DOLLARHIDE QUEEN SAND UNIT #012	L-30-24S-38E	L	309777	RAM ENERGY LLC	F	I	02/2016	DOLLARHIDE QUEEN ACIDIZE INJ 07/22/10		
1	30-025-12269	WEST DOLLARHIDE QUEEN SAND UNIT #013	K-30-24S-38E	K	309777	RAM ENERGY LLC	P	I	07/2015	QUEEN		
1	30-025-12276	WEST DOLLARHIDE QUEEN SAND UNIT #024	B-31-24S-38E	B	309777	RAM ENERGY LLC	F	I	04/2017	QUEEN- RET TO INJ 07/26/10		
1	30-025-29920	WEST DOLLARHIDE QUEEN SAND UNIT #070	I-30-24S-38E	I	309777	RAM ENERGY LLC	F	O	01/2014			
1	30-025-29921	WEST DOLLARHIDE QUEEN SAND UNIT #071	P-30-24S-38E	P	309777	RAM ENERGY LLC	F	O	04/2014			
1	30-025-29964	WEST DOLLARHIDE QUEEN SAND UNIT #072	P-30-24S-38E	P	309777	RAM ENERGY LLC	F	O	03/2016			
1	30-025-29984	WEST DOLLARHIDE QUEEN SAND UNIT #075	J-30-24S-38E	J	309777	RAM ENERGY LLC	F	O	10/2015			
1	30-025-30011	WEST DOLLARHIDE QUEEN SAND UNIT #081	H-30-24S-38E	H	309777	RAM ENERGY LLC	F	O	03/2016	08/09/08 RET TO PROD		
1	30-025-30006	WEST DOLLARHIDE QUEEN SAND UNIT #082	D-32-24S-38E	D	309777	RAM ENERGY LLC	S	O	03/2016			
1	30-025-30007	WEST DOLLARHIDE QUEEN SAND UNIT #084	L-29-24S-38E	L	309777	RAM ENERGY LLC	S	O	08/2013			
1	30-025-30008	WEST DOLLARHIDE QUEEN SAND UNIT #085	L-29-24S-38E	L	309777	RAM ENERGY LLC	S	O	10/2015			
1	30-025-30083	WEST DOLLARHIDE QUEEN SAND UNIT #086	A-31-24S-38E	A	309777	RAM ENERGY LLC	F	O	12/2015	08/09/08 RET TO PROD BLM	T	9/1/2007
1	30-025-30084	WEST DOLLARHIDE QUEEN SAND UNIT #087	G-31-24S-38E	G	309777	RAM ENERGY LLC	F	O	03/2016	RET TO PROD 06/29/10		
1	30-025-30085	WEST DOLLARHIDE QUEEN SAND UNIT #088	H-31-24S-38E	H	309777	RAM ENERGY LLC	F	O	03/2016			
1	30-025-30056	WEST DOLLARHIDE QUEEN SAND UNIT #090	E-32-24S-38E	E	309777	RAM ENERGY LLC	S	O	03/2013			
1	30-025-30131	WEST DOLLARHIDE QUEEN SAND UNIT #092	I-31-24S-38E	I	309777	RAM ENERGY LLC	P	O	10/2015			
1	30-025-30166	WEST DOLLARHIDE QUEEN SAND UNIT #096	C-31-24S-38E	C	309777	RAM ENERGY LLC	F	O	03/2016			
1	30-025-30216	WEST DOLLARHIDE QUEEN SAND UNIT #100Y	B-30-24S-38E	B	309777	RAM ENERGY LLC	F	O	03/2016			
1	30-025-30172	WEST	G-30-24S-38E	G	309777	RAM ENERGY LLC	F	O	10/2015	TA EXPIRES	T	1/24/2008



*Exhibit 2: Escrow Agreement*

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement"), dated as of October 3, 2018, is entered into by and among the New Mexico Oil Conservation Division ("OCD"), RAM Energy, LLC ("RAM Energy"), and BancFirst.

## PRELIMINARY STATEMENTS

A. The OCD and RAM Energy have entered into a Settlement Agreement dated October 3, 2018 (the "Settlement Agreement").

B. The Settlement Agreement provides that certain funds ("the Escrow Funds") from (i) RAM Energy, and (ii) financial institutions that hold RAM Energy funds that are committed to OCD single-well financial assurance and will receive turnover letters from the OCD ("the Bonding Financial Institutions") will be deposited into an escrow account ("the Escrow Account") for the sole purpose of paying for costs of plugging and abandoning eighty-eight (88) RAM Energy oil and gas wells located in New Mexico.

