

Robert Ready

From: Robert Ready
Sent: May 07, 2010 6:52 PM
To: 'Tully Davis'
Subject: Well Proposals-Taylor D 2,3,4,5-RAM Energy Inc-Section9-T17S-R32E, Lea Co., NM
Attachments: Proposal-Taylor D2,3,4,5-RAM.pdf; OA-Taylor D2,3,4,5 Proposal-COG 5-7-10, AAPL 1989-Individual Loss.pdf

RAM Energy, Inc.
Meridian Tower, Suite 650
5100 East Skelly Drive
Tulsa, Oklahoma 74135-6549

Dear Mr. Davis,

As previously communicated, our records reflect that RAM Energy, Inc. owns a 12.375% 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. Feel free to contact me to discuss options as to how we might obtain agreement with RAM pertaining to its interest in the subject lands.

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

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COG Operating LLC
Cases 14490, 14491, 14492 and
14493
Ex. 3

Robert Ready

From: Microsoft Exchange
To: Tully Davis
Sent: May 07, 2010 6:53 PM
Subject: Relayed: Well Proposals-Taylor D 2,3,4,5-RAM Energy Inc-Section9-T17S-R32E, Lea Co., NM

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

Tully Davis

Subject: Well Proposals-Taylor D 2,3,4,5-RAM Energy Inc-Section9-T17S-R32E, Lea Co., NM

Sent by Microsoft Exchange Server 2007

Robert Ready

From: Tully Davis [TDavis@ramenergy.com]
To: Robert Ready
Sent: May 07, 2010 7:15 PM
Subject: Read: Well Proposals-Taylor D 2,3,4,5-RAM Energy Inc-Section9-T17S-R32E, Lea Co., NM

Your message was read on Friday, May 07, 2010 7:15:19 PM (GMT-06:00) Central Time (US & Canada).



May 7, 2010

Sent via Email to 'tdavis@ramenergy.com' and
Federal Express Airbill # 8709 3258 2631

RAM Energy, Inc.
Attention: Mr. Tully Davis
5100 E. Skelly Drive, Suite 650
Tulsa, OK 74135-6559

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:

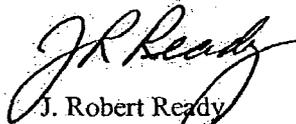
COG Operating LLC (“COG”) proposes to drill the above-referenced wells vertical tests of the Yeso formation, as follows:

- 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 1, 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



J. Robert Ready
Senior Landman

Enclosures: AFEs (4)
Operating Agreement

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #2	PROSPECT NAME: Maljamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMPM	COUNTY & STATE: Lea County, NM
FOOTAGE: 1650' FSL & 1650' FEL	OBJECTIVE: Yeso test (4 Fracs) 7000'

		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
INTANGIBLE COSTS				
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305	35,000
Drilling / Completion Overhead	206	2,500	306	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311	29,800
Water	212	14,000	312	46,000
Bits	213	24,000	313	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321	4,500
Casing Crews & Equipment	222	4,000	322	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327	17,000
Testing Casing/Tubing	228	1,800	328	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331	24,000
Stimulation/Treating (4 fracs)			332	369,000
Completion Unit			333	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335	41,000
Rentals-Subsurface	236	26,000	336	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	48,000
Welding Services	238	2,000	338	3,000
Water Disposal	239	500	339	3,500
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,065	343	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000
TANGIBLE COSTS				
Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503	154,000
Tubing			504	49,000
Wellhead Equipment	405	6,000	505	9,000
Pumping Unit			506	87,500
Prime Mover			507	0
Rods			508	21,376
Pumps			509	4,500
Tanks			510	3,000
Flowlines			511	5,000
Heater Treater/Separator			512	3,000
Electrical System			513	10,000
Packers/Anchors/Hangers	414		514	900
Couplings/Fittings/Valves	415		515	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	1,000
Contingency 5%	420	5,700	520	24,300
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC
By: 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.

