

**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**

**SPECIAL EXAMINER HEARING**

**May 4, 2016**

**EXHIBITS**

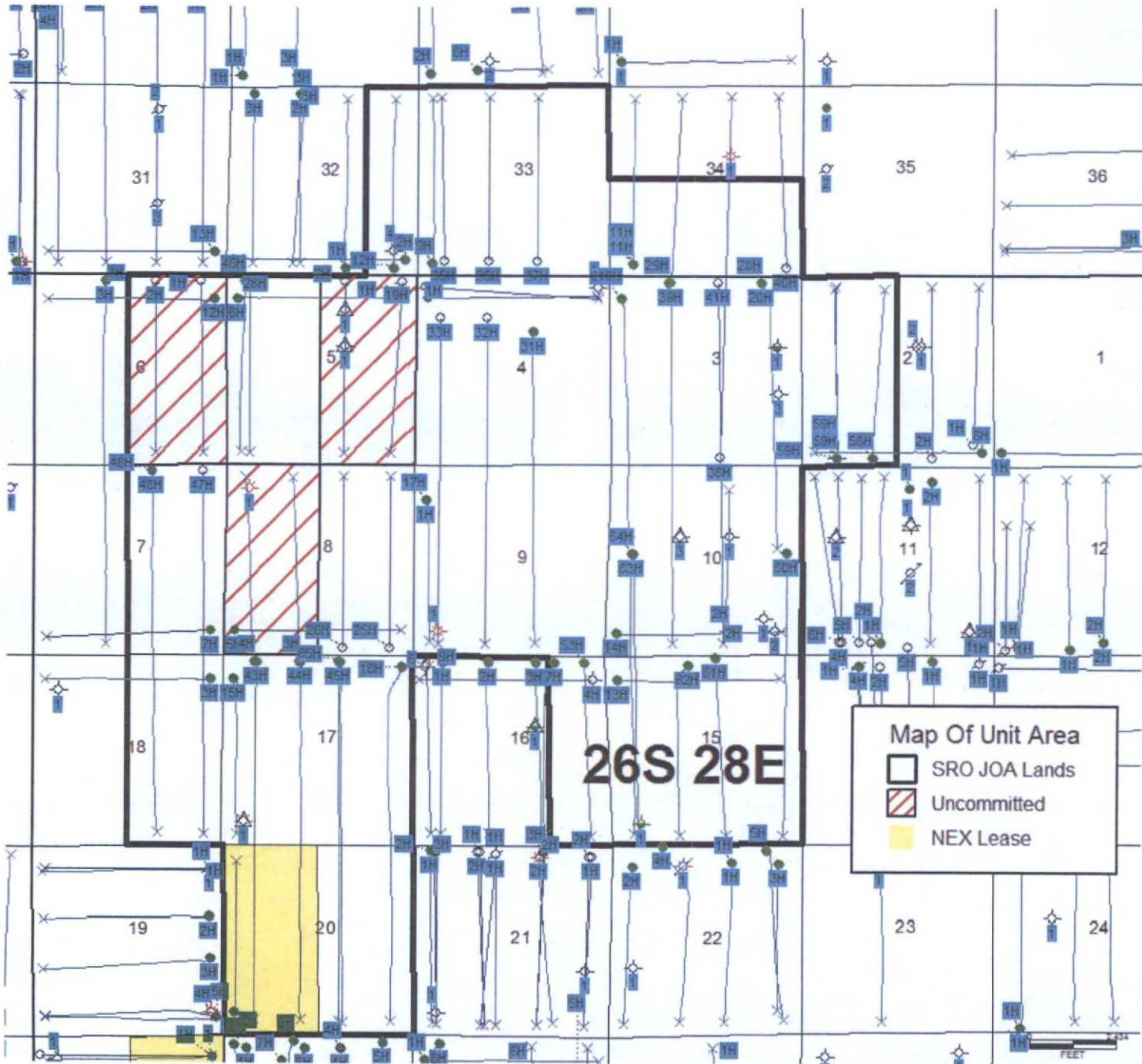
EX #	DESCRIPTION	BATES	WITNESS
<b>VOLUME I</b>			
1	SRO Unit Map		Howard
2	Term Assignment		Griffin
3	43H - C101 Application for Permit to Drill	C 024544	Howard
4	43H C102 Well Location and Acreage Dedication Plat	C 024577	Howard Owen
5	44H C101 Application for Permit to Drill	C 024586	Howard
6	44H C102 Well Location and Acreage Dedication Plat	C 024618	Howard Owen

