

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesa, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
FEB 10 2010
HOBBS

Submit one copy to appropriate District Office
 AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address RAM Energy, Inc. Meridian Tower, Suite 650, 5100 E Skelly Dr Tulsa, OK 74135-6549		² OGRID Number 18890
⁴ API Number 30-041-20834		³ Reason for Filing Code/ Effective Date Recompletion
⁵ Pool Name Allison San Andres, South	⁶ Pool Code 01220 1190	
⁷ Property Code 005700 303704	⁸ Property Name El Zorro A Federal	⁹ Well Number 3

II. ¹⁰ Surface Location

Ul or lot no. I	Section	Township	Range	Lot Idn	Feet from the 1980	North/South Line	Feet from the 510	East/West line	County
	25	8S	36E						Roosevelt

¹¹ Bottom Hole Location

UL or lot no. I	Section	Township	Range	Lot Idn	Feet from the 1980	North/South line	Feet from the 510	East/West line	County
	25	8A	36E						Roosevelt

¹² Lse Code F	¹³ Producing Method Code P	¹⁴ Gas Connection Date NA	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
--------------------------	---------------------------------------	--------------------------------------	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
35246	Shell Trading US Company Po Box 4604 Houston, TX 77210-4604	0

IV. Well Completion Data

²¹ Spud Date 8/15/88	²² Ready Date 10/15/2009	²³ TD 9750'	²⁴ PBD 4888'	²⁵ Perforations 4832-4870'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17 1/2	13 3/8	352'	350		
12 1/4	8 5/8	4274'	1900		
7 7/8	5 1/2	9750'	1300		

V. Well Test Data

³¹ Date New Oil 10/20/09	³² Gas Delivery Date NA	³³ Test Date 10/16/09	³⁴ Test Length 24 hrs	³⁵ Tbg Pressure 15 PSI	³⁶ Csg. Pressure zero
³⁷ Choke Size NA	³⁸ Oil 5	³⁹ Water 35	⁴⁰ Gas TSTM	⁴¹ Test Method Pumping	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
Signature

Printed name Dennis L Goins
Title Sr. Operations Engineer
E-mail Address dgoins@ramenergy.com
Date 2/10/2010 Phone 918-663-2800

OIL CONSERVATION DIVISION
Denied
Approved by

DENIED BY Oil Conservation Division
On 2/10/10 see attached letter
APD Reviewed by dm kg
For more information on this matter, please call
Donna Mull @ (575) 393-6161 ext 115 or
email donna.mull@state.nm.us

Denied because of to many Inactive Wells for this company. See Rule 19.15.5.9(A)(4).

DENIED because of Financial assurance per Rule 19.15.5.9.(A)(1).

This well has been placed in the pool designated below if you do not concur notify the Hobbs OCD office



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 16, 2010

Ram Energy Inc.
ATTN: J. Royce Allen
5100 East Skelly Dr., Suite 650
Tulsa, OK 74135

Ram Energy Inc.
ATTN: Dennis L. Goins
5100 East Skelly Dr., Suite 650
Tulsa, OK 74135-6549

DENIAL OF REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Re: **Ram Energy Inc. OGRID No. 18890**

- El Zorro #3, I-25-8S-36E, API #30-041-20834, Roosevelt County, New Mexico

Dear Operator:

The Oil Conservation Division (OCD) **denies** your request for allowable and authorization to transport for the wells identified above because your company is out of compliance with 19.15.5.9(A) NMAC [Part 5.9(A)]. See 19.15.16.19(A)(4) NMAC.

Your company is out of compliance with Part 5.9(A) on the following ground(s):

XXX Financial assurances. Your company is in violation of the financial assurance requirements for well plugging set out in 19.15.8.9 NMAC. See 19.15.5.9(A)(1) NMAC. Specifically, your company has not posted the single-well financial assurances required for state or fee wells which have been inactive for more than two years. The wells requiring single-well financial assurances are identified in the attached sheet.

