

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY, L L C , SRO2 LLC
AND SRO3 LLC FOR AN ACCOUNTING AND LIMITATION
ON RECOVERY OF WELL COSTS, AND FOR
CANCELLATION OF APPLICATION FOR PERMIT
TO DRILL, EDDY COUNTY, NEW MEXICO**

CASE NO 15441

**IN THE MATTER OF THE APPLICATION OF
COG OPERATING LLC FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO 15481

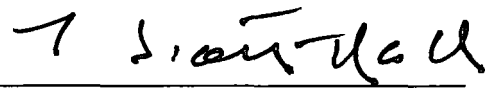
**IN THE MATTER OF THE APPLICATION OF
COG OPERATING LLC FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO 15482

AFFIDAVIT

STATE OF NEW MEXICO)
) SS
COUNTY OF SANTA FE)

J SCOTT HALL, attorney and authorized representative of Nearburg Exploration Company, SRO2 LLC and SRO3 LLC the Applicants in this matter, being first duly sworn, upon oath states that he sent copies of the Application in this matter to the parties as specified on the attached Exhibit A



J SCOTT HALL

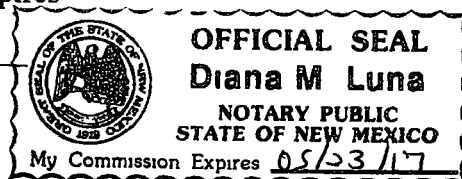
SUBSCRIBED AND SWORN to before me this 21st day of February, 2017



Notary Public

My Commission Expires

05/23/17



NMOCC CASE Nos 15441 15481 15482
NEX SRO2 LLC AND SRO3 LLC
Exhibit No 64
February 28 2017

EXHIBIT A

COG Operating LLC
c/o CT Corporation
1012 Marquez Place, Ste 106B
Santa Fe NM 87504



**MONTGOMERY
& ANDREWS**
LAW FIRM

J SCOTT HALL
Cell (505) 670 7362
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December 11 2015

COG Operating LLC
c/o CT Corporation
1012 Marquez Place Ste 106B
Santa Fe NM 87504

**CERTIFIED MAIL/
RETURN RECEIPT REQUESTED**

**Re NMOCD CASE NO (Pending) IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY SRO2 LLC AND SR03 LLC FOR AN
ACCOUNTING AND LIMITATION ON RECOVERY OF WELL COSTS, AND
FOR CANCELLATION OF APPLICATION FOR PERMIT TO DRILL, EDDY
COUNTY, NEW MEXICO**

Dear Sir or Madam

This is to notify you that Nearburg Exploration Company L L C SRO2 LLC and SRO3 LLC (Applicants) have filed an Application with the New Mexico Oil Conservation Division for an order providing as follows determining that COG Operating LLC (COG) did not have the right to drill two two-mile long lateral wells that COG drilled and completed in the Bone Spring formation from surface locations in Section 17 onto unconsolidated and unpooled lease acreage owned by Nearburg Exploration Company in the W/2 of Section 20 Township 26 South Range 28 East N M P M in Eddy County New Mexico The subject wells are the SRO State Com 043H (API 30-015 41141) located in the W/2 W/2 of Sections 17 and 20 (043H) and the SRO State Com 044H (API 30 015 41142) located in the E/2 W/2 of Sections 17 and 20 (044H) Both wells were drilled to and completed in the 2nd Bone Spring Sand, Hay Hollow Bone Spring Pool (30215) Applicants further seek an order requiring COG to account and pay to Applicants the amounts of production proceeds they are entitled in the absence of pooling without recovery of well costs or expenses Applicants also seek cancellation of the application for permit to drill the COG SRO State Com 069H Well (API 30-015-43093) projected to be drilled to the 3rd Bone Spring formation in the E/2 W/2 of Sections 17 and 20 T-26-S R-28 E Applicants may also seek the removal of COG and designation of Nearburg Producing Company as the operator of the SRO State 016H well (API 30 015-38071) located in the W/2 W/2 of Section 20 T-26 S, R 28 E A copy of the Application is enclosed

REPLY TO

325 Paseo de Peralta
Santa Fe New Mexico 87501
Telephone (505) 982 3873 Fax (505) 982-4289

Post Office Box 2307
Santa Fe New Mexico 87504 2307

COG Operating LLC
December 11 2015
Page 2

This Application will be set for hearing before a Division Examiner on February 4 2016 at 8 15 a m at the New Mexico Oil Conservation Division 1220 South St Francis Drive Santa Fe New Mexico You are not required to attend this hearing but as an owner of an interest that may be affected you may appear and present testimony Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time If you intend to attend the hearing and present testimony or evidence you must enter your appearance and serve the Division counsel for the Applicant and other parties with a pre hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19 15 4 13 NMAC

Very truly yours

MONTGOMERY & ANDREWS P A



J Scott Hall
Attorneys for Nearburg Exploration Company
L L C SRO2 LLC and SRO3 LLC

Enclosure

cc (via email w/o enc) Nearburg Exploration Company L L C
Scotty Holloman Esq Maddox Holloman & Moran
David Harper Esq Haynes and Boone LLP

ioc Sharon T Shaheen

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
NEARBURG EXPLORATION COMPANY, SRO2 LLC
AND SRO3 LLC FOR AN ACCOUNTING AND LIMITATION
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TO DRILL, EDDY COUNTY, NEW MEXICO

CASE NO _____

APPLICATION

NEARBURG EXPLORATION COMPANY L L C ('NEX) , SRO2 LLC and SRO3 LLC (the Applicants) by their undersigned attorneys Montgomery and Andrews P A hereby make application pursuant to *inter alia* Rule 19 15 16 15 A NMAC of the New Mexico Oil Conservation Division's (the 'OCD or Division) Rules and regulations and NMSA 1978 Section 70 2 18 B (1995) for an order providing as follows

A Determining that COG Operating LLC (COG) did not have the right to drill two two mile long lateral wells that COG drilled and completed in the Bone Spring formation by willfully trespassing from surface locations in Section 17 onto unconsolidated and unpooled lease acreage owned by NEX in the W/2 of Section 20, Township 26 South Range 28 East N M P M in Eddy County, New Mexico The wells in trespass are the SRO State Com 043H (API 30 015 41141) located in the W/2 W/2 of Sections 17 and 20 (043H) and the SRO State Com 044H (API 30 015 41142) located in the E/2 W/2 of Sections 17 and 20 (044H) Both wells were drilled to and completed in the 2nd Bone Spring Sand Hay Hollow Bone Spring Pool (30215)

B Determining that COG violated *inter alia* Section 70 2 18 A of the New Mexico Oil and Gas Act and Rules 19 15 14 8 B 19 15 16 15 A, and 19 15 16 15 F of the Division s