

02/22/17

C O N T R A C T D A T A S H E E T
1 N E A R B U R G P R O D U C I N G C O M P A N Y

** General Information ** ** ACTIVE **

Contract no:	C-0288A	Status:	EXP
Contract name:	COTTONWOOD DRAW NORTH: JOA - MARBOB & PITCH ETAL-SRO WELLS (EXPIRED)	No. tracts:	1
Contract date:	05/08/09		
Effective date:	05/08/09		
Expiration date:			
Parties:	MARBOB ENERGY CORPORATION	OP	
	PITCH ENERGY CORPORATION	NON-OP	
	THE ALLAR COMPANY	NON-OP	
	YATES PETROLEUM CORPORATION	NON-OP	
	EG3, INC	NON-OP	
	YATES DRILLING COMPANY	NON-OP	
	ABO PETROLEUM CORPORATION	NON-OP	
	MYCO INDUSTRIES, INC.	NON-OP	
	CHESAPEAKE EXPLORATION, LLC	NON-OP	
	NEARBURG EXPLORATION COMPANY,	NON-OP	
	LEGEND NATURAL GAS III L.P.	NON-OP	
	DEVON ENERGY PRODUCTION COMPAN	NON-OP	
Contract type:	JOINT OPERATING AGREEMENT		
Operator:	MARBOB ENERGY CORPORATION		

NMOCC CASE Nos. 15441, 15481, 15482

NEX, SRO2 LLC AND SRO3 LLC

Exhibit No. 65

February 28, 2017

** Contract Description **

JOA COVERING THE E/2 E/2 OF SECTION 32, ALL OF SECTION 33, S/2 OF SECTION 34, T25S-R28E, AND ALL OF SECTIONS 3-4, 9-10, 15, 17, 20, W/2 OF SECTION 2, W/2 OF SECTION 5, E/2 OF SECTION 7, E/2 OF SECTION 8, E/2 E/2 OF SECTION 16, E/2 OF SECTION 18, T26S-R28E, LTD FROM SURFACE TO BASE OF BONE SPRING FM; EDDY COUNTY, NM.

** Obligations **

** Provisions **

DRIL	DRILLING REQUIREMENTS	O/B 8/1/09, MARBOB AS OPR TO DRILL INITIAL TEST WELL AT A LEGAL LOCATION IN SECTION 4, T26S-R28E, TO SUFFICIENTLY TEST THE BONE SPRING FM
SUBOPS	SUBSEQUENT OPERATIONS	NEW WELLS REQUIRE WRITTEN NOTIFICATION TO ALL PARTIES, WHO HAVE 30 DAYS TO RESPOND. FAILURE TO REPLY CONSTITUTES ELECTION NOT TO PARTICIPATE.
NON	NON-CONSENT PENALTY	N/C INTERESTS TO BE OFFERED TO CONSENTING PARTIES W/48-HR ELECTION PERIOD.
NON	NON-CONSENT PENALTY	200% NEW SURF EQP BEYOND WH CONNECTIONS + 200% OPRS 1ST PROD; AND, 500% DRILLING, REWORKING, DEEPENING, PLUGGING BACK, TESTING & COMPLETING; AND, 500% NEW EQUIP IN WELL (TO AND INCL WH CONNECTIONS).
TIK	TAKE IN KIND	EACH PARTY HAS RIGHT TO TAKE-IN-KIND OR SEPARATELY MARKET ITS PROPORTIONATE SHARE OF ALL O&G PRODUCED IN CONTRACT AREA
EXPLMT	EXPENDITURE LIMIT	CONSENT OF ALL PARTIES REQ'D FOR EXPENDITURES IN EXCESS OF \$25,000.00 EXCEPT WELL EXPENSE PREV AUTHORIZED
RENTAL	DELAY RENTALS	RENTALS, SHUT-IN WELL PMTS & MINIMUM ROYALTIES ARE TO BE PAID BY THE PARTY WHO SUBJECTED SUCH LEASE TO THIS AGREEMENT AT ITS OWN EXPENSE.
SURR	SURRENDER PROVISION	CONSENT OF ALL PARTIES REQ'D TO SURRENDER LEASES COVERED BY THIS AGMT
MISC	MISCELLANEOUS	LEASE RENEWALS/EXTS REQ NOTICE TO OTHER PARTIES, WHO THEN HAVE 30-DAY ELECTION PERIOD. EACH PARTY WHO PARTICIPATES IN THE PURCHASE OF A RENEWAL LEASE WILL BE GIVEN AN ASMT WITHOUT WARRANTY OF ITS PROPORTIONATE INTEREST. RENEWALS/EXTS TAKEN BEFORE EXP OR W/IN 6 MOS AFTER EXP SHALL BE SUBJECT.
PREF	PREFERENTIAL RIGHTS	PREF RTS STRICKEN
TERM	TERM OF AGREEMENT	TERM IS FOR SO LONG AS PRODUCING IN PAYING QUANTITIES; 180 DAY CESSATION & 180 DAY REWORK