EX #	DESCRIPTION	BATES	WITNESS
7	16H C102 Well Location and Acreage Dedication Plat	C 000009	Howard
8	69H C101 Application for Permit to Drill	C 014091	Howard Owen
9	69H C102 Well Location and Acreage Dedication Plat	C 014092	Howard
10	Ratification and Joinder of Unit Agreement and Unit Operating Agreement	C 045646	Howard Owen
11	Request for Voluntary Termination	NEX 002197	Howard Owen
12	1/8/2015 Howard email to Sawyer transmitting SRO Well List	C 046284 – C 046285	Howard Owen
13	4/22/2015 Sawyer email to Howard requesting communitization agreements; note attached Meeting Agenda: NMLSO lease cancellation, spud dates for 43H and 44H	C 041511 – C 041512	Howard Owen
14	5/28/2015 NEX letter to COG reserving rights		Howard Owen
15	6/10/2015 NEX transmittal letter to CONG	C 041077	Howard Owen
16	SRO2 Assignment and BOS		Howard
17	SRO3 Assignment and BOS		Howard
18	Recorded copy of 2 <sup>nd</sup> Bone Spring Communitization Agreements for 43H	C 024515	Howard
19	Recorded copy of 2 <sup>nd</sup> Bone Spring Communitization Agreements for 44H	C 024542	Howard
20	Rules 19.15.14.8.B, 19.15.16.15.A and F		Howard
21	10/8/2015 Title Opinion	NEX 001896	Howard Owen
22	1/9/2015 Title Opinion	C 002396	Howard Owen
23	1/19/2015 Sawyer email with SRO Title Opinion (1/9/2015) re Requirement E: "Obtain an Amendment to this Term Assignment..."	C 046273	Howard Owen
24	1/27/2015 Sawyer email with Title Opinion (10/8/2014) "Term Assignment is expired and the interests assigned thereunder in all Subject lands..."	NEX 001895, NEX 001896	Howard Owen

EX #	DESCRIPTION	BATES	WITNESS
25	6/17/2015 Title Opinion	C 002212	Howard Owen
26	11/3/14 email from Randy Howard to Brent Sawyer – “agreeable to your changes to the Term Assignment of Oil and Gas Lease” covering Section 20; I assume this will be an Amendment or Correct to the Term Assignment; we would still like to see COG calculations	C 46412	Howard Owen
27	11/3/2014 email from BS to RH discussing replacement TA for W/2 20-26S-28E	C 046404	Howard
28	11/18/2014 email from BS to RH with proposed replacement TA; BS states “as we discussed a few weeks ago in our meeting, this correction will be to tie the term assignment to the Unit Operating agreement (which will persist as long as any contributing leases persist), instead of to the Unit Agreement (already voluntarily dissolved)”	C 046396, C 041457	Howard Owen
29	3/6/2014 COG Files and Amended C-102 Well Location and Acreage Dedication Plat for 43H with false certification by Mayte Reyes.	C 024556	Howard Owen
30	3/6/2014 COG files an Amended C-102 Well Location and Acreage Dedication Plat to indicate where 044H had been drilled False certification by Stormi Davis	C 024598	Howard Owen
31	Graphic timeline display of the events you have testified to that the Examiner can refer to for convenience.		Howard
32	Chronology of Data Receipt		Griffin
33	Production Summary Reports		Griffin
34	WTI Historic Pricing		Griffin
<b>VOLUME II</b>			
35.A	3/20/2014 Sawyer email explanation “we terminated the unit voluntarily	C 044724	Owen
35.B	Excels showing COG’s distribution / document requirements	C 013724 C 019775 C045787	Owen
36	5/7/2014 COG recognized the need to get another TO before spud 43H	C 047127	Owen
37	3/21/2014 Sawyer email “I believe the most pressing issue is that the term assignment is effective until the SRO unit is dissolved, so technically it has expired.	C 045057	Owen
38	3/21/2014 Sawyer to Oxy	C 048375	Owen