Company:

By: _____
Printed Name: _____
Title: _____
Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #3	PROSPECT NAME: Majamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMPM	COUNTY & STATE: Lea County, NM
FOOTAGE: 2210' FNL & 1650' FEL	OBJECTIVE: Yeso test (4 Fracs) 7000'

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800		3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305	35,000
Drilling / Completion Overhead	206	2,500	306	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311	29,800
Water	212	14,000	312	46,000
Bits	213	24,000	313	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321	4,500
Casing Crews & Equipment	222	4,000	322	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327	17,000
Testing Casing/Tubing	228	1,800	328	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331	24,000
Stimulation/Treating (4 fracs)			332	369,000
Completion Unit			333	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335	41,000
Rentals-Subsurface	236	26,000	336	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	48,000
Welding Services	238	2,000	338	3,000
Water Disposal	239	500	339	3,500
Plug to Abandon	240		340	0
Selsmic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,085	343	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000
<u>TANGIBLE COSTS</u>				
Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503	154,000
Tubing			504	49,000
Wellhead Equipment	405	6,000	505	9,000
Pumping Unit			506	87,500
Prime Mover			507	0
Rods			508	21,376
Pumps			509	4,500
Tanks			510	3,000
Flowlines			511	5,000
Heater Treater/Separator			512	3,000
Electrical System			513	10,000
Packers/Anchors/Hangers	414		514	900
Couplings/Fittings/Valves	415		515	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	1,000
Contingency 5%	420	5,700	520	24,300
TOTAL TANGIBLES		118,700	367,376	488,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC
By: 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.

Company:

By:

Printed Name:

Title:

Date:

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #4	PROSPECT NAME: Maljamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMPM	COUNTY & STATE: Lea County, NM
FOOTAGE: 2120' FNL & 475' FEL	OBJECTIVE: Yeso test (4 Fracs) 7000'

<u>INTANGIBLE COSTS</u>		<u>BCP</u>	<u>ACP</u>	<u>TOTAL</u>
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305 5,000	35,000
Drilling / Completion Overhead	206	2,500	306 2,000	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311 1,000	29,800
Water	212	14,000	312 32,000	46,000
Bits	213	24,000	313 500	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319 30,000	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321 2,000	4,500
Casing Crews & Equipment	222	4,000	322 5,500	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325 10,000	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327 5,000	17,000
Testing Casing/Tubing	228	1,800	328 2,200	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331 24,000	24,000
Stimulation/Treating (4 fracs)			332 369,000	369,000
Completion Unit			333 20,000	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335 36,000	41,000
Rentals-Subsurface	236	28,000	336 10,000	38,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 8,000	48,000
Welding Services	238	2,000	338 1,000	3,000
Water Disposal	239	500	339 3,000	3,500
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,065	343 28,310	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000

<u>TANGIBLE COSTS</u>				
Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503 154,000	154,000
Tubing			504 49,000	49,000
Wellhead Equipment	405	6,000	505 3,000	9,000
Pumping Unit			506 87,500	87,500
Prime Mover			507	0
Rods			508 21,376	21,376
Pumps			509 4,500	4,500
Tanks			510 3,000	3,000
Flowlines			511 5,000	5,000
Heater Treater/Separator			512 3,000	3,000
Electrical System			513 10,000	10,000
Packers/Anchors/Hangers	414		514 900	900
Couplings/Fittings/Valves	415		515 7,000	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519 500	1,000
Contingency 5%	420	5,700	520 18,600	24,300
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC
By: 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.

