



April 22, 2010

**HAND DELIVERY**

Cimarex Energy Co.  
600 N. Marienfeld, Suite 600  
Midland, TX 79701  
Attention: Hayden Tresner

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Dear Hayden:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

We ask that you join COG 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, COG respectfully requests that you consider as an alternative either of the below proposals:

**Proposal 1:**

COG would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Cimarex Energy Co.'s or its entity's of record contractual and leasehold interests situated in Section 3-T15S-R31E, Chaves County, New Mexico.

**Proposal 2:**

Cimarex Energy Co.'s or its entity of record will farmout all of its contractual and leasehold interests in Section 3-T15S-R31E, Chaves County, New Mexico, retaining an overriding royalty interest equal to the difference between existing lease burdens and 80%, proportionately reduced and will retain the right to convert said overriding royalty interest to a twenty percent (20%) proportionately reduced working interest in subsequent proration units drilled in said section.

**NMOCD CASE 14500  
COG EXH. 4**

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 100, 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 Leo 3 Fed Co #1H  
\_\_\_\_\_ I/We hereby elect not to participate in the Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect to pursue Proposal 1  
\_\_\_\_\_ I/We hereby elect to pursue Proposal 2

CIMAREX ENERGY CO.

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

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

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

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

**HAND DELIVERY**

Cimarex Energy Co.  
600 N. Marienfeld, Suite 600  
Midland, TX 79701  
Attention: Hayden Tresner

Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H Well Proposal  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

RECEIVED this 27 day of April, 2010.

By: Radio Garden



April 22, 2010

**VIA CERTIFIED MAIL**

Chisos, Ltd.  
1221 Lamar, Suite 1600  
Houston, TX 77010  
Attention: Sue Ann Craddick

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Dear Sue Ann:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

We ask that you join COG 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, COG respectfully requests that you consider entering into an Oil and Gas Lease on a mutually agreeable lease form for a term of 1 year, 1/5<sup>th</sup> royalty and \$500 per acre bonus.

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 100, 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 Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect **not** to participate in the Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect to enter into a mutually agreeable Oil and Gas Lease with COG

CHISOS, LTD.

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

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

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

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



550 West Texas Avenue, Suite 100  
Midland, Texas 79701

Chisos, Ltd.  
670 Dona Ana Road SW  
Deming, New Mexico 88030  
Attn: Sue Ann Craddick



UNITED STATES POSTAGE  
02 1P  
0003055926 APR 22 2010  
MAILED FROM ZIP CODE 79701  
PITNEY BOWES  
\$ 009.85<sup>0</sup>

**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:

Chisos, Ltd.  
670 Dona Ana Road SW  
Deming, New Mexico 88030  
Attn: Sue Ann Craddick

2. Article N  
(Transfer)

91 7108 2133 3937 3749 5328

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*Sherril Hoskins* ☒ Agent ☐ Addressee  
B. Received by (Printed Name) *SHERRIL HOSKINS* C. Date of Delivery *4-26*  
D. Is delivery address different from item 1? ☐ Yes ☒ No  
If YES, enter delivery address below:

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**

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1. Article Addressed to:

Chisos, Ltd.  
670 Dona Ana Road SW  
Deming, New Mexico 88030  
Attn: Sue Ann Craddick

PS Form 3811, February 2004

Domestic Return Receipt

2. Article N  
(Transfer)

91 7108 2133 3937 3749 5328

102595-02-14-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☐ Agent ☐ Addressee  
B. Received by (Printed Name) C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type  
☐ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes



April 29, 2010

Via FedEx  
~~VIA CERTIFIED MAIL~~

The Blanco Company  
110 2<sup>nd</sup> Street, SW  
Albuquerque, NM 87102

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Gentlemen:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

We ask that you join COG 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, COG respectfully requests that you consider entering into an Oil and Gas Lease on a mutually agreeable lease form for a term of 1 year, 1/5<sup>th</sup> royalty and \$500 per acre bonus.

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 100, 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 Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect not to participate in the Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect to enter into a mutually agreeable Oil and Gas Lease with COG

THE BLANCO COMPANY

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

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

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

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





April 22, 2010

**VIA CERTIFIED MAIL**

The Blanco Company  
P. O. Box 3010  
Ruidoso, NM 88355

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Gentlemen:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

We ask that you join COG 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, COG respectfully requests that you consider entering into an Oil and Gas Lease on a mutually agreeable lease form for a term of 1 year, 1/5<sup>th</sup> royalty and \$500 per acre bonus.

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 100, Midland, Texas 79701
- Fax – 432.685.4398
- Email – Jspradlin@conchoresources.com



April 22, 2010

**VIA CERTIFIED MAIL**

Thomas E. Jennings  
P. O. Box 1797  
Roswell, NM 88201

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Gentlemen:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

We ask that you join COG 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, COG respectfully requests that you consider as an alternative either of the below proposals:

**Proposal 1:**

COG would be interested in purchasing, subject to reaching mutually agreeable price and terms, all of Thomas E. Jennings' contractual and leasehold interests situated in Section 3-T15S-R31E, Chaves County, New Mexico.