_____ **Corrective action.** Order _____, issued on _____ after notice and hearing, found your company to be in violation of an order requiring corrective action. See 19.15.5.9(A)(2) NMAC.



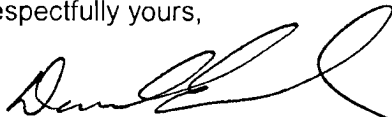
_____ **Unpaid penalties.** Your company has not paid the penalties assessed against your company in _____, issued on _____. More than 70 days have passed since the issuance of the order assessing the penalty. See 19.15.5.9(A)(3) NMAC.

XXX Inactive wells. According to the attached inactive well list, your company has too many wells in violation of the inactive well rule (19.15.25.8 NMAC) that are not subject to an inactive well agreed compliance order. See 19.15.5.9(A)(4) NMAC. As an operator of 41 wells, your company may have no more than 2 wells in violation of the inactive well rule. Your company has 15 wells in violation of the inactive well rule. In addition,

_____.

I have enclosed an information sheet explaining the requirements of Part 5.9. You may re-submit your request after your company has returned to compliance with Part 5.9.

Respectfully yours,



Daniel Sanchez, Compliance and Enforcement Manager

Ec: Mark Fesmire, Division Director, Santa Fe
Theresa Duran-Saenz, Legal Assistant, Santa Fe
Larry "Buddy" Hill, District 1 Supervisor
Randy Dade, District 2 Supervisor
Charlie Perrin, District 3 Supervisor
Ed Martin, District 4 Supervisor
Donna Mull, District 1 Compliance Officer

INFORMATION SHEET FOR PART 5.9

Oil Conservation Division (OCD) Rule 19.15.5.9 NMAC, commonly known as “Part 5.9,” requires operators to meet certain minimum compliance standards for the wells they already operate before they can drill, acquire, produce or inject into additional wells. If an operator is out of compliance as defined by Part 5.9, the OCD:

- May deny registration by the operator or certain related entities. *See* 19.15.9.8(B) NMAC.
- May deny applications for change of operator that would transfer wells to the operator. *See* 19.15.9.9(C) NMAC.
- Must deny injection permits. *See* 19.15.26.8(A) NMAC.
- May deny APDs. *See* 19.15.14.10(A) NMAC.
- Must deny allowable and authorizations to transport. *See* 19.15.16.19(A) NMAC.

In addition, the OCD may, after notice and hearing, revoke previously issued injection permits if the operator is out of compliance with Part 5.9. *See* 19.15.26.8(A) NMAC.

To stay in compliance with Part 5.9, an operator must:

- Keep current with the financial assurance requirements for well plugging. *See* 19.15.5.9(A)(1) NMAC.
- Comply with orders requiring corrective action. *See* 19.15.5.9(A)(2) NMAC.
- Pay properly assessed penalties. *See* 19.15.5.9(A)(3) NMAC.
- Have no more than a certain number of wells out of compliance with the inactive well rule. *See* 19.15.5.9(A)(4) NMAC.

FINANCIAL ASSURANCE REQUIREMENTS: The OCD’s financial assurance requirements for well plugging are set out in 19.15.8.9 NMAC. The OCD requires all state or fee wells to be covered by a financial assurance. The OCD does not require financial assurances for Federal or Indian wells.

The operator must either post a blanket financial assurance in the amount of \$50,000 to cover its state or fee wells, or post single-well financial assurances for each state or fee well in the amount set by the rule.

If the operator chooses to post a blanket financial assurance, it must also post single-well financial assurances for each state or fee well that has been inactive for more than two years that has not been plugged and released. Note that a single-well financial assurance is required even if the well is on approved temporary abandonment status, and even if the wellbore of the well has been plugged. To check compliance with this requirement, go to www.emnrd.state.nm.us/OCD, OCD Online, E-Permitting, Financial Assurance. Insert the operator name or OGRID, and hit “Get Report.” The report will list all the wells for that operator that have not been plugged and released. Wells currently in violation of the single-well financial assurance requirement will have a “Y” in the far right column, titled “In Violation.”

