

Correspondence and Conversation Log
Colton "7" Fed Com #1
N/2 Section 7, 21-S, R-27E
Eddy County, New Mexico

Party	Date	Comment
Devon Energy Production Company, L.P.	5/26/05	Well proposal and JOA mailed certified, rec'd by Devon 5/31/05
	6/1/05	Called Ken Gray at Devon, out until 7/6, left message
	6/9/05	Rec'd voice message from KG
	6/10/05	Called KG, left message
	6/13/05	Spoke with KG, he advised of previous unrecorded JOA. He emailed JOA to me, covers 120 acres in the N/2, was discussed. Informed him of term assignment deadline. Faxed him title opinion.
	6/15/05	<i>Spoke with KG, agreed that JOA was not applicable since all of N/2 not included. Discussed Devon's 2003 decision to participate, terms of a possible deal.</i>
	6/27/05	<i>Called KG, lm</i>
		<i>Devon geologist Curt McKinney informed Cimarex geologist that Devon would try to make a deal tomorrow morning.</i>
	6/28/05	<i>KG called. The do not want to participate. Offered unacceptable farmout terms.</i>
Fidelity Exploration & Production Company	5/26/05	Well proposal and JOA mailed certified, rec'd by Fidelity 5/31/05
	6/1/05	Called John Shiel at Fidelity, discussed well proposal and need to go forward with Compulsory Pooling Application. They will evaluate, promised a response by the week of 6/13.
	6/7/05	JS called, wants to know what Cimarex will offer. Their NRI is low.
	6/20/05	JS called, wanted to know if it Cimarex would market their share of gas as they don't have a marketing department. I said yes.
	6/27/05	JS called, lm that they will participate, had sent in AFE and he will evaluate JOA when he returns to his office on the 29 th or 30 th . I called him back and lm that without the JOA we couldn't dismiss them from the hearing.

Note: Regular font represent Elizabeth Moses contact
Italics represent Jeff Gotcher contact



May 26, 2005

CERTIFIED MAIL 70041160000699751392

Devon Energy Production Company, L.P.
Attention: Mr. Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

RE: Colton "7" Fed Com #1 Well
N/2 of Section 7, T-21-S, R-27-E
Eddy County, New Mexico

Gentlemen:

Cimarex Energy Co. proposes to drill and complete the Colton "7" Fed Com #1 Well with a surface location of 1,250' FNL and 2,170' FWL of Section 7, T-21-S, R-27-E to a depth of 11,475' to test the Morrow formation. The bottom hole location is to be 1,250' FNL and 1,650' FWL of said Section 7. The estimated cost of this operation is \$2,176,248 as detailed more specifically in the attached AFE.

Please evidence your election by marking the appropriate space below and returning one (1) copy of this letter to the letterhead address. Should you elect to participate, we also ask that you return a signed AFE. Enclosed please find Cimarex's proposed Joint Operating Agreement covering the proposed operations, which also requires your review and execution, if acceptable.

Cimarex would also be willing to acquire your interest on mutually agreeable terms, please contact the undersigned at (432) 570-9622 to discuss this further of if you have any questions regarding this well proposal.

Sincerely,

Elizabeth E. Moses
Consulting Landman

Enclosures

Cimarex Energy Co.
508 W. Wall
Suite 600
Midland, Texas 79701-5073
PHONE 432.571.7823



May 26, 2005

CERTIFIED MAIL 70041160000699751408

Fidelity Exploration & Production Company
Attention: Mr. John Schiel
1700 Lincoln Street, Suite 4600
Denver, CO 80203

RE: Colton "7" Fed Com #1 Well
N/2 of Section 7, T-21-S, R-27-E
Eddy County, New Mexico

Gentlemen:

Cimarex Energy Co. proposes to drill and complete the Colton "7" Fed Com #1 Well with a surface location of 1,250' FNL and 2,170' FWL of Section 7, T-21-S, R-27-E to a depth of 11,475' to test the Morrow formation. The bottom hole location is to be 1,250' FNL and 1,650' FWL of said Section 7. The estimated cost of this operation is \$2,176,248 as detailed more specifically in the attached AFE.

Please evidence your election by marking the appropriate space below and returning one (1) copy of this letter to the letterhead address. Should you elect to participate, we also ask that you return a signed AFE. Enclosed please find Cimarex's proposed Joint Operating Agreement covering the proposed operations, which also requires your review and execution, if acceptable.

Cimarex would also be willing to acquire your interest on mutually agreeable terms, please contact the undersigned at (432) 570-9622 to discuss this further of if you have any questions regarding this well proposal.

Sincerely,

Elizabeth E. Moses
Consulting Landman

Enclosures

WELL ELECTION

____ I/WE ELECT TO PARTICIPATE IN CIMAREX'S WELL PROPOSAL OF THE COLTON "7" FED COM #1 WELL.

____ I/WE ELECT NOT TO PARTICIPATE IN CIMAREX'S WELL PROPOSAL OF THE COLTON "7" FED COM #1 WELL.

DEVON ENERGY PRODUCTION COMPANY, L.P.

By: _____

Date: _____

WELL ELECTION

____ I/WE ELECT TO PARTICIPATE IN CIMAREX'S WELL PROPOSAL OF THE COLTON "7" FED COM #1 WELL.

____ I/WE ELECT NOT TO PARTICIPATE IN CIMAREX'S WELL PROPOSAL OF THE COLTON "7" FED COM #1 WELL.

FIDELITY EXPLORATION & PRODUCTION COMPANY

By: _____

Date: _____

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy Production Company
Attention: Mr. Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

2. Article Number
(Trans)

7004 1160 0006 9975 1392

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

- ☐
- Agent
-
- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

- ☒
- Certified Mail
- ☐
- Express Mail
-
- ☐
- Registered
- ☐
- Return Receipt for Merchandise
-
- ☐
- Insured Mail
- ☐
- C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Fidelity Exploration & Production
Co
Attention: Mr. John Schiel
1700 Lincoln Street, Suite 4600
Denver, CO 80203

2. Arti
(Tra)

7004 1160 0006 9975 1408

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Carleen Kattenhorn

- ☐
- Agent
-
- ☐
- Addressee

B. Received by (Printed Name)

C. Date of Delivery

5-31-05

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☒
- Certified Mail
- ☐
- Express Mail
-
- ☐
- Registered
- ☐
- Return Receipt for Merchandise
-
- ☐
- Insured Mail
- ☐
- C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Elizabeth Moses

From: Gray, Ken (OKC) [Ken.Gray@dvn.com]
Sent: Monday, June 13, 2005 11:03 AM
To: emoses@pobox.com
Subject: Colton 7 Fed Com #1



Gray, Ken (grayk) -
06-13-05 -...

Elizabeth, per our telephone conversation, attached is a copy of a 5/22/74 JOA covering all of Section 7. The term of the JOA is for the life of the leases, so it looks like the JOA, and the associated contractual interests are still in effect for all leases except the Jeffers lease (NE/4 NW/4). Not sure how all of this fits together with the pooling application, but we'll look at it and get back to you. Let me know if questions.