

Nearburg Exploration Company, L.L.C.

Oil and Gas Exploration
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705-5421
432-686-8235
FAX 432-686-7806

June 10, 2015

COG Operating LLC
Attn: Mr. Aaron Myers
One Concho Center
600 W. Illinois Avenue
Midland, Texas 79701

Hand Delivery

Re: Communitization Agreements
SRO State Comm #43H & 44H Wells
Eddy County, New Mexico
Sections 17 & 20, T-26-S, R-28-E, N.M.P.M.

Dear Aaron:

Pursuant to our correspondence to you dated May 28, 2015, Nearburg Exploration Company, L.L.C. ("Nearburg") is in receipt of revised Communitization Agreements for the SRO State Com #43H and the SRO State Com #44H, (collectively the "Agreements").

Nearburg owns an interest in the SRO State Com #43 H and SRO State Com #44H wells (collectively the "Wells") by way of Nearburg's State of New Mexico Lease #VO-7450-0001 covering the W/2 of Section 20, T-26-S, R-28-E, N.M.P.M., Eddy County, New Mexico (the "Lease"). The Lease was subject to a Term Assignment of Oil and Gas Lease from Nearburg in favor of Marbob Energy Corporation (now COG) recorded in Book 790, Page 530 of the records of Eddy County, New Mexico (the "Term Assignment"). **The Term Assignment has expired by its own terms and has not been extended.**

Nearburg requested and COG has advised us that we have been furnished with all emails and other written communications between COG and the New Mexico State Land Office (the "Office") regarding Nearburg and the Agreements. In addition COG has agreed to amend the Communitization Agreements on the above wells to be restricted to the 2nd Bone Spring interval as Nearburg proposed.

In an effort to further evaluate our working interest in the Wells, Nearburg requests it be provided with the following 8⁸th information for the Wells:

- a) Daily production (including any FTP or FCP pressure data that is available) through the date Nearburg and COG resolve ownership of the Wells;

NMOCC CASE Nos. 15441, 15481, 15482
NEX, SRO2 LLC AND SRO3 LLC
Exhibit No. 16
February 28, 2017

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- b) Daily reports, when applicable, for any well repairs, workovers, etc. through the date Nearburg and COG resolve ownership of the Wells;
- c) A detailed accounting of the actual costs to drill, complete and equip the Wells;
- d) Actual lease operating expenses billed through your monthly joint interest billings;
- e) Actual revenues received through April 2015;
- f) Itemized revenue deductions for any transportation, taxes or other deductions.

We understand this information will be provided to Nearburg on or before June 17, 2015. In addition, Nearburg requests that going forward you furnish monthly lease operating expenses and monthly production and revenues/itemized revenue deductions received at the same time this information is provided to other working interest owners in the Wells.

Please acknowledge as provided below that Nearburg's execution and delivery of the enclosed Agreements does not extend or ratify the Term Assignment and Nearburg does not waive any rights held by it as owner and holder of the Lease and that Nearburg specifically reserves all rights relating to this situation.

We ask that you please provide the documentation requested above as soon as possible in order to expedite resolution of this matter.

If you have any questions or comments, or should you need anything further in regard to this matter, please do not hesitate to contact the undersigned at (432) 818-2914 or via email at rhoward@nearburg.com.

Sincerely,

Nearburg Exploration Company, L.L.C.


Randy Howard
Land Manager

Enclosures

Acknowledged this 10th day of June, 2015

COG Operating LLC

By: 
Its: SENIOR LANDMAN

AARON L. MYERS