For information on how to post financial assurances, please contact OCD Financial Assurance Administrator Dorothy Phillips, (505) 476-3461, Dorothy.phillips@state.nm.us.

CORRECTIVE ACTION REQUIREMENTS: If an operator fails to take an action required by a hearing order or an agreed compliance order, the OCD may go to hearing to obtain a formal order finding the operator “in violation of an order requiring corrective action.” Once such an order is issued and becomes final, the operator will be out of compliance with Part 5.9 until that order is lifted. To lift the order, the operator must

complete the corrective action required, and file a motion to declare the order satisfied. The Oil Conservation Division or the Oil Conservation Commission, as appropriate, may grant the motion without hearing or may set the matter for hearing.

UNPAID PENALTIES: An operator with a penalty assessment unpaid more than 70 days after issuance of the order assessing the penalty will be in violation of Part 5.9 until that penalty is paid. Penalties may be assessed by the district court, or may be agreed to by the operator under an agreed compliance order entered into to resolve a compliance action.

INACTIVE WELLS: The inactive well rule, 19.15.25.8 NMAC, requires any well that has been inactive for a period of more than 15 months to be plugged and abandoned, placed on approved temporary abandonment status, or returned to production or other beneficial use. An operator will be out of compliance with Part 5.9 if it has too many wells in violation of the inactive well rule; the number of non-compliant wells allowed depends on the size of the operator. Under Part 5.9, if an operator operates:

- 1 well, it may have no wells out of compliance;
- 2 or 3 wells, it may have no more than 1 well out of compliance;
- 4 to 100 wells, it may have no more than 2 wells out of compliance;
- 101 to 500 wells, it may have no more than 5 wells out of compliance;
- 501 to 1000 wells, it may have no more than 7 wells out of compliance; and
- 1000 or more wells, it may have no more than 10 wells out of compliance.

To check compliance with 5.9 as to inactive wells, go to www.emnrd.state.nm.us/OCD, OCD Online, E-Permitting, Inactive Well List. Do not change the default search terms. Insert the operator name or OGRID, and hit "Get Report." The report will identify the wells that -- according to OCD records -- have been inactive for 15 months, are not on approved temporary abandonment status, do not have a plugged wellbore, and are not subject to an inactive well agreed compliance order. For purposes of Part 5.9, if a well appears on this list, there is a rebuttable presumption that the well is in violation of the inactive well rule. The heading of the list will also identify the total well count for the operator, and the total number of non-compliant inactive wells, so you can determine if the operator is in compliance with Part 5.9.

If your company has more non-compliant wells than allowed under Part 5.9, you will need to return wells to compliance by returning them to production or other beneficial use, placing them on approved temporary abandonment status, or plugging the wellbore. In some limited circumstances, the OCD may be willing to enter into an inactive well agreed compliance order setting a schedule for returning the wells to compliance and imposing sanctions if that schedule is not met. Wells covered by an inactive well agreed compliance order are not included when calculating Part 5.9 compliance. For information on inactive well agreed compliance orders, contact OCD Attorney Sonny Swazo at (505) 476-3463, Sonny.swazo@state.nm.us.

