From:

Robert Ready

Sent:

May 07, 2010 7:16 PM

To:

'Bobby Ebeier'

Subject:

Well Proposals-Taylor D 2,3,4,5-Range-Section 9-T17S-R32E, Lea Co., NM

Attachments:

Proposal-Taylor D2,3,4,5-Range.pdf; OA-Taylor D2,3,4,5 Proposal-COG 5-7-10, AAPL 1989-

Individual Loss.pdf; MD to RB Op, B453P259-Name Ch to Range B1393P243.pdf

Range Operating New Mexico, Inc. Attention: Mr. Bobby Ebeier 100 Throckmorton St., Suite 1200 Fort Worth, TX 76102

Dear Bobby,

As previously communicated, our records reflect that Range owns a 0.125% unleased mineral interest in the lands described below. COG Operating LLC owns the majority interest in the subject lands, and desires to acquire or obtain commitment of all outstanding interests in the following tract:

Section 9, T17S-R32E, NMPM, Lea County, New Mexico S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation Containing 160 acres, more or less

We are prepared to commence drilling on the subject lands soon. To that end, please find the attached Well Proposals, AFEs and our proposed form of operating agreement.

For reference, a copy of the mineral deed into RB Operating Company and the certificate of name change to Range Operating New Mexico, Inc. are attached. Feel free to contact me to discuss alternatives to your participation in the subject wells. I will be glad to work with you.

Best regards,

J. Robert Ready, Senior Landman, CPL COG OPERATING LLC 550 W. Texas Avenue, Suite 100 Midland, Texas 79701 Direct (432) 685-4345 Fax (432) 686-3000

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

COG Operating LLC Cases 14490, 14491, 14492 and 14493 Ex.

From:

Microsoft Exchange

To:

Bobby Ebeier

Sent:

May 07, 2010 7:18 PM

Subject:

Relayed: Well Proposals-Taylor D 2,3,4,5-Range-Section 9-T17S-R32E, Lea Co., NM

Delivery to these recipients or distribution lists is complete, but delivery notification was not sent by the destination:

Bobby Ebeier

Subject: Well Proposals-Taylor D 2,3,4,5-Range-Section 9-T17S-R32E, Lea Co., NM

Sent by Microsoft Exchange Server 2007

From:

Bobby Ebeier [Bebeier@rangeresources.com]

To:

Robert Ready

Sent:

May 10, 2010 8:18 AM

Subject:

Read: Well Proposals-Taylor D 2,3,4,5-Range-Section 9-T17S-R32E, Lea Co., NM

Your message was read on Monday, May 10, 2010 8:17:37 AM (GMT-06:00) Central Time (US & Canada).



May 7, 2010

Sent via Email to 'bebeier@rangeresources.com' and Federal Express Airbill # 8709 3258 2664

Range Operating New Mexico, Inc. Attention: Mr. Bobby Ebeier 100 Throckmorton St., Suite 1200 Fort Worth, TX 76102

RE: Well Proposals - COG Operating LLC ("COG")

- 1) Taylor D #2 well, NW/4 SE/4
- 2) Taylor D #3 well, SW/4 NE/4
- 3) Taylor D #4 well, SE/4 NE/4
- 4) Taylor D #5 well, NE/4 SE/4

All in Section 9-T17S-R32E, NMPM, Lea County, New Mexico

Gentlemen:

COG Operating LLC ("COG") proposes to drill the above-referenced wells vertical tests of the Yeso formation, as follows:

- 1) Taylor D #2 well, NW/4 SE/4, located 1,650' FSL & 1,650' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 2) Taylor D #3 well, SW/4 NE/4, located 2,210' FNL & 1,650' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 3) Taylor D #4 well, SE/4 NE/4, located 2,120' FNL & 475' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 4) Taylor D #5 well I, NE/4 SE/4, located 1,650' FSL & 330' FEL of said Section 9, to be drilled to a total depth of approximately 7,100'.

The total estimated cost of each of the subject wells is \$1,650,000 which is described in more detail in the enclosed Authority for Expenditure ("AFE") for each well, attached to and made a part of this proposal. If you choose to participate in any or all of the wells, please evidence the same by signing, dating and returning to the undersigned the AFE that corresponds to the well(s) in which you choose to participate. For your convenience, you may return AFEs to me by mail to the letterhead address, by fax to (432) 686-3000, or by email to 'rready@conchoresources.com'. A copy of COG's proposed form of operating agreement for the subject wells is also enclosed.

If you choose not to participate in the proposed wells, we will be glad to consider alternatives. Please feel free to contact me about this matter at phone (432) 685-4345 or by email to 'rready@conchoresources.com'.