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #5	PROSPECT NAME: Maljamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMPM	COUNTY & STATE: Lea County, NM
FOOTAGE: 1650' FSL & 330' FEL	OBJECTIVE: Yeso test (4 Fracs) 7100'

INTANGIBLE COSTS	BCP	ACP	TOTAL
Title/Curative/Permit	201 4,000		4,000
Insurance	202 3,800	302	3,800
Damages/Right of Way	203	303	0
Survey/Slake Location	204 2,500	304	2,500
Location/Pits/Road Expense	205 30,000	305 5,000	35,000
Drilling / Completion Overhead	206 2,500	306 2,000	4,500
Turnkey Contract	207	307	0
Footage Contract	208	308	0
Daywork Contract	209 175,000	309	175,000
Directional Drilling Services	210	310	0
Fuel & Power	211 28,800	311 1,000	29,800
Water	212 14,000	312 32,000	46,000
Bits	213 24,000	313 500	24,500
Mud & Chemicals	214 7,000	314	7,000
Drill Stem Test	215	315	0
Coing & Analysis	216		0
Cement Surface	217 15,500		15,500
Cement Intermediate #1	218 16,400		16,400
Cement Intermediate #2			0
Cement Production		319 30,000	30,000
Cement Squeeze	220	320	0
Float Equipment & Centralizers	221 2,500	321 2,000	4,500
Casing Crews & Equipment	222 4,000	322 5,500	9,500
Fishing Tools & Service	223	323	0
Geologic/Engineering	224	324	0
Contract Labor	225 3,000	325 10,000	13,000
Company Supervision	226	326	0
Contract Supervision	227 12,000	327 5,000	17,000
Testing Casing/Tubing	228 1,800	328 2,200	4,000
Mud Logging Unit	229 6,000	329	6,000
Logging	230 15,000	330	15,000
Perforating/Wireline Services	231	331 24,000	24,000
Stimulation/Treating (4 fracs)		332 369,000	369,000
Completion Unit		333 20,000	20,000
Swabbing Unit		334	0
Rentals-Surface	235 5,000	335 36,000	41,000
Rentals-Subsurface	236 26,000	336 10,000	36,000
Trucking/Forklift/Rig Mobilization	237 40,000	337 8,000	48,000
Welding Services	238 2,000	338 1,000	3,000
Water Disposal	239 500	339 3,000	3,500
Plug to Abandon	240	340	0
Seismic Analysis	241	341	0
Closed Loop & Environmental	244 100,000	344	100,000
Miscellaneous	242	342	0
Contingency 5%	243 27,065	343 28,310	55,375
TOTAL INTANGIBLES	569,000	595,000	1,163,000
TANGIBLE COSTS			
Surface Casing	401 31,200		31,200
Intermediate Casing #1	402 75,300		75,300
Intermediate Casing #2			0
Production Casing/Liner		503 154,000	154,000
Tubing		504 49,000	49,000
Wellhead Equipment	405 6,000	505 3,000	9,000
Pumping Unit		506 87,500	87,500
Prime Mover		507	0
Rods		508 21,376	21,376
Pumps		509 4,500	4,500
Tanks		510 3,000	3,000
Flowlines		511 5,000	5,000
Heater Treater/Separator		512 3,000	3,000
Electrical System		513 10,000	10,000
Packers/Anchors/Hangers	414	514 900	900
Couplings/Fittings/Valves	415	515 7,000	7,000
Gas Compressors/Meters		516	0
Dehydrator		517	0
Injection Plant/CO2 Equipment		518	0
Miscellaneous	419 500	519 500	1,000
Contingency 5%	420 5,700	520 18,600	24,300
TOTAL TANGIBLES	118,700	367,376	486,076
TOTAL WELL COSTS	688,000	963,000	1,650,000

COG Operating LLC
By: 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.

Company:

By: _____
Printed Name: _____
Title: _____
Date: _____

Robert Ready

From: Robert Ready
Sent: May 24, 2010 11:29 AM
To: 'Jane Meyer'
Cc: 'Tully Davis'
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Ms. Meyer,

Our records reflect that RAM Energy Inc. owns a 12.375% (19.8 net acre) mineral interest in the S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea County, New Mexico, containing 160 acres, more or less, as to depths below the base of the unitized interval in the Maljamar Grayburg Unit. COG desires to obtain RAM's participation in the subject wells or work towards a lease or other agreement covering your mineral interest.

