

**From:** Randy Howard <rhoward@nearburg.com> on behalf of Randy Howard  
**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 regretfully 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 3<sup>rd</sup> 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'

NMOCC CASE Nos. 15441, 15481, 15482  
NEX, SRO2 LLC AND SRO3 LLC  
Exhibit No. 25  
February 28, 2017

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 (1/5<sup>th</sup> 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,

Brent Sawyer, RPL  
Land Specialist  
One Concho Center  
600 W. Illinois Avenue  
Midland, Texas 79701  
p 432 686 3015  
c 512 997 5954  
f 432 221 0856



CONFIDENTIALITY NOTICE The information in this email may be confidential and/or privileged. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments, if any, or the information contained herein is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system. Thank you.