Sincerely,

COG Operating LLC

Enclosures:

Senior Landra

AFEs (4)

Operating Agreement

LOCATION: Section 9-T17S-R32E, NMPM FOOTAGE: 1650' FSL & 1650' FEL		COUNTY & STATE: Lea County, NM OBJECTIVE: Yeso test (4 Fracs) 7000'				
·						
NTANGIBLE COSTS	•••	BCP		<u>ACP</u>	TOTAL	
tle/Curative/Permit	201	4,000	***		4.	
surance	202	3,800	302		3,	
amages/Right of Way	203		303			
rvey/Stake Location	204	2,500	304		2,	
cation/Pits/Road Expense	205	30,000	305	5,000	35,	
illing / Completion Overhead	206	2,500	306	2,000	4,	
mkey Contract	207		307			
otage Contract	208		308			
ywork Contract	209	175,000	309		175,	
ectional Drilling Services	210		310	4.000		
el & Power	211	28,800	311	1,000	29,	
ater	212 213	14,000 24,000	312 313	32,000 500	<u>46,</u> 24,	
id & Chemicals	214	7,000	314	500	7,	
ill Stem Test	215	000,1	315			
ring & Analysis	216		313			
ement Surface	217	15,500		·	15,	
ment Intermediate #1	218	16,400			16,	
ment Intermediate #2		10,400				
ment Production			319	30.000	30,	
ment Squeeze	220		320	401444		
at Equipment & Centralizers	221	2,500	321	2,000	4,	
sing Crews & Equipment	222	4,000	322	5,500	9.	
hing Tools & Service	223	.,,,,,,	323			
ologic/Engineering	224	******	324			
niract Labor	225	3,000	325	10,000	13,	
mpany Supervision	226		326			
intract Supervision	227	12,000	327	5,000	17,	
sting Casing/Tubing	228	1,800	328	2,200	4,	
ud Logging Unit	229	6,000	329		6,	
gging	230	15,000	330		15,	
rforating/Wireline Services	231		331	24,000	24,	
mulation/Treating (4 fracs)			332	369,000	369,	
mpletion Unit			333	20,000	20,	
vabbing Unit			334			
entals-Surface	235	5,000	335	36,000	41,	
mals-Subsurface	236	26,000	336	10,000	36,	
ucking/Forklift/Rig Mobilization	237	40,000	337	8,000	48,	
elding Services	238	2,000	338	1,000	3,	
ater Disposal	239 240	500	339 340	3,000	3,	
ug to Abandon ismic Analysis	241		341			
osed Loop & Environmental	244	100,000	344		100,	
scellaneous	242	100,000	342			
ontingency 5%	243	27,065	343	28,310	55,	
TOTAL INTANGIBLES		569,000	0.0	595,000	1,163,	
ANGIBLE COSTS						
rface Casing	401	31,200			31,	
ermediate Casing #1	402	75,300			75,	
ermediate Casing #2				454000		
oduction Casing/Liner			503	154,000	154.	
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ellhead Equipment	-100	0,000	506	3,000 87,500	87.	
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ds			508	21,376	21,	
mps			509	4,500	4,	
nks			510	3,000	3,	
wlines			511	5,000	5,	
ater Treater/Separator			512	3,000	3,	
ctrical System			513	10,000	10,	
ckers/Anchors/Hangers	414		514	900		
uplings/Fittings/Valves	415		515	7,000	7,	
s Compressors/Meters			516			
hydrator			517			
ection Plant/CO2 Equipment			518			
scellaneous	419	500	519	500	1,	
intingency 5%	420	5,700	520	18,600	24,	
TOTAL TANGIBLES		118,700		367,376	486,	
TOTAL WELL COSTS		688,000		963,000	1,650,	
OG Operating LLC						
r: Erick W. Nelson		Date Prepared:		5/7/10		
e approve:		This AFE is only an	estim	ate. By signing you agree to p	pay your share	
••		of the actual costs in				
ompany:		-				
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nted Name:		-				
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## ACP ## TOTAL ## ACP	LOCATION: Section 9-T17S-R32E, NMPM		COUNTY &			
Maching	FOOTAGE: 2210' FNL & 1650' FEL		OBJECTIVE	<u>:</u>	Yeso test (4 Fracs) 7000'	
Maching	NTANGIBLE COSTS		ВСР		ACP	TOTAL
Surance		201				
amage_fright of Way wavey(State) cocation 204	nsurance			302		3.8
	Damages/Right of Way	203				
Decision/Piris/Road Expense 296		204	2,500			2,5