Because we have a commitment to commence drilling on the subject lands soon, COG has initiated a compulsory pooling action before the NM Oil Conservation Division. You should receive notice of that application soon and the hearing scheduled on June 10. Please be advised that while proceeding with the pooling action, we will work with RAM to reach a mutually acceptable, voluntary agreement, covering the subject mineral interest.

Thank you for your cooperation and efforts in this matter. Feel free to contact me with your questions about the same and to discuss an agreement covering the RAM interest.

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

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From: Jane Meyer [mailto:JMeyer@ramenergy.com]
Sent: May 18, 2010 2:21
To: Robert Ready
Subject: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

We are in receipt of your well proposals covering the above referenced wells. Our records reflect that RAM currently owns 30 net mineral acres in the 160 acres covered by said well proposals currently held by the Maljamar Grayburg Unit (down to the base of the San Andres Formation). Our (very old) files contain information up to 1973, so I thought I better check with you as to what our interest would be the proposed wells before I submit the proposals to our engineers for their evaluation.

Thanks!

Jane A. Meyer, CPL
Senior Landman
RAM Energy, Inc.

Robert Ready

From: Robert Ready
Sent: June 03, 2010 10:58 AM
To: 'Jane Meyer'; 'Tully Davis'
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Just a note to follow up on the Taylor D well proposals and lease offer. Please contact me with the results of RAM's evaluation of the same and to discuss possible alternatives.

Thank you,

J. Robert Ready
COG OPERATING LLC

From: Robert Ready
Sent: June 01, 2010 3:07
To: 'Jane Meyer'; 'Tully Davis'
Subject: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Ms. Meyer and Mr. Davis,

In connection with our desire to obtain RAM's participation in the subject wells or work towards a lease or other agreement covering your mineral interest, please advise COG of the status of your review of the matter.

As an alternative to participation in the wells or compulsory pooling, COG Operating LLC hereby offers to purchase an oil and gas lease from RAM Energy Inc. on the following terms:

- Bonus consideration of \$250 per net mineral acre for a paid-up lease with primary term of 3 years, providing for 1/4 royalty.
- 180 day continuous development.
- Pugh and depth release after expiration of the primary term or continuous development, whichever is later.
- Subject to approval of title, including confirmation that the mineral interest is free of any mortgages, liens and encumbrances or subordination of the same to the lease.
- A proposed form of oil and gas lease is attached to this message.

Your cooperation will be appreciated. Should you have questions or desire to discuss the matter, do not hesitate to contact me.

Regards,

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

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From: Robert Ready
Sent: May 24, 2010 11:29
To: 'Jane Meyer'
Cc: 'Tully Davis'
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Ms. Meyer,

Our records reflect that RAM Energy Inc. owns a 12.375% (19.8 net acre) mineral interest in the S/2 NE/4, N/2 SE/4 of Section 9-T17S-R32E, NMPM, Lea County, New Mexico, containing 160 acres, more or less, as to depths below the base of the unitized interval in the Maljamar Grayburg Unit. COG desires to obtain RAM's participation in the subject wells or work towards a lease or other agreement covering your mineral interest.

Because we have a commitment to commence drilling on the subject lands soon, COG has initiated a compulsory pooling action before the NM Oil Conservation Division. You should receive notice of that application soon and the hearing scheduled on June 10. Please be advised that while proceeding with the pooling action, we will work with RAM to reach a mutually acceptable, voluntary agreement, covering the subject mineral interest.

Thank you for your cooperation and efforts in this matter. Feel free to contact me with your questions about the same and to discuss an agreement covering the RAM interest.

