
From Randy Howard <rhoward@nearburg.com> on behalf of Randy Howard
Sent Monday November 03 2014 10:41 AM
To Brent Sawyer
Subject RE payout effective dates
Attachments COG to Nearburg Cluster State Com 1H DOCX

Brent

This sounds great. One small suggested change: add "the" in front of "well" in last sentence of 2nd paragraph.

Thanks

Randy

From Brent Sawyer [mailto:BSawyer@concho.com]
Sent Monday November 03 2014 10:13 AM
To Randy Howard
Cc John Turro; Aaron Myers
Subject RE payout effective dates

Randy

I'll also draft up amendments to the two farmout agreements for the Cluster State (E/2 16-26S 27E) and Way South (E/2 30 26S 28E) sections adding the attached re-assignment (APO) form as an exhibit. That way we can use this form every time a well pays out without having to reinvent the wheel.

Thanks
Brent

From Brent Sawyer
Sent Monday November 03, 2014 10:06 AM
To Randy Howard
Cc John Turro; Aaron Myers
Subject RE payout effective dates

Randy

I was thinking a replacement might be the thing to do on the TA for 20 26S 28E, but there are definitely a few different ways to skin that cat. Once I get the form drafted, I'll run it by Aaron, then send it to you for final review.

I'll also draft up the 7 APO assignments (Cluster State/Way South) using the attached agreed-on form and get those executed as soon as I can.

Also, we are still waiting on the opinion(s) for the SRO Operating Agreement wells, which calculate everything on a well-by-well basis. When we get those, I'll be sure you get copies.

Thanks
Brent

From Randy Howard [mailto:rhoward@nearburg.com]
Sent Monday November 03 2014 8 12 AM
To Brent Sawyer
Cc John Turro Aaron Myers
Subject RE payout effective dates

Brent

After a review of the applicable instruments Nearburg regrettfully must advise COG that it prefers to remain subject to the original JOA(s) We are however agreeable to your changes to the Term Assignment of Oil and Gas Lease covering the W/2 Section 20 26S 28E I assume this will actually be an Amendment or Correction to Term Assignment of Oil and Gas Lease

Also we would still like to see COG s calculations on a well by well basis for our ORRI in the wells included on the lands subject to the SRO Operating Agreement

We look forward to hearing from your office

Thank you

Randy Howard
Land Manager
Nearburg Producing Company
432 818 2914 (direct line)
432 599 0382 (cell)

From Brent Sawyer [mailto:BSawyer@concho.com]
Sent Tuesday October 28 2014 5 17 PM
To Randy Howard
Cc John Turro Aaron Myers
Subject RE payout effective dates

Randy

Just re read the first sentence of the 3rd paragraph and realized that s not what I meant to say What I meant is you would effectively be subject to the same JOA attached to the farmout agreement since all the unique things you negotiated with Marbob would be effective (but only for you) but all of the remaining non unique things would be the same for everyone

Thanks
Brent

From Brent Sawyer
Sent Tuesday, October 28 2014 5 06 PM
To Randy Howard
Cc John Turro Aaron Myers
Subject RE payout effective dates

Randy

Our legal guys have agreed to all your proposed changes in the reassignment form but wanted to see if you would consider an alternative solution on the JOA problem I've never heard of their solution but it sounds like a pretty good idea to me Basically, instead of having you join our existing JOA and discarding the one attached to the farmout what about doing a partial ratification?

The way our lawyer described it to me is it would be a ratification and joinder of the JOA we already have in place so there would only be one JOA However in all the places where it differs from the one attached to the farmout you wouldn't ratify those specific parts and we would list the changes that would be effective only for Nearburg For example you would ratify the JOA save and except p 2 line 15 (1/5th shared burdens in ours) and substitute in the 17 66667% from your JOA

If we did it this way there would only be one JOA but you would only be subject to the unique portions you negotiated with Marbob The biggest advantage to having it this way would be is if someone went non consent The way it stands now if Allar (the party to our existing JOA) goes non consent since you aren't a party to that agreement you wouldn't get the option to take your proportionate share of their non consent interest (or vice versa if you went non-consent) It is also attractive for us because since we are the only of the 3 subject to two JOAs it would cause a huge mess if we decided to go non consent If there is just one JOA it would be good for everyone

I only think this would work for the Cluster State section (16 26S-27E) since we both use the AAPL Form 610-1982 JOA It might be possible to do it for the other section (30-26S 28E) but since Marbob used the 1977 form there it might not be practical

Let me know what you think?

Thanks
Brent

From Randy Howard [<mailto:rhoward@nearburg.com>]
Sent Thursday, October 16 2014 2:50 PM
To Brent Sawyer
Cc John Turro Aaron Myers
Subject RE payout effective dates

Brent

It was a pleasure meeting with you and Aaron as well Hopefully your attorneys will come around and agree with our suggested changes to the reassignment form The good news is that my payout dates coincide with your payout dates That shouldn't be a surprise since our accounting group most likely got those dates from your accounting group

I'm still working my way through the SRO issues One thing that might help me is if you could provide my office with the calculations used for our ORRI in the SRO Unit on a well by well basis

Thank you

Randy Howard
Land Manager
Nearburg Producing Company

432 818 2914 (direct line)
432 599 0382 (cell)

From Brent Sawyer [mailto:BSawyer@concho.com]
Sent Thursday October 16, 2014 2 29 PM
To Randy Howard
Cc John Turro, Aaron Myers
Subject payout effective dates

Randy

First of all it was great getting to meet you and John in person yesterday and I look forward to working with you Please feel free to call me anytime if you think I can help with anything

This took a little longer than I thought since I wanted to double check these payout dates

CLUSTER STATE COM #1H	October 12
CLUSTER STATE COM #2H	November 13
CLUSTER STATE COM #3H	May 13
CLUSTER STATE COM #4H	November 13
CLUSTER STATE COM #5H	October 13
F U N STATE COM #1	November 12
WAY SOUTH STATE COM #4H	February 13

Also I submitted your changes to the re assignment to our legal guys and encouragingly I ve already gotten a question or two about it I ll keep you updated on how that progresses

Thanks

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