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colage Contract 208 308 vectoral Drilling Services 209 175,000 309 vectoral Drilling Services 210 310 115,000 26,41 stater 211 28,800 311 1,000 26,41 stater 212 14,000 312 32,000 46,1 state 213 24,000 314 500 24,4 state 214 7,000 314 500 24,4 string & Analysis 216 315 316 316 string & Analysis 216 316 315 316 string & Analysis 218 16,000 15,500 15,500 15,500 string Contract Supervision 221 22,000 30,000 30,000 30,000 string Contract Supervision 221 22,000 34,4 30,000 30,000 31,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000<	Orilling / Completion Overhead	206	2,500	306	2.000	4,5
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Internating Wireline Services 231 331 24,000 24,						
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Section Sect	Stimulation/Treating (4 fracs)			332	369,000	369,0
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Iterates Subsurface 236 26,000 336 10,000 36, Incking/Forkifi/Rig Mobilization 237 40,000 337 8,000 48, Volding Services 238 2,000 338 1,000 3.8, Voller Disposal 239 500 339 3,000 3.3, Voller Disposal 240 340 Voller Disposal 241 341 Voller Disposal 242 342 Voller Disposal 244 100,000 344 Voller Disposal 244 341 Voller Disposal 244 100,000 344 Voller Disposal 242 342 Voller Disposal 244 244 245 2	Swabbing Unit			334		
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Surface Casing #1 401 31,200 75,300 75,500 75						
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Solid	ntermediate Casing #1	402	75,300			75,
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Sumps Sump	Rods				21.376	21,
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Packers/Anchors/Hangers	leater Treater/Separator					3,
Couplings/Fittings/Valves	lectrical System					10,
Ses Compressors/Meters 516						
Dehydrator		415			7,000	7,
Siscellaneous 419 500 519 519						
Also						
Contingency 5%			****		<u> </u>	
TOTAL TANGIBLES 118,700 367,376 488, TOTAL WELL COSTS 688,000 963,000 1,650 COG Operating LLC By: Erick W. Nelson Date Prepared: This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	njection Plant/CO2 Equipment					
TOTAL WELL COSTS 688,000 963,000 1,650. COG Operating LLC Sy: Erick W. Nelson Date Prepared: 5/7/10 We approve: This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	njection Ptant/CO2 Equipment Miscellaneous		5,700	520		
COG Operating LLC Sy: Erick W. Nelson Date Prepared: 5/7/10 This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	njection Ptant/CO2 Equipment Miscellaneous Contingency 5%		140 700			
Ne approve: Date Prepared: 5/7/10 This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	Injection Plant/CO2 Equipment Miscellaneous Contingency 5% TOTAL TANGIBLES					,000,
Ne approve: Date Prepared: 5/7/10 This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	njection Ptant/CO2 Equipment Miscellaneous Contingency 5% TOTAL TANGIBLES					
We approve: This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.	njection PtanVCO2 Equipment Viscellaneous Contingency 5% TOTAL TANGIBLES TOTAL WELL COSTS					
of the actual costs incurred.	Injection PlanVCO2 Equipment Miscellaneous Contingency 5% TOTAL TANGIBLES TOTAL WELL COSTS COG Operating LLC		688,000			
of the actual costs incurred.	Injection PtanVCO2 Equipment Viscellaneous Contingency 5% TOTAL TANGIBLES TOTAL WELL COSTS COG Operating LLC		688,000			
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	njection PtanVCO2 Equipment Viscellaneous Contingency 5% TOTAL TANGIBLES TOTAL WELL COSTS COG Operating LLC By: Erick W. Nelson		Date Prepared: This AFE is only an		5/7/10 late. By signing you agree to pa	y your share