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

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From: Jane Meyer [mailto:JMeyer@ramenergy.com]
Sent: May 18, 2010 2:21
To: Robert Ready
Subject: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

We are in receipt of your well proposals covering the above referenced wells. Our records reflect that RAM currently owns 30 net mineral acres in the 160 acres covered by said well proposals currently held by the Maljamar Grayburg Unit (down to the base of the San Andres Formation). Our (very old) files contain information up to 1973, so I thought I better check with you as to what our interest would be the proposed wells before I submit the proposals to our engineers for their evaluation.

Thanks!

Jane A. Meyer, CPL
Senior Landman
RAM Energy, Inc.
5100 E. Skelly Drive, Suite 650
Tulsa, OK 74135-6549

Robert Ready

From: Jane Meyer [JMeyer@ramenergy.com]
To: Robert Ready
Sent: June 01, 2010 3:03 PM
Subject: Read: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Your message was read on Tuesday, June 01, 2010 3:03:05 PM (GMT-06:00) Central Time (US & Canada).

Robert Ready

From: Robert Ready
Sent: June 03, 2010 2:09 PM
To: 'Tully Davis'; 'Jane Meyer'
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Tully,

Thanks for taking time to respond, I know the demands that can occur during an acquisition. Jane Meyer also responded by email (from iPhone), saying she would contact me this afternoon. I look forward to discussing the matter with either of you, but will be in meetings most of the afternoon making it difficult to connect. Please try anyway, we can fall back to tomorrow morning if today doesn't work.

J. Robert Ready
COG OPERATING LLC

From: Tully Davis [mailto:TDavis@ramenergy.com]
Sent: June 03, 2010 1:42
To: Robert Ready
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Robert,

Jane is in the field today. I am tied up on an acquisition. We are not going to participate. I will talk to Jane tomorrow.

Tully

From: Robert Ready [mailto:rready@conchoresources.com]
Sent: Thursday, June 03, 2010 10:58 AM
To: Jane Meyer; Tully Davis
Subject: RE: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Just a note to follow up on the Taylor D well proposals and lease offer. Please contact me with the results of RAM's evaluation of the same and to discuss possible alternatives.

Thank you,

J. Robert Ready
COG OPERATING LLC

From: Robert Ready
Sent: June 01, 2010 3:07
To: 'Jane Meyer'; 'Tully Davis'
Subject: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Ms. Meyer and Mr. Davis,

In connection with our desire to obtain RAM's participation in the subject wells or work towards a lease or other agreement covering your mineral interest, please advise COG of the status of your review of the matter.

As an alternative to participation in the wells or compulsory pooling, COG Operating LLC hereby offers to purchase an oil and gas lease from RAM Energy Inc. on the following terms:

Robert Ready

From: Jane Meyer [JMeyer@ramenergy.com]
Sent: June 03, 2010 12:09 PM
To: Robert Ready
Subject: Re: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

I am out in the field this morning, but will be in this afternoon. I will contact you later to talk about your proposed lease.

Sent from my iPhone

On Jun 3, 2010, at 10:54 AM, "Robert Ready" <rready@conchoresources.com> wrote:

Just a note to follow up on the Taylor D well proposals and lease offer. Please contact me with the results of RAM's evaluation of the same and to discuss possible alternatives.

Thank you,

J. Robert Ready

COG OPERATING LLC

From: Robert Ready
Sent: June 01, 2010 3:07
To: 'Jane Meyer'; 'Tully Davis'
Subject: Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Ms. Meyer and Mr. Davis,

In connection with our desire to obtain RAM's participation in the subject wells or work towards a lease or other agreement covering your mineral interest, please advise COG of the status of your review of the matter.

As an alternative to participation in the wells or compulsory pooling, COG Operating LLC hereby offers to purchase an oil and gas lease from RAM Energy Inc. on the following terms:

- Bonus consideration of \$250 per net mineral acre for a paid-up lease with primary term of 3 years, providing for $\frac{1}{4}$ royalty.