C. RAM Energy and the OCD have agreed to designate BancFirst in Oklahoma City, Oklahoma to serve as the Escrow Agent for purposes of maintaining the Escrow Account for deposits and disbursements of the Escrow Funds, and BancFirst has agreed to act as the Escrow Agent.

D. The OCD, RAM Energy, and BancFirst desire to set forth the terms on which the Escrow Funds will be deposited with and disbursed by the Escrow Agent, as more particularly described in this Agreement.

## AGREEMENT

In consideration of the premises and the mutual promises, covenants and agreements contained herein and in the Settlement Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1.     Appointment of Escrow Agent. The OCD and RAM Energy hereby appoint BancFirst as the Escrow Agent, and BancFirst hereby agrees to act as and perform the duties of Escrow Agent, pursuant to this Agreement.

2.     Deposit of Escrow Funds. RAM Energy and the Bonding Financial Institutions will deposit Escrow Funds in the Escrow Account. During the entire term of this Agreement, all funds held by the Escrow Agent as cash awaiting distribution shall be invested as collected by the Escrow Agent in the Goldman Sachs Treasury Obligations fund #469 money market mutual fund. All interest derived from investing funds held in escrow shall accrue to the Escrow Account. The Escrow Agent reserves the right to retain any shareholder service fees or administrative fees from certain money market mutual funds used as investment vehicles.

3.     Authority for Certain Payments. Except as otherwise expressly provided herein, distribution, payment or disposition of Escrow Funds at any time, and from time to time, held by the Escrow Agent shall be made by the Escrow Agent only pursuant to and in accordance with (i) a written direction of RAM Energy previously approved by the OCD, or (ii) an order of a court of competent jurisdiction.

4. Monthly Statements. The Escrow Agent will provide to RAM Energy monthly statements that will include the account balance and all deposits into and disbursements from the Escrow Account. RAM Energy will provide the duplicate monthly statements detailed herein to the OCD in accordance with the reporting requirements in the Settlement Agreement. The Escrow Agent will provide to OCD an annual account statement that will include the account balance and all deposits into and disbursements from the Escrow Account.

5. Fees and Expenses. A fee in the amount of \$1,500 annually for the normal services of the Escrow Agent shall be deducted from the interest derived from the investment of the funds escrowed herein. If insufficient, Escrow Agent shall charge the fee to the principal corpus. The Escrow Agent is entitled to fees for extraordinary services and reimbursement of any out-of-pocket and extraordinary costs and expenses, including, but not limited to, attorney's fees. The Escrow Agent shall have a first lien upon all Escrow Funds for the purposes of paying its fees and expenses. The Escrow Agent's fees and expenses shall be the sole responsibility of RAM Energy. All charges and expenses of the Escrow Agent, including attorney's fees and expenses, incurred by the Escrow Agent in connection with any litigation related to this Agreement or the Settlement Agreement shall be borne by the party against whom the issue (or a majority, in monetary amount, of the issues) is resolved. In no event will the OCD be liable for any attorney's fees and expenses incurred by the Escrow Agent.

6. Closure of Escrow Account. After the OCD acknowledges in writing to the Escrow Agent that RAM Energy has fulfilled all of its obligations under the Settlement Agreement, RAM Energy will close the escrow account, and any funds remaining in the account will be returned to RAM Energy.

7. Duties and Liabilities of Escrow Agent. Unless otherwise expressly provided in this Agreement, the Escrow Agent shall:

(i) not be held liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without gross negligence or willful misconduct;

(ii) have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any securities, checks, or other documents or instruments submitted to it in connection with its duties pursuant to this Agreement;

(iii) be entitled to deem the signatories of any documents or instruments submitted to it pursuant to this Agreement as being those purported to be authorized to sign such documents or instruments on behalf of the parties to this Agreement and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind;

(iv) be entitled to reimbursement solely from RAM Energy, and not the OCD, of its normal, reasonable out-of-pocket expenses, including, without limitation, the fees and costs of attorneys or agents which it may find necessary to engage in performance of its duties pursuant to this Agreement;

(v) The Escrow Agent shall have no duties or responsibilities other than those expressly set forth in this Agreement, and no implied duties or obligations shall be read into this Agreement. The Escrow Agent is not a party to, or bound by, the Settlement

Agreement or any other agreement between the OCD and RAM Energy, and the Escrow Agent's duties shall be determined solely by reference to this Agreement.

