

Cimarex Energy Co.
600 N. Marienfeld St.
Suite 600
Midland, Texas 79701
PHONE 432.571.7800



October 28, 2008

Via facsimile and Certified U.S. Mail-Return Receipt Requested No. 7007 0710 0003 0317 3526

COG Oil & Gas LP
550 West Texas Ave, Suite 1300
Midland, Texas 79701

Attn: Jan Preston Spradlin

Re: **Cimarex Energy Co's.**
Antietam 10 Federal Com No. 1-H
N/2S/2 Section 10-T15S-R31E
Chaves County, New Mexico

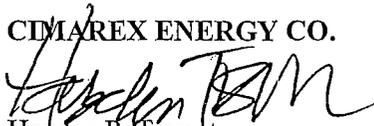
Dear Jan:

Cimarex Energy Co. ("Cimarex") hereby proposes to drill the above-captioned well, a horizontal-lower Abo test, to a vertical depth of approximately 9,250' from a legal surface location in the NE/4SE/4 of the captioned section, township and range. We will then kick-off up the wellbore and continue to drill an estimated 4,500' lateral leg to a legal bottom hole located in the NW/4SW/4 of said section, township and range. Cimarex' projected true vertical depth is approximately 8,800' and our final measured depth is approximately 13,000'.

Enclosed are two (2) copies of our AFE in the total amount of \$ 4,668,648.00 that sets forth our estimated cost to drill and complete the well. If you would like to participate in the well, please sign and return a copy of the AFE to the undersigned at the above-letterhead address. Our proposed form of operating agreement will be delivered upon receipt of your election to participate in the well. If you choose not to participate in the well, Cimarex would be interested in a term assignment or farmout of your leasehold interest in this proposed unit.

If there is anything further that you should require in regard to this matter, please do not hesitate to call upon us. Thank you very much.

Regards,

CIMAREX ENERGY CO.

Hayden P. Tresner
Landman



PROJECT COST ESTIMATE

LEASE NAME: Antietam 10

WELL NO.:

1H

INTANGIBLES	DRY HOLE		AFTER CASING		COMPLETED WELL COST
	Codes	COST	Codes	POINT	
ROADS & LOCATION PREPARATION / RESTORATION	DIDC.100	\$110,000	DICC.100	\$3,000	\$113,000
DAMAGES	DIDC.105	6,000	DICC.105		\$6,000
MUD/FLUIDS DISPOSAL CHARGES	DIDC.255	28,000	DICC.235	40,000	\$68,000
DAY RATE 41 DH DAYS 8 ACP DAYS @ PER DAY	DIDC.115	628,000	DICC.120	117,400	\$745,400
MISC PREPARATION COST (mouse hole, rat hole, pads, pile clusters, misc.)	DIDC.120	16,000			\$16,000
BITS	DIDC.125	65,000	DICC.125	1,000	\$66,000
FUEL \$2.80 PER GALLON Gals/Day	DIDC.135	110,740	DICC.130	7,000	\$117,740
WATER / COMPLETION FLUIDS	DIDC.140	45,100	DICC.135	75,000	\$120,100
MUD & ADDITIVES	DIDC.145	78,400			\$78,400
SURFACE RENTALS	DIDC.150	53,700	DICC.140	83,200	\$136,900
DOWNHOLE RENTALS	DIDC.155	138,000	DICC.145	28,200	\$166,200
FORMATION EVALUATION (DST, Coring including evaluation, G&G SERVICES)	DIDC.160				
MUD LOGGING 26 DAYS @ \$1,200 PER DAY	DIDC.170	38,200			\$38,200
OPEN HOLE LOGGING	DIDC.180	40,000			\$40,000
CEMENTING & FLOAT EQUIPMENT	DIDC.185	50,000	DICC.155	37,000	\$87,000
TUBULAR INSPECTIONS	DIDC.190	5,000	DICC.160	6,000	\$11,000
CASING CREWS	DIDC.195	16,000	DICC.165	30,000	\$46,000
EXTRA LABOR, WELDING, ETC.	DIDC.200	24,600	DICC.170	5,000	\$29,600
LAND TRANSPORTATION (Trucking)	DIDC.205	24,600	DICC.175	2,800	\$27,400
SUPERVISION	DIDC.210	83,200	DICC.180	22,400	\$105,600
TRAILER HOUSE/CAMP/CATERING	DIDC.280	29,400	DICC.255	4,000	\$33,400
OTHER MISC EXPENSES	DIDC.220	12,300	DICC.190	1,000	\$13,300
OVERHEAD	DIDC.225	12,300	DICC.195	4,500	\$16,800
REMEDIAL CEMENTING	DIDC.231		DICC.215		
MOB/DEMOB	DIDC.240	120,000			\$120,000
DIRECTIONAL DRILLING SERVICES 17 DAYS @ 12000 PER DAY	DIDC.245	222,000			\$222,000
DOCK, DISPATCHER, CRANE	DIDC.250		DICC.230		
MARINE & AIR TRANSPORTATION	DIDC.275		DICC.250		
SOLIDS CONTROL	DIDC.260	189,600			\$189,600
WELL CONTROL EQUIP (Snubbing services)	DIDC.265	87,000	DICC.240	10,500	\$97,500
FISHING & SIDETRACK OPERATIONS	DIDC.270	75,000	DICC.245		\$75,000
COMPLETION RIG 7 DAYS @ 4600 PER DAY			DICC.115	32,200	\$32,200
COIL TUBING 1 DAYS @ 38000 PER DAY			DICC.260	38,000	\$38,000
COMPLETION LOGGING, PERFORATING, WL UNITS, WL SURVEYS			DICC.200	10,000	\$10,000
STIMULATION			DICC.210	444,000	\$444,000
LEGAL/REGULATORY/CURATIVE	DIDC.300	5,000	DICC.280		\$5,000
WELL CONTROL INSURANCE \$0.35 PER FOOT	DIDC.285	4,518			\$4,518
CONTINGENCY 5% OF DRILLING INTANGIBLES	DIDC.435	112,133	DICC.220	51,910	\$164,043
CONSTRUCTION FOR WELL EQUIPMENT			DWEA.110	1,000	\$1,000
CONSTRUCTION FOR LEASE EQUIPMENT			DLEQ.110	35,000	\$35,000
CONSTRUCTION FOR SALES P/L			DICC.265		
TOTAL INTANGIBLE COST:		\$2,429,790		\$1,090,110	\$3,519,900
TANGIBLE - WELL EQUIPMENT					
CASING	SIZE	FEET	\$/FOOT		
DRIVE PIPE				DWEB.150	
CONDUCTOR PIPE	20 "	70	95.00	DWEB.130	4,000
WATER STRING				DWEB.135	
SURFACE CASING	13 3/8"	340	81.60	DWEB.140	27,744
INTERMEDIATE CASING	8 5/8"	3,950	51.25	DWEB.145	202,438
DRILLING LINER				DWEB.145	
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PRODUCTION CASING OR LINER	5 1/2"	9,250	37.36		
PRODUCTION TIE-BACK	5 1/2 x 2-7/8"	4,800		DWEA.100	74,074
TUBING	2 7/8"	8,400	12.93	DWEA.105	108,612
N/C WELL EQUIPMENT				DWEA.115	6,000
WELLHEAD, TREE, CHOKES				DWEB.115	15,000
LINER HANGER, ISOLATION PACKER				DWEB.100	
PACKER, NIPPLES				DWEA.130	
PUMPING UNIT, ENGINE				DLEQ.105	110,000
LIFT EQUIPMENT (BHP, Rods, Anchors)				DLEQ.105	27,300
TANGIBLE - LEASE EQUIPMENT					
N/C LEASE EQUIPMENT				DLEQ.115	44,000
TANKS, TANKS STEPS, STAIRS				DLEQ.120	17,000
BATTERY (Heater Treater, Separator, Gas Treating Equipment)				DLEQ.125	13,000
FLOW LINES (Line Pipe from wellhead to central facility)				DLEQ.130	1,000
OFFSHORE PRODUCTION STRUCTURE FOR FACILITIES				DWEA.135	
PIPELINES TO SALES				DWEA.140	
TOTAL TANGIBLES:		\$249,162		\$899,566	\$1,148,728
P&A COSTS	DIDC.295	150,000	DICC.275	(150,000)	
TOTAL COST:		\$2,828,972		\$1,839,676	\$4,668,648