Inactive Well Additional Financial Assurance Report

18890 RAM ENERGY INC

Total Well Count: 41

Printed On: Tuesday, February 16 2010

Property	Well Name	Lease Type	ULSTR	OCD Unit Letter	API	Well Type	Last Prod/Inj	Inactive Additional Bond Due	Measured Depth	Required Bond Amount	Bond Required Now	Bond In Place	In Violation
303704	EL ZORRO #001	F	A-25-08S-36E	A	30-041-20797	O	04/2003		9700			0	
	EL ZORRO #003	F	I-25-08S-36E	I	30-041-20834	O	12/2007		9750			0	
303705	EL ZORRO B FEDERAL #001	F	P-24-08S-36E	P	30-041-20815	O	04/2003		9706			0	
	EL ZORRO B FEDERAL #002	F	O-24-08S-36E	O	30-041-20875	O	12/2009		9900			0	
303706	EL ZORRO C FEDERAL #002	F	A-11-09S-36E	A	30-025-03568	O	12/2009		9719			0	
	EL ZORRO C FEDERAL #003	P	C-11-09S-36E	C	30-025-30464	O	12/2009	01/01/2012	9800	14800		0	
303707	EL ZORRO D FEDERAL #001	F	A-31-08S-37E	A	30-041-20718	O	12/2009		9626			0	
303708	EL ZORRO E FEDERAL #001	F	O-28-08S-37E	O	30-041-20423	O	12/2009		4990			0	
	EL ZORRO E FEDERAL #002	F	G-33-08S-37E	G	30-041-20427	O	12/2009		5030			0	
	EL ZORRO E FEDERAL #003	F	H-28-08S-37E	H	30-041-00170	G	02/2008		9513			0	
	EL ZORRO E FEDERAL #004	F	F-28-08S-37E	F	30-041-00169	G	02/2008		9544			0	
303709	EL ZORRO FREMONT FEDERAL #001	F	H-1-09S-36E	H	30-025-33147	O	12/2009		12360			0	
	EL ZORRO FREMONT FEDERAL #002	F	G-1-09S-36E	G	30-025-34703	S	07/2007		12485			0	
303710	EL ZORRO G FEDERAL #001	F	M-1-09S-36E	M	30-025-03550	O	10/2007		12847			0	
	EL ZORRO G FEDERAL #002	F	E-1-09S-36E	E	30-025-33566	O	12/2009		12369			0	
303711	EL ZORRO K FEDERAL #001	F	N-19-08S-37E	N	30-041-00210	G	12/2009		9716			0	
303712	FOX A STATE #001	S	F-2-09S-36E	F	30-025-03556	O	10/2007	11/01/2009	9725	14725	Y	0	Y
	FOX A STATE #002	S	H-2-09S-36E	H	30-025-03555	O	12/2009	01/01/2012	9815	14815		0	
	FOX A STATE #004	S	2-2-09S-36E	B	30-025-03554	O	12/2009	01/01/2012	5970	10970		0	
	FOX A STATE #005	S	F-2-09S-36E	F	30-025-31343	I	12/2009	01/01/2012	12511	17511		0	
	FOX A STATE #007	S	1-2-09S-36E	A	30-025-38144	O	04/2007	05/01/2009	5204	10204	Y	0	Y
	FOX A STATE #008	S	K-2-09S-36E	K	30-025-38145	O	04/2007	05/01/2009	5200	10200	Y	0	Y
303713	FOX B STATE #001	S	D-36-08S-36E	D	30-041-00016	O	06/2008	07/01/2010	9750	14750		0	
	FOX B STATE #002	S	N-36-08S-36E	N	30-041-00018	O	12/2009	01/01/2012	9750	14750		0	
	FOX B STATE #003	S	I-36-08S-36E	I	30-041-20899	O	12/2007	01/01/2010	9900	14900	Y	0	Y
	FOX B STATE #004	S	E-36-08S-36E	E	30-041-20928	O	04/2007	05/01/2009	5200	10200	Y	0	Y
	FOX B STATE #005	S	M-36-08S-36E	M	30-041-20929	O			Unknown			0	
	FOX B STATE #006	S	F-36-08S-36E	F	30-041-20930	O	12/2009	01/01/2012	5206	10206		0	
303714	FOX C STATE #004	S	A-36-08S-36E	A	30-041-20865	O	12/2009	01/01/2012	9800	14800		0	
	FOX C STATE #005	S	H-36-08S-36E	H	30-041-20900	O	12/2006	01/01/2009	9900	14900	Y	0	Y
303730	FOX C STATE LE #001	S	G-36-08S-36E	G	30-041-00076	O	10/1992	11/01/1994	9785	14785	Y	14785	
303715	GOMEZ A #001	P	J-9-09S-36E	J	30-025-33188	O	12/2009	01/01/2012	12988	17988		0	
303716	MERRELL #001	P	H-10-09S-36E	H	30-025-03563	S	12/2009	01/01/2012	9855	14855		0	
303717	STATE AO #001	S	3-4-12S-33E	C	30-025-23124	O	12/2009	01/01/2012	10080	15080		0	
	STATE AO #002	S	F-4-12S-33E	F	30-025-23512	O	12/2009	01/01/2012	10103	15103		0	
303718	STATE B AC 1 #004	S	J-4-12S-33E	J	30-025-23755	O	10/2007	11/01/2009	10110	15110	Y	0	Y
303719	STATE C #001	S	1-4-12S-33E	A	30-025-01049	O	12/2009	01/01/2012	9987	14987		0	
	STATE C #002	S	H-4-12S-33E	H	30-025-23431	O	12/2009	01/01/2012	10050	15050		0	
303720	STATE EF COM #001	S	P-6-11S-34E	P	30-025-01821	O	12/2009	01/01/2012	9800	14800		0	
	STATE EF COM #003	S	K-6-11S-34E	K	30-025-20908	O	12/2009	01/01/2012	9815	14815		0	
	STATE EF COM #005	S	M-5-11S-34E	M	30-025-22313	O	12/2009	01/01/2012	9970	14970		0	