EX #	DESCRIPTION	BATES	WITNESS
39	9/3/2015 internal COG email trying to determine what "well data or information or reports" COG sent to NEX in 2014 or 2013 or before.	C 019343	Owen
40	6/15/2015 email (AFTER Letter Agreement) Aaron Myers tells Savannah Haller and Melissa Dimit (Ryan Owen copied) "to get Nearburg on the distribution list for daily production numbers for the SRO #43 and SRO #44"	C 017946	Owen
41	SRO Well Chart pg 16	C 019794	Owen
42	3/6/2015 the SLO inquired about a CA for 43H; Owen told the SLO the 43H CA is currently on hold due to a term assignment to Nearburg	C 047822	Owen
43	7/9/2014 Sawyer email re "complicated issues with the (former) SRO Unit Wells	NRX 001941	Owen
44	8/18/2014 Sawyer email re setting up a meeting to discuss "outstanding issues with the wells in the former SRO State Unit	NEX 002220	Owen
45	11/25/2014 Email chain between Howard and Sawyer "Let's touch base [later] and see if we can reach some sort of agreement that suits both sides."	C 046341	Owen
46	Unit Operating Agreement	C 002168	Owen
47	Examples of Well Proposals COG sent out for 43H and 44H	C 024840	Owen
48	Approximately 1 week later (9/3/2014) COG sent notice of 44H to WI owners	C 024842	Owen
49	6/23/2015 COG files altered CAs for 43H		Owen
50	6/23/2015 COG files altered CAs for 44H		Owen
51	8/21/2014 COG informs Yates, ABO, Myco, Allar and Oxy it has drilled 43H	C 024799	Owen
52	8/27/2014 Fuchik email re This Term Assignment affects multiple wells"	NEX 002179	Owen
53	Approx 2 weeks later (10/27/2015) COG informed Yates, ABO, Myco, Allar and Oxy it had drilled 44H	COG 024811	Owen
54	10/14/2014 Sawyer email discussing NEX keeping the ORRI's in the SRO wells	NEX 002399	Owen
55	3/26/2015 SLO told COG it needed a signed CA for 44H	C 047804	Owen
56	5/20/2015 Email string between Howard and Sawyer re NMSLO threatening lease cancellation		Owen

EX #	DESCRIPTION	BATES	WITNESS
57	6/2/2015 internal COG calendar appointment re SRO division interest canceled by Owen	C 018184	Owen
58	6/4/2015 COG tells Yates COG had to change the zone description at NEX's request	C 048364	Owen
59	5/13/2014 Myers email to Morgan re SRO opinions. "proceed with rendering an opinion for the SRO State Comm #43H well...This well is set to spud on 7/26/14 so it will be a priority after the SRO 46 and 48 wells."	C 070580	Owen
60	9/3/2015 Owen email with "list provided by Susan"- shows the monthly reports COG had sent to NEX as of 9/3/2015—does not mean NEX was on distribution list <b>before</b> it learned about the wells and requested info from COG	C 018358	Owen
61	8/14/2015 email RH "requests that COG provide the following in regard to the 16H, 43H, and 44H wells: An update for production volumes and sales...actual sales volumes and actual oil and gas prices for June...an updated download of COG's LOE"	C 024202	Owen
62	8/20/2014- COG sends 43H directional reports to Yates; NEX did not receive	C 045427	Owen
63	4/20/2015 email re "SRO STATE COM #43H" attaching the Well chronology report data for 43H through 4/18/2015 (C 045794) <i>with</i> 11/25/2015 email re "SRO STATE COM #65H" attaching the well chronology report data for 65H through 11/24/15.	C 045794	Owen
64	COG Privilege Log excerpt		
65	Return of Service for Application		



# BONE SPRING STRATIGRAPHY

Delaware Basin				
Age		Strata		Oil Plays
Triassic		Chinle		
		Santa Rosa		
Permian	Ochoan	Dewey Lake		
		Rustler		
		Salado		
		Castile		
	Gualalupian	Delaware Mountain Group	Bell Canyon	Delaware Mountain Group Basinal Sandstone
			Cherry Canyon	
			Brushy Canyon	
	Leonardian	Bone Spring	Upper	1st Bone Spring/Avalon Shale
			Middle	2nd Bone Spring
			Lower	3rd Bone Spring
	Wolfcampian	Wolfcamp		Wolfcamp/Leonard/Basinal Carbonate