

From: Brent Sawyer
Sent: Tuesday, November 18, 2014 10:32 AM
To: Randy Howard (rhoward@nearburg.com)
Cc: Aaron Myers
Subject: SRO correction term assignment
Attachments: Nearburg Correction Term Asmt.docx

Randy:

Attached you should find the form of correction assignment we hope you will find acceptable. As we discussed a few weeks ago in our meeting, this correction will be to tie the term of the assignment to the Unit Operating Agreement (which will persist as long as any contributed leases persist), instead of to the Unit Agreement (already voluntarily dissolved). I think everything should be acceptable except there are probably some changes to the well information requirements on "Exhibit A"?

If you would like any changes go right ahead but please track them.

Thanks

Brent Sawyer, RPL
Land Specialist
nearburg
Concho Center
1000 W. Illinois Avenue
Midland, Texas 79701
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Correction Term Assignment of Oil and Gas Lease

By Term Assignment of Oil and Gas Lease dated effective July 1, 2009, recorded in Book 790, Page 530 of the Official Public Records of Eddy County, New Mexico (the "Original Assignment"), Nearburg Exploration Company, assigned to Marbob Energy Corporation an undivided interest in that certain Oil & Gas Lease (the "Lease") covering the W/2 of Section 20, Township 26 South, Range 28 East, N.M.P.M., described in further detail herein below. Following the execution and recording of the Original Assignment certain errors were identified in the Original Assignment.

Assignor and Assignee identified herein below, agree to correct and replace the Original Assignment as follows:

For consideration paid, the receipt and sufficiency of which are hereby acknowledged, Nearburg Exploration Company, L.L.C. ("Assignor"), whose address is P. O. Box 823085, Dallas, Texas 75382-3085, does hereby grant, bargain, sell, assign and convey to COG Operating LLC, as successor-in-interest to Marbob Energy Corporation ("Assignee"), whose address is 600 West Illinois Ave., Midland, TX 79701, subject to the terms and provisions and the exceptions and reservations hereinafter set forth, the entire interest in and to that certain oil and gas lease (the "Lease") from State of New Mexico, as Lessor, to Nearburg Exploration Company, L.L.C., as Lessee, State of New Mexico Serial No. V0-7450 dated July 1, 2005, covering the following described lands in Eddy County, New Mexico:

Township 26 South, Range 28 East, N.M.P.M.

Section 20: W/2

containing 320.00 acres, more or less

limited to the interval from the surface down to the base of the Bone Spring Formation, as defined in the Unit Operating Agreement hereinafter described;

together with such contractual rights, easements, rights of way and other rights held by Assignor as are necessary or convenient to the development and operation of said lands for the production of oil and gas (the interest and other rights being assigned hereby being collectively referred to herein as the "Subject Interests"). Assignor expressly retains such rights and easements as may be necessary to its own development and operation of the lands and depths covered by said lease that are not conveyed hereby, or which may revert to Assignor as hereinafter provided.

This Assignment is made subject to all royalty, overriding royalty and other burdens affecting the Subject Interests. In addition, Assignor excepts from this Assignment and reserves to itself an overriding royalty interest equal to the difference between (a) twenty-five percent (25%) of 8/8 of the oil and gas that may be produced, saved and marketed from said lands and (b) the aggregate of all royalty, overriding royalty, production payment and other non-cost-bearing interests now existing as burdens against the interest assigned hereby. The overriding royalty interest (i) shall be computed and paid at the same time and in the same manner as royalty payable to the lessor under the terms of the applicable oil and gas lease is computed and paid, (ii) shall bear its proportionate share of all taxes and assessments levied upon or against or measured by the production of oil and gas therefrom, and (iii) shall be proportionately reduced if and to the extent that this Assignment conveys to Assignee less than the full and undivided oil and gas working interest leasehold in such lands or any part thereof. The reservation of the overriding royalty interest shall imply no leasehold preservation, drilling or development obligation on the part of Assignee. No change in the ownership of the overriding royalty interest shall be binding on Assignee until Assignee has been furnished either the original, a certified copy, or a legible reproduced copy of the recorded instrument or instruments effecting the change in ownership.

The rights and interests assigned hereby shall be limited to a term commencing on the effective date hereof and extending so long thereafter as the Lease remains subject to the Unit Operating Agreement hereinafter described, according to the terms of the Unit Operating Agreement.