WHERE Ogrid:18890

Inactive Well List

Total Well Count: 41 Inactive Well Count: 15 Since: 11/23/2008

Printed On: Tuesday, February 16 2010

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	TA Exp Date
1	30-041-20834	EL ZORRO #003	I-25-08S-36E	I	18890	RAM ENERGY INC	F	O	12/2007		P	
1	30-041-20815	EL ZORRO B FEDERAL #001	P-24-08S-36E	P	18890	RAM ENERGY INC	F	O	04/2003		T	12/27/2006
1	30-041-00170	EL ZORRO E FEDERAL #003	H-28-08S-37E	H	18890	RAM ENERGY INC	F	G	02/2008			
1	30-041-00169	EL ZORRO E FEDERAL #004	F-28-08S-37E	F	18890	RAM ENERGY INC	F	G	02/2008			
1	30-025-34703	EL ZORRO FREMONT FEDERAL #002	G-1 -09S-36E	G	18890	RAM ENERGY INC	F	S	07/2007			
1	30-025-03550	EL ZORRO G FEDERAL #001	M-1 -09S-36E	M	18890	RAM ENERGY INC	F	O	10/2007			
1	30-025-03556	FOX A STATE #001	F-2 -09S-36E	F	18890	RAM ENERGY INC	S	O	10/2007	SAN ANDRES		
1	30-025-38144	FOX A STATE #007	I-2 -09S-36E	A	18890	RAM ENERGY INC	S	O	04/2007	SAN ANDRES		
1	30-025-38145	FOX A STATE #008	K-2 -09S-36E	K	18890	RAM ENERGY INC	S	O	04/2007	SAN ANDRES		
1	30-041-00016	FOX B STATE #001	D-36-08S-36E	D	18890	RAM ENERGY INC	S	O	06/2008	SAN ANDRES 1190		
1	30-041-20899	FOX B STATE #003	I-36-08S-36E	I	18890	RAM ENERGY INC	S	O	12/2007	PENN		
1	30-041-20928	FOX B STATE #004	E-36-08S-36E	E	18890	RAM ENERGY INC	S	O	04/2007	SAN ANDRES		
1	30-041-20900	FOX C STATE #005	H-36-08S-36E	H	18890	RAM ENERGY INC	S	O	12/2006	PENN		
1	30-041-00076	FOX C STATE LE #001	G-36-08S-36E	G	18890	RAM ENERGY INC	S	O	10/1992		T	9/9/2009
1	30-025-23755	STATE B AC 1 #004	J-4 -12S-33E	J	18890	RAM ENERGY INC	S	O	10/2007			

WHERE Ogrid:18890, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15, Excludes Wells Under ACOI, Excludes Wells in Approved TA Period