LOCATION: Section 9-T17S-R32E, NMPM FOOTAGE: 2120' FNL & 475' FEL		OBJECTIV		ATE: Lea County, NM Yeso test (4 Fracs) 700	0,
NTANCIDI E COCTO		, pen		400	
NTANGIBLE COSTS	004	<u>BCP</u>		<u>ACP</u>	TOTAL
itle/Curative/Permit	201 202	4,000	202		4.0
		3,800	302		3,8
amages/Right of Way	203		303		
urvey/Stake Location ocation/Pits/Road Expense	204 205	2,500	304		2,5
rilling / Completion Overhead	206	30,000	305 306	5,000	35,0
urnkey Contract	207	2,500	307	2,000	4,5
ootage Contract	208		308		
aywork Contract	209	175,000	309		175,0
Irectional Drilling Services	210	110,000	310		175,0
uel & Power	211	28,800	311	1,000	29,8
ater	212	14,000	312	32,000	46,0
its	213	24,000	313	500	24,5
ud & Chemicals	214	7,000	314		7,0
rill Stem Test	215		315		
oring & Analysis	216				
ement Surface	217	15,500			15,5
ement Intermediate #1	218	16,400			16,4
ement Intermediate #2					
ement Production			319	30,000	30,0
ement Squeeze	220		320		
oat Equipment & Centralizers	221	2,500	321	2,000	4,5
asing Crews & Equipment	222	4,000	322	5,500	9,5
shing Tools & Service	223		323		
eologic/Engineering	224		324		
ontract Labor	225	3,000	325	10,000	13,0
ompany Supervision	228		326		
ontract Supervision	227	12,000	327	5,000	17,0
esting Casing/Tubing	228	1,800	328	2,200	4,0
lud Logging Unit	229 230	15,000	329 330		6,0
ogging erforating/Wireline Services	231	15,000	331	24,000	15,0 24,0
timulation/Treating (4 fracs)	231		332	369,000	369,0
ompletion Unit			333	20,000	20,0
wabbing Unit			334	20,000	
entals-Surface	235	5,000	335	36,000	41,0
entals-Subsurface	236	26,000	336	10,000	36,0
rucking/Forklift/Rig Mobilization	237	40,000	337	8,000	48,0
/elding Services	238	2,000	338	1,000	3,0
/ater Disposal	239	500	339	3,000	3,5
lug to Abandon	240		340		
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losed Loop & Environmental	244	100,000	344		100,0
Aiscellaneous	242		342		
Contingency 5%	243	27,065	343	28,310	55,3
TOTAL INTANGIBLES		569,000		595,000	1,163,0
ANGIBLE COSTS					
Surface Casing	401	31,200			31,2
ntermediate Casing #1	402	75,300			75,3
ntermediate Casing #2					
roduction Casing/Liner			503	154,000	154,0
ubing			504	49,000	49.0
Vellhead Equipment	405	6,000	505	3,000	9,0
umping Unit			506 507	87,500	87,5
rime Mover			508	21,376	21,3
rumps			509	4,500	4.5
anks			510		3,0
lowlines			511	5,000	5,0
leater Treater/Separator			512		3.0
lectrical System			513	10,000	10.0
ackers/Anchors/Hangers	414		514	900	
Couplings/Fittings/Valves	415		515	7,000	7,0
ias Compressors/Meters			516		
Dehydrator			517		
njection Plant/CO2 Equipment			518		
tiscellaneous	419	500	519		1,0
ontingency 5%	420	5,700	520		24,:
TOTAL TANGIBLES		118,700		367,376	486,
TOTAL WELL COSTS		688,000		963,000	1,650,
COG Operating LLC					
By: Erick W. Nelson		Date Prepared:		5/7/10	
Ve approve:		This AFE is only an of the actual costs i		nate. By signing you agree to paid.	oay your share
Company:		_			
Зу:					
rinted Name:		_			
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		OBJECTIVE		: Lea County, NM eso test (4 Fracs) 710	00'
NTANGIBLE COSTS		ВСР		ACP	TOTAL
itle/Curative/Permit	201	4,000		AVE	4,00
surance	202	3,800	302 -		3,80
amages/Right of Way	203		303		
urvey/Stake Location	_ 204 _	2,500	304		2,50
cation/Pits/Road Expense	- 205 -	30,000	305 —	5,000	35,00
rilling / Completion Overhead	- 206 -	2,500	306 —	2,000	4,50
unkey Contract	- 207 -		307		
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ater	212	14,000	312	32,000	46.00
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ud & Chemicals	214	7,000	314		7,00
ill Stem Test	215		315		
oring & Analysis	216				
ment Surface	_ 217 _	15,500	_		15,50
ement Intermediate #1	218	16,400	_		16,40
ement Intermediate #2			-		
ement Production			319	30,000	30,00
ement Squeeze	220		320		
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sing Crews & Equipment	222	4,000	322	5,500	9,50
shing Tools & Service	223		323		
eologic/Engineering	224		324		
ontract Labor	225	3,000	325	10,000	13,00
ompany Supervision	226		326		
ontract Supervision	227	12,000	327	5,000	17,00
esting Casing/Tubing	228	1,800	328	2,200	4,00
ud Logging Unit	_ 229 _	6,000	329		6,00
ogging	230	15,000	330		15,00
erforating/Wireline Services	_ 231 _		331	24,000	24,00
imulation/Treating (4 fracs)			332	369,000	369,00
ompletion Unit			333	20,000	20,00
wabbing Unit			334		
entals-Surface	_ 235 _	5,000	335	36,000	41,00
entals-Subsurface	236 _	26,000	336	10,000	36,00
ucking/Forklift/Rig Mobilization	_ 237 _	40,000	337	8,000	48,00
elding Services	_ 238 _	2,000	338	1,000	3,00
ater Disposal	_ 239 _	500	339	3,000	3,50
ug to Abandon	_ 240 _		340 _		
eismic Analysis	- ²⁴¹ -		341 _		
losed Loop & Environmental	_ 244 _	100,000	344		100,00
iscellaneous	_ 242 _	27.005	342 _	20.240	55,37
ontingency 5% TOTAL INTANGIBLES	_ ²⁴³ _	27,065 569,000	343 _	28,310 595,000	1,163,00
TOTAL INTANSIBLES		303,000	_	350,000	1,100,00
ANGIBLE COSTS					
urface Casing	401	24 200			31,20
termediate Casing #1	- 402 -	31,200 75,300	_		75,30
termediate Casing #2	- *** -	70,500	_		70,0
roduction Casing/Liner			503 —	154,000	154,00
ubing			504 —	49,000	49,00
felihead Equipment	- ₄₀₅ -	6,000	505	3,000	9,00
umping Unit	_ ~~~		506	87,500	87,50
rime Mover			507		
ods			508 -	21,376	21,3
			509	4,500	4,5
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From:

Robert Ready

Sent:

May 24, 2010 11:57 AM

To:

'Bobby Ebeier'

Subject:

Purchase Offer-S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea Co., NM

Range Operating New Mexico, Inc. Attention: Mr. Bobby Ebeier 100 Throckmorton St., Suite 1200 Fort Worth, TX 76102

Dear Bobby,

Our records reflect that Range owns a 0.125% (0.20 net acre) unleased mineral interest in the lands described below. COG Operating LLC hereby offers \$25,000 to purchase the Range mineral interest, subject to approval of title (e.g. free and clear of mortgages, liens and encumbrances):

Section 9, T17S-R32E, NMPM, Lea County, New Mexico S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation Containing 160 acres, more or less

In order to move this along, I went with a higher offer (rather than starting at the bottom). Please let me know if our offer is acceptable.

Best regards,

J. Robert Ready, Senior Landman, CPL COG OPERATING LLC 550 W. Texas Avenue, Suite 100 Midland, Texas 79701 Direct (432) 685-4345 Fax (432) 686-3000

CONFIDENTIALITY NOTICE: The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein, is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.

Robert Read	y
From: Sent: To: Subject:	Robert Ready June 07, 2010 11:07 AM 'Bobby Ebeier' RE: Purchase Offer-S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea Co., NM
Bobby,	
	just need to send you a proposed mineral deed. Plan is for a simple document, without warranty of title, nterest of Range is free of mortgages, liens, etc. Will get you a deed soon (should be later today). Thanks,
J. Robert Ready COG OPERATING	G LLC
Sent: June 04, 2 To: Robert Read	iy
_	urchase Offer-S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea Co., NM
Robert,	
What's the statu	is of this? Thanks.
BE	
To: 'Robert Read Cc: Neal Harring	May 25, 2010 4:24 PM
Robert,	
Please prepare t changed "Range	OG's offer, subject to the execution of a mutually acceptable Mineral Deed and final Range approval. he Mineral Deed for our review. Below is how the signature page should be styled. BTW, we recently Operating New Mexico, Inc." to "Range Operating New Mexico, LLC" so I will send you the corporate receipt from our legal department. Thanks.
ВЕ	
Range Operati	ing New Mexico, LLC
By:	
D. Neal Ha	arrington, Vice President

Range Operating New Mexico, Inc. Attention: Mr. Bobby Ebeier

100 Throckmorton St., Suite 1200

Fort Worth, TX 76102

Sent: Monday, May 24, 2010 11:57 AM

Dear Bobby,

To: Bobby Ebeier

CTATE OF TEVAC

Our records reflect that Range owns a 0.125% (0.20 net acre) unleased mineral interest in the lands described below. COG Operating LLC hereby offers \$25,000 to purchase the Range mineral interest, subject to approval of title (e.g. free and clear of mortgages, liens and encumbrances):

Section 9, T17S-R32E, NMPM, Lea County, New Mexico S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation Containing 160 acres, more or less

Subject: Purchase Offer-S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea Co., NM

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