**Proposal 2:**

Thomas E. Jennings will farmout all of his contractual and leasehold interests in Section 3-T15S-R31E, Chaves County, New Mexico, retaining an overriding royalty interest equal to the difference between existing lease burdens and 80%, proportionately reduced and will retain the right to convert said overriding royalty interest to a twenty percent (20%) proportionately reduced working interest in subsequent proration units drilled in said section.

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 100, 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 Leo 3 Fed Co #1H  
\_\_\_\_ I/We hereby elect not to participate in the Lea 3 Fed Com #1H  
\_\_\_\_ I/We hereby elect to pursue Proposal 1  
\_\_\_\_ I/We hereby elect to pursue Proposal 2

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

THOMAS E. JENNINGS

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



**CONCHO**  
550 West Texas Avenue, Suite 100  
Midland, Texas 79701

|||||  
Thomas E. Jennings  
P. O. Box 1797  
Roswell, NM 88201

**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:

|||||  
Thomas E. Jennings  
P. O. Box 1797  
Roswell, NM 88201

*Guo 3 Jc #1H*

2. 91 7108 2133 3937 3749 5311

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
*X Kay Sader* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Kay Sader* C. Date of Delivery *4.27.10*

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

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

|||||  
Thomas E. Jennings  
P. O. Box 1797  
Roswell, NM 88201

PS Form 3811, February 2004

Domestic Return Receipt

2. 91 7108 2133 3937 3749 5311

**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 ☐ No  
If YES, enter delivery address below:

3. Service Type

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

4. Restricted Delivery? (Extra Fee) ☐ Yes



April 22, 2010

**VIA CERTIFIED MAIL**

First Roswell Company  
c/o J F Management Company  
111 South Kentucky Ave.  
P. O. Box 1797  
Roswell, NM 88202-1797

RE: Turkey Track Prospect (720018)  
Leo 3 Fed Com #1H  
S2S2 of Section 3-T15S-R31E  
Chaves County, New Mexico

Gentlemen:

COG Operating LLC (COG) hereby proposes the drilling of a horizontal well to a depth sufficient to adequately test the Lower Abo/Wolfcamp formation at an anticipated total vertical depth of 8775' and total measured depth being approximately 13,450'. The surface location for this well is proposed at 660' FSL & 430' FEL with a bottomhole location situated at 660' FSL & 330' FWL with the dedicated project area being the S2S2 of Section 3, Township 15 South, Range 31 East, Chaves County, New Mexico. Included herein is our AFE dated April 20, 2010, as well as our proposed form of Operating Agreement.

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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 100, 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 Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect not to participate in the Leo 3 Fed Com #1H  
\_\_\_\_\_ I/We hereby elect to enter into a mutually agreeable Oil and Gas Lease with COG

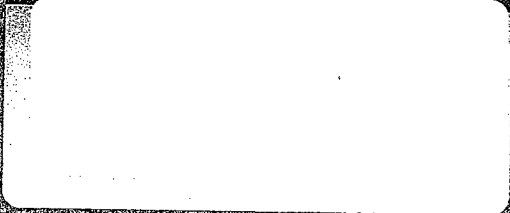
FIRST ROSWELL COMPANY

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

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

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

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



UNITED STATES POSTAGE  
PITNEY BOWES  
02 1P  
0003055926  
MAILED FROM ZIP CODE 79701  
\$ 009.85<sup>0</sup>  
APR 22 2010



550 West Texas Avenue, Suite 100  
Midland, Texas 79701



First Roswell Company  
c/o J F Management Company  
111 South Kentucky Ave.  
P. O. Box 1797  
Roswell, NM 88202-1797

**SENDER: COMPLETE THIS SECTION**

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:



First Roswell Company  
c/o J F Management Company  
111 South Kentucky Ave.  
P. O. Box 1797  
Roswell, NM 88202-1797

2. Art. *91 7108 2133 3937 3795 5501*  
(Tr)

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature *X Ray Snada* ☐ Agent ☐ Addressee
- B. Received by (Printed Name) *Ray Snada* C. Date of Delivery *4-27-10*
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

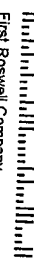
3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:



First Roswell Company  
c/o J F Management Company  
111 South Kentucky Ave.  
P. O. Box 1797  
Roswell, NM 88202-1797

PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*X*

B. Received by (Printed Name)

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

☐ Agent ☐ Addressee

C. Date of Delivery

3. Service Type

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

4. Restricted Delivery? (Extra Fee) ☐ Yes

102595-02-M-1540