(vi) The Escrow Agent may consult legal counsel in the event of any dispute or question as to the construction of any provisions of or its duties under this Agreement, and may rely on the opinion or instructions of such counsel.

8. Resignation and Removal of Escrow Agent.

8.1 Resignation or Removal. The Escrow Agent (and any successor Escrow Agent) may resign as such following the giving of at least thirty (30) calendar days' prior written notice to both the OCD and RAM Energy. The Escrow Agent may be removed and replaced following the giving of at least thirty (30) calendar days' prior written notice to the Escrow Agent by the OCD and RAM Energy. In either event, the duties of the Escrow Agent shall terminate upon the Escrow Agent's delivery of the Escrow Funds then on deposit to (i) a successor Escrow Agent appointed by both the OCD and RAM Energy, as evidenced by a written notice executed by the OCD and RAM Energy and submitted to the Escrow Agent, or (ii) any court of competent jurisdiction in the State of Oklahoma or the State of New Mexico, whereupon the Escrow Agent shall be discharged from any and all further obligations arising in connection with this Agreement. The resignation of the Escrow Agent will take effect on the earlier of (i) the appointment of a successor (including a court of competent jurisdiction), or (ii) thirty (30) days after the Escrow Agent's delivery of its written notice of resignation or the OCD and RAM Energy's written notice of removal. If at that time the Escrow Agent has not received a designation of a successor Escrow Agent, then the Escrow Agent's sole responsibility after that time shall be to retain and safeguard the Escrow Funds until it receives (i) a designation of a

successor Escrow Agent, (ii) a joint written disposition instruction from the OCD and RAM Energy, or (iii) a final non-appealable order of a court of competent jurisdiction. At its option, and after thirty (30) days' notice to the OCD and RAM Energy of its intention to do so, the Escrow Agent may initiate an interpleader action for the Escrow Fund in a court of competent jurisdiction in the State of Oklahoma or the State of New Mexico.

9. Indemnification of Escrow Agent. RAM Energy, or its successors and assigns, agrees to indemnify and hold harmless the Escrow Agent and its successors and assigns of, from and against all losses, costs and expenses which the Escrow Agent shall sustain or incur as a result of the Escrow Agent's involvement as a party thereto in any litigation arising from the performance by Escrow Agent of its duties and responsibilities pursuant to this Agreement which is not attributable in any manner, or to any extent, to any action taken, or omitted, by the Escrow Agent in connection with this Agreement in respect of which the Escrow Agent shall have been adjudicated to have been grossly negligent or to have been in willful misconduct of its duties.

10. Termination of Agreement. This Agreement may be terminated at any time upon the receipt by the Escrow Agent of a written notice of termination executed by both the OCD and RAM Energy directing the disposition of the Escrow Funds and the distribution by the Escrow Agent of the Escrow Funds in accordance with such directions. This Agreement shall automatically terminate when all of the Escrow Funds held by the Escrow Agent at any time while this Agreement remains in effect shall have been distributed, or otherwise disposed of, by the Escrow Agent in accordance with the terms of this Agreement.

11. Notices. All notices and other communications required by or permitted under this Agreement must be in writing and shall be deemed to have been duly given when (i)

delivered by hand (with written confirmation of receipt), (ii) received by the addressee, if mailed by first class mail, postage prepaid, registered or certified with return receipt requested, or (iii) received by the addressee, if sent by a nationally-recognized overnight delivery service, in each case to the appropriate party at the addresses set forth below:

If to the OCD, addressed to:

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
Attention: OCD Director  
xc: Keith Herrmann

If to RAM Energy, addressed to:

RAM Energy LLC  
2100 S. Utica Ave., Suite 175  
Tulsa, Oklahoma 74114  
Attention: Jason Meek

If to Escrow Agent, addressed to:

BancFirst  
101 N. Broadway Avenue, 8<sup>th</sup> Floor  
Oklahoma City, Oklahoma 73102  
Attention: Deena Suddath

or to such other place and with such other copies as either party may designate as to itself by written notice to the other.

12. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

13. Controlling Law. All questions concerning the validity, operation and interpretation of this Agreement and the performance of the obligations imposed upon the parties

hereunder shall be governed by the laws of the State of New Mexico or the State of Oklahoma, depending on where suit is brought.

14. Counterparts. This Agreement may be executed in any number of counterparts, any one of which shall be considered an original. All counterparts shall be deemed to constitute one agreement. A telecopy, facsimile transmission, or digital version of a signed counterpart of this Agreement shall be sufficient to bind the party or parties whose signature(s) appear thereon.

15. Jurisdiction. Each party hereby irrevocably submits to the jurisdiction of a court of competent jurisdiction located in Santa Fe County, State of New Mexico or Tulsa County, State of Oklahoma in any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this paragraph and shall not be deemed to be a general submission to the jurisdiction of said court other than for such purposes.

16. Mutual Waiver of Jury Trial. Because disputes arising in connection with financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. Therefore, to achieve the best combination of the benefits of the judicial system and of arbitration, the parties hereto waive all right to trial by jury in any action, suit or proceeding brought to enforce or defend any rights or remedies under this Agreement or any documents related hereto.

Executed as of the date first above written.

New Mexico Oil Conservation Division:

By: Heather Riley  
Name: Heather Riley  
Title: Director

RAM Energy:

By: \_\_\_\_\_  
Name: Jason Meek  
Title: Senior VP and CFO

BancFirst


By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Executed as of the date first above written.

New Mexico Oil Conservation Division:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RAM Energy:

By:  \_\_\_\_\_  
Name: Jason Meek  
Title: Senior VP and CFO

BancFirst

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Executed as of the date first above written.

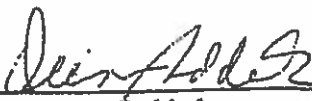
New Mexico Oil Conservation Division:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RAM Energy:

By: \_\_\_\_\_  
Name: Jason Meek  
Title: Senior VP and CFO

BancFirst

By:   
Name: Deena Suddath  
Title: Senior Vice President

**EXHIBIT B****West Dollarhide Sand Queen Unit**

WDSQU WELL	STATUS	NEXT STEP(S)
37	C-103F approved	submit C-103Q & C-103P
33	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
13	C-103F approved	submit C-103Q & C-103P
121	C-103F approved	submit C-103Q & C-103P
109	C-103F approved	submit C-103Q & C-103P
108	C-103F approved	submit C-103Q & C-103P
73	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
83	C-103F approved	submit C-103Q & C-103P
84	C-103F approved	submit C-103Q & C-103P
86	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
89	C-103F approved	submit C-103Q & C-103P
91	C-103F approved	submit C-103Q & C-103P
95	C-103F approved	submit C-103Q & C-103P
97	C-103F approved	submit C-103Q & C-103P
20	C-103F approved	submit C-103Q & C-103P
133	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
9	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
14	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
151 (30386)	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
36	C-103F approved	submit C-103Q & C-103P
125	C-103F approved	submit C-103Q & C-103P
71	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
82	C-103F approved	submit C-103Q & C-103P
107	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
70	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
80	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
105	C-103F approved	submit C-103Q & C-103P
115	C-103F approved	submit C-103Q & C-103P
116	C-103F approved	submit C-103Q & C-103P
122	C-103F approved	submit C-103Q & C-103P
126	C-103F approved	submit C-103Q & C-103P
117	C-103F approved	submit C-103Q & C-103P
143	C-103F approved	submit C-103Q & C-103P
142	C-103F approved	submit C-103Q & C-103P
88	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
90	C-103F approved	submit C-103P & C-103Q
118	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
119	BLM Form 3160-NOI approved	submit BLM Form 3160-Final
120	C-103F approved	submit C-103Q & C-103P
123	C-103F approved	submit C-103Q & C-103P
134	C-103F approved	submit C-103P & C-103Q
148	C-103F approved	submit C-103P & C-103Q
149	C-103F approved	submit C-103P & C-103Q
150	C-103F approved	submit C-103P & C-103Q
156	C-103F approved	submit C-103P & C-103Q
001	C-103F approved	submit C-103P & C-103Q
093	C-103F approved	submit C-103P & C-103Q
100Y	C-103F approved	submit C-103P & C-103Q
140	C-103F approved	submit C-103P & C-103Q
136	C-103F approved	submit C-103P & C-103Q