During the drilling of any well located on the Subject Interests or on lands covered by the Unit Operating Agreement, Assignor's authorized representatives shall have access at all times to each well, but such access shall be at Assignor's sole risk and expense. In addition, Assignor shall have access to all cores, cuttings, logs and other information of whatever nature obtained during the drilling of such well. Assignee further agrees to furnish Assignor daily drilling reports and other pertinent well information and data as specified in the "Well Information Requirements" attached hereto and made a part hereof as Exhibit "A", with respect to all wells drilled on the Subject Interests or on lands covered by the Unit Operating Agreement.

The Subject Interests and Assignor's reserved overriding royalty interest shall, during the term of this Assignment and not thereafter, be subject to the terms and provisions of that certain Unit Operating Agreement dated May 8, 2009 naming Marbob Energy Corporation as Operator of the prospect area identified as the SRO State Exploratory Unit (the "Unit Operating Agreement"). Oil and gas produced from lands embraced by said Unit Operating Agreement shall be allocated to the Subject Interests and to Assignor's overriding royalty interest as provided therein, and oil and gas production and operations on any such lands shall, while the Subject Interests remain subject to the Unit Operating Agreement, be considered as though taking place on the lands described in the lease or leases assigned hereby (except for purposes of the allocation of oil and gas produced therefrom).

Assignor warrants and agrees to defend title to the interests assigned hereby against all persons claiming or to claim the same by, through and under Assignor but not otherwise. This assignment shall be binding on the parties hereto and their respective successors and assigns.

Executed on the dates of Assignor's and Assignee's respective acknowledgments annexed hereto, but effective as of July 1, 2009.

COG Operating LLC
Mona Ables
Vice President of Land

Nearburg Exploration Company, LLC
Randy Howard
Land Manager

Concho Oil & Gas LLC
Mona Ables
Vice President of Land

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me this ___ day of _____, 20__, by Mona D. Ables, Vice President of Land of COG Operating LLC, a Delaware limited liability company, on behalf of said company.

Notary Public of the State of Texas
My Commission expires: _____

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me this ___ day of _____, 20__, by Mona D. Ables, Vice President of Land of Concho Oil & Gas LLC, a Texas limited liability company, on behalf of said company.

Notary Public of the State of Texas
My Commission expires: _____

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was acknowledged before me this ___ day of _____, 20__, by Randy Howard, Land Manager of Nearburg Exploration Company L.L.C., a Texas limited liability company, on behalf of said company.

Notary Public of the State of Texas
My Commission expires: _____

Exhibit "A"

Attached to and made a part of that certain Term Assignment dated effective July 1, 2009, Nearburg Exploration Company, L.L.C., Assignor, COG Operating LLC, Assignee

WELL INFORMATION REQUIREMENTS

Well Name: Footage
Location:
County/State: Lea/New Mexico
Operator: Marbob Exploration Company

Operator agrees to furnish to Nearburg Exploration Company, L.L.C. and Nearburg Producing Company the information requested herein, to reasonably observe the requests made herein by Nearburg, and to allow Nearburg the rights and privileges set forth below.

A. DRILLING AND MUDLOGGER REPORTS:

Copies of any and all daily drilling and mudlogger reports containing current depth and status, general summary, deviation surveys, mud properties, daily and cumulative costs, background gas and drilling break intervals in which a show is present with a description of show and the lithology containing the show. Daily well and mudlogger reports should be e-mailed daily by 10:30 a.m. CST and, if requested, a weekly recap mailed/faxed to the following:

NEARBURG EXPLORATION COMPANY, L.L.C.
Drilling Reports
3300 N. "A" Street, Building 2, Suite 120
Midland, Texas 79705
Attn: Sarah Jordan sjordan@nearburg.com
FAX: (432) 687-4130

NEARBURG EXPLORATION COMPANY, L.L.C.
Mudlogs and Electric Logs
3300 N. "A" Street, Building 2, Suite 120
Midland, Texas 79705
Attn: Johnny Reyes jreyes@nearburg.com and to
Bill Elton, belton@nearburg.com
FAX: (432) 687-5403

B. WELLDATA

The following listed data should be mailed as follows:

	NEARBURG EXPLORATION COMPANY, L.L.C. 3300 N. "A" Street, Building 2, Suite 120 Midland, Texas 79705 Attn: Johnny Reyes, Bill Elton, Butch Willis or S. Jordan, as designated below	NEARBURG PRODUCING COMPANY P. O. Box 823085 Dallas, Texas 75382-3085 Attn: Duane Davis
		MIDLAND DALLAS
1.	Copy of survey plats, permit to drill, and other regulatory forms and letters filed with any governmental agencies.	Sarah Jordan (1) 0
2.	Copy of the drilling and completion procedures 48 hours prior to commencement of operation.	Butch Willis (1) Duane Davis (1)
3.	Copy of daily mud logs.	Johnny Reyes (1) Duane Davis (1)
4.	Copies of the final mud log.	Johnny Reyes (2) Duane Davis (1)
5.	Copies of the field prints of all logs run in the well.	Johnny Reyes (1) Duane Davis (1)
	Put LAS & PDS Print Files (including repeat section) on Interact. belton@nearburg.com .	Notify Bill Elton @
6.	Copies of the final composite prints of all logs run in well.	Johnny Reyes (1) Duane Davis (1)
7.	Copy of well log customer diskette 3 1/2" LAS format or CD.	Johnny Reyes (1) Duane Davis (1)
8.	One initial and final copy of any DST, coring, sample analysis, formation fluid analysis, or test reports on the well.	Bill Elton (1) Duane Davis (1)
9.	Upon request, well history at completion of the well.	Sarah Jordan (1) Duane Davis (1)

Well Information Requirements

		MIDLAND	DALLAS
10.	Copy of the bit record and mud recap.	Butch Willis (1)	0
11.	One copy of Operator's State Production Report (monthly)	Sarah Jordan (1)	0
12.	One sample cut of all samples, if any, collected by mudlog crew	Johnny Reyes (1)	0
13.	One (1) completed slabbed section of any whole core ("chips" from those portions removed for special analysis).	Johnny Reyes (1)	0
15.	One (1) copy each of all title opinions, governmental OCD examiner and commission hearing orders and curative instruments covering the spacing unit for the well should be sent to:		

NEARBURG EXPLORATION COMPANY, L.L.C.
 3300 N. "A", Building 2, Suite 120
 Midland, Texas 79705
 Attn: Terry Gant

NEARBURG PRODUCING COMPANY
 P. O. Box 823085
 Dallas, Texas 75382-3085
 Attn: Kathie Craft

C. NOTIFICATION:

- Nearburg should receive 24-hour notice of the following events: spudding, wireline logging, open hole testing, coring, or plugging of the well. Notification should be by phone to one of the following persons, in the order indicated:

	OFFICE	HOME	CELL
Bill Elton (Geology)	(432) 818-2920	(432) 697-9923	(432) 528-9749
Tim Speer (Engineering)	(432) 818-2930	(432) 694-6749	(432) 528-8036
Terry Gant (Land)	(432) 818-2901	(432) 687-4744	(432) 528-1121

- If you anticipate a major decision (plugging, casing point, etc.) that involves Nearburg over a weekend or holiday, please notify Bill Elton, Tim Speer or Terry Gant by phone (in the order listed).
- For after-hours **EMERGENCIES**, please dial: 800-451-8235. If this number does not pick up dial: 432-688-0883. Follow instructions to leave an Emergency Message. An automatic system will activate personnel pagers company wide.
- SLB InterACT- Request access for Bill Elton and Tim Speer. D.

ACCESS TO LOCATION

Nearburg Producing Company and Nearburg Exploration Company, L.L.C., its employees, consultants, or agents, shall have full and free access to the drilling location to include the derrick floor AND mudlogging unit at all times, without notice, and all well operation and information obtained or conducted during the drilling, completing or producing life of any well to which Nearburg is entitled to receive such well information.

E. SPECIAL REQUIREMENTS FOR ADDITIONAL WELL INFORMATION

Nearburg Producing Company and Nearburg Exploration Company, L.L.C. reserve the right to run a velocity survey, acoustic surveys, or other well bore logs or tests including the Schlumberger hi-res density and FMI for spot ELAN analysis and DST(s) to its satisfaction if not run by the operator, or in the case where operator runs same, operator shall furnish to Nearburg all such information or surveys. In addition, Nearburg may require operator to run a two-man mudlogging unit.

F. WELL PROGNOSIS

Prior to any operation, Operator shall furnish to Nearburg, a well/completion prognosis specifying in reasonable detail the procedure of work for the proposed operation. Such prognosis shall be sent to Nearburg not later than 48 hours prior to commencement of any such operation.

In the event that any of the requirements herein are unacceptable to Operator, Operator should contact Terry Gant at the numbers and/or address specified above.