



August 11, 2009

**VIA FEDERAL EXPRESS**  
**AND FACSIMILE (405) 552-8113**

Devon Energy Production Co., LP  
20 N. Broadway, Suite 1500  
Oklahoma City, OK 73102  
Attn: Katie McDonnell

RE: Big Game Prospect  
Blackhawk "11" Federal Com #1  
S2S2 of Section 11-T16S-R28E  
Eddy County, New Mexico

Dear Ms. McDonnell:

COG Operating LLC (hereinafter referred to as Concho) hereby propose the drilling of a horizontal well to a depth sufficient to adequately test the Crow Flats Abo formation at an anticipated total vertical depth of 6680' and total measured depth being approximately 11,130'. The surface location for this well has been permitted at 430' FSL & 430' FWL with a bottomhole location at 330' FSL & 330' FEL with the dedicated project area being the S2S2 of Section 11, Township 16 South, Range 28 East, Eddy County, New Mexico. Included herein is our AFE dated August 10, 2009 as well as a copy the submitted Permit to Drill.

We ask that you join Concho to the full extent of your interest in the drilling, testing and completing of this proposed well by indicating your acceptance in the space provided.

However, in the event you do not wish to participate, Concho respectfully requests that you consider as an alternative either of the below proposals:

**Proposal 1:**

Concho would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Devon Energy Production Co., LP's or its entity's of record contractual and leasehold interests situated in Section 11-T16S-R28E, Eddy County, New Mexico.

**Proposal 2:**

Devon Energy Production Co., LP or its entity of record will farmout all of its contractual and leasehold interests in Section 11-T16S-R28E, Eddy County, New Mexico, retaining an

overriding royalty interest equal to the difference between existing lease burdens of record and twenty percent (20%), proportionately reduced.

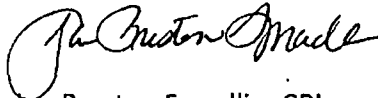
Please indicate below the option of your choice below, sign and return this letter at your earliest convenience to my attention by any of the following methods:

- US Mail – 550 West Texas Avenue, Suite 1300, Midland, Texas 79701
- Fax – 432.685.4398
- Email – Jspradlin@conchoresources.com

Should you have any questions, please do not hesitate to contact me at 432.683.7443.

Very truly yours,

COG Operating LLC



Jan Preston Spradlin, CPL  
Senior Landman

- \_\_\_\_\_ I/We hereby elect to participate in the Blackhawk "11" Federal Com #1
- \_\_\_\_\_ I/We hereby elect not to participate in the Blackhawk "11" Federal Com #1
- \_\_\_\_\_ I/We hereby elect to pursue Proposal 1
- \_\_\_\_\_ I/We hereby elect to pursue Proposal 2

DEVON ENERGY PRODUCTION CO., LP

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_