State and Private Wells

C-103F	Notice of Intent
C-103P	Well Plugged
C-103Q	Site Ready for Inspection

Federal Wells

BLM 3160-NOI	Notice of Intent to P&A
BLM 3160-Final	Site Ready for Final Inspection

## EXHIBIT C

Wells To Be Plugged	Notes	Follow Up Notes
WEST DOLLARHIDE QUEEN SAND UNIT #018	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #008		
WEST DOLLARHIDE QUEEN SAND UNIT #006	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #021	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #012	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #025		
WEST DOLLARHIDE QUEEN SAND UNIT #024		
WEST DOLLARHIDE QUEEN SAND UNIT #035	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #047	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #072	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #074	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #075	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #077		
WEST DOLLARHIDE QUEEN SAND UNIT #079	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #085	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #081	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #087	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #092	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #099		
WEST DOLLARHIDE QUEEN SAND UNIT #094	SUBMITTING C-103 - SHUT IN NOTICE 5/24/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #101	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #103	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #106	SUBMITTED C103 ONLINE 5/20/2021	Approved C-103 by Kerry Fortner 6.28.21
WEST DOLLARHIDE QUEEN SAND UNIT #096	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #102	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #111	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #113	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #137	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #110	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #128	SUBMITTED C103 ONLINE 5/20/2021	Approved C-103 by Kerry Fortner 6.28.21
WEST DOLLARHIDE QUEEN SAND UNIT #129	SUBMITTED C103 ONLINE 5/20/2021	Approved C-103 by Kerry Fortner 6.28.21
WEST DOLLARHIDE QUEEN SAND UNIT #130	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #131	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #132	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #135	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #153	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #152	SUBMITTED C103 ONLINE 6/1/2021	
WEST DOLLARHIDE QUEEN SAND UNIT #155	SUBMITTED INTENT TO SHUT IN 5/25/2021	

### State and Private Wells

C-103F	Notice of Intent
C-103P	Well Plugged
C-103Q	Site Ready for Inspection

### Federal Wells

BLM 3160-NOI	Notice of Intent to P&A
BLM 3160-Final	Site Ready for Final Inspection

**EXHIBIT D**

INCIDENT ID	ORDER No.	LOCATION	DISTRICT	API	WELL NAME	RELEASE DATE	RELEASE TYPE	RELEASE DESC.	SOURCE	STATUS	RAM'S COMMENT	NEXT STEPS
nOY1804327005	1RP-4961	I-31-24S-38E	Hobbs	30-025-30131	WEST DOLLARHIDE QUEEN SAND UNIT #092	2/12/2018	Crude Oil, Produced Water	Flowline 99 release	Flow Line - Production	Characterization Work Plan approved 4/10/18, Update approved 8/3/18. Remediation Work Plan not in file.	Remediation plan submitted to OCD and pending approval. Excavate and offsite disposal of impacted soils up to 4 FT BGS followed by placement of liner. ~1,360 cu yds of soil estimated to be removed.	Resubmit Remediation Work Plan.
nOY1704158265	1RP-4599	-30-24S-38E	Hobbs		Satellite 3: fOY1704157843	2/10/2017	Produced Water	Sat 3 release	Valve	Characterization Work Plan referenced in 2/22/18 email but not in file. Remediation Work Plan submitted 3/10/18 but not approved.	Remediation plan submitted to OCD and pending approval. Excavate and offsite disposal of impacted soils up to 4 ft in deep chloride impact area and up to 1 ft in near surface areas totaling ~ 6,400 cu yds. Area of deep CL impacts will have liner installed.	Resubmit Remediation Work Plan.
nTO1703852711	1RP-4587	H-16-12S-38E	Hobbs	30-025-30255	YATES STATE #002	1/27/2017	Produced Water	SW tank overflow	Tank	Characterization and Remediation Work Plans approved (with 2 addendums); 3 monitoring wells were required.	Landowner has denied RAM access to property. Landowner does not believe approved plan adequately addresses impacts. Soil - Excavate to 4 ft bgs and sidewalls ≤ clean-up levels. Install liner & backfill. Groundwater - install 3 MW & MNA - 75% excavation completed before access denied.	Submit status report.