NEX00015527

Contract no: C-0288A
Contract name: COTTONWOOD DRAW NORTH: JOA - MARB

EXBT EXHIBIT TO AGREEMENT EXHIBIT A: LANDS/DEPTHS, INTERESTS,
 LEASES, PARTIES
 EXHIBIT B: NONE
 EXHIBIT C: ACCOUNTING PROCEDURE
 EXHIBIT D: INSURANCE
 EXHIBIT E: GAS BALANCING AGMT
 EXHIBIT F: NON-DISCRIMINATION &
 CERTIFICATION OF NON-SEGREGATED FACILITIES
 EXHIBIT G: TAX PARTNERSHIP

** JOA/COPAS Provisions **

COFORM COPAS FORM COPAS 1984-1 ONSHORE
DIRECT DIRECT CHARGES EQUIPMENT/FACILITIES: INTEREST NOT TO
 EXCEED 12% PER ANNUM
OVERHD OVERHEAD RATES SHALL NOT INCLUDE SALARIES/WAGES/EXPENSES
 OF TECHNICAL EMPLOYEES/CONSULTANTS
OVERHD OVERHEAD RATES FIXED RATE BASIS: \$6000 DRLG; \$600 PROD
OVERHD OVERHEAD RATES MAJOR CONSTRUCTION/CATASTROPHE: 5%-3%-2%
INVENTO INVENTORIES SPECIAL INVENTORIES MAY BE TAKEN WHENEVER
 THERE IS A SALE, CHG OF INTEREST OR CHG OF
 OPERATOR IN JT PROPERTY; EXPENSE OF
 CONDUCTING SPECIAL INVENTORIES MAY BE
 TAKEN AT EXPENSE OF PARTY CAUSING SUCH,
 EXCEPT INVENTORIES REQUIRED DUE TO CHG OF
 OPR WHICH SHALL BE CHARGED TO JT PROPERTY

INSURAN INSURANCE OPR TO COMPLY WITH ALL WORKERS'
 COMPENSATION AND OCCUPATIONAL DISEASE LAWS
 INCLUDING THE U.S. LONGSHOREMEN'S AND
 HARBOR WORKERS' COMPENSATION ACT;
 PROVIDED, HOWEVER, THAT OPR MAY BE
 SELF-INSURER FOR LIABILITY UNDER SAID
 COMPENSATION LAWS IN WHICH EVENT THE ONLY
 CHARGE THATA SHALL BE MADE TO JT ACCT WILL
 BE OPR'S ACTUAL COST BUT NOT EXCEEDING AN
 AMOUNT EQUIVALENT TO THE PREMIUM WHICH
 WOULD HAVE BEEN PAID HAD SUCH INSURANCE
 BEEN OBTAINED. NO OTHER INSURANCE WILL BE
 CARRIED BY OPR FOR JT ACCT UNLESS AGREED
 TO BY ALL PARTIES.

INSURAN INSURANCE OPR REQUIRES ALL CONTRACTORS &
 SUBCONTRACTORS TO CARRY SUCH INSURANCE IN
 SUCH AMOUNTS AS OPR DEEMS ADEQUATE
INSURAN INSURANCE EACH CO-OWNER MAY PROCURE INSURANCE WITH
 RESPECT TO THE JOINTLY OWNED PROPERTIES
 AND OPERATIONS AS IT DEEMS NECESSARY TO
 PROTECT ITSELF

INSURAN INSURANCE IN THE EVENT OPR SHOULD ELECT TO CARRY
 WELL CONTROL INSURANCE, THEN PRIOR TO THE
 DRILLING OF ANY WELL HEREUNDER, IF ANY
 CO-OWNER SO ELECTS TO BE INCLUDED AS AN
 INSURED UNDER OPERATOR'S POLICY, THE OPR
 SHALL ADVISE CO-OWNER OF ITS ANTICIPATED
 SHARE OF THE PREMIUM

** Remarks **

MISC NEX TERM ASMT TO MARBOB (A-0332) RETAINING ORRI EQ TO DIFF
 BTWN 25% & EXISTING BURDENS, PROP REDUCED. NEX IS ENTITLED TO
 A CONTINUING ORRI IN UNIT EVEN IF UNIT CONTRACTS TO EXCLUDE
 LANDS COVERED BY T/A AS LONG AS SAID UNIT REMAINS ACTIVE.
TERM CONTRACT TERMINATED, AS NEX WAS NOT A WI PARTY TO IT AND NEVER
 EXECUTED AS SUCH.

** Associated Leases **

Lease no. Lessor
4309-00 STATE OF NEW MEXICO V0 7450 1

** Associated Wells **

Well no. Name
300150676.01 SRO STATE UNIT #1H - ORRI
300150677.01 SRO STATE UNIT COM #2H - ORRI
300150680.01 SRO STATE UNIT COM #3H - ORRI

Contract no C-0288A
Contract name COTTONWOOD DRAW NORTH JOA - MARB

300150689 01	SRO STATE UNIT COM #4H ORI-P&A
300150694 01	SRO STATE UNIT COM #6H - ORRI
300150695 01	SRO STATE UNIT COM #7H - ORRI
300150696 01	SRO STATE UNIT COM #5H - ORRI
300150700 01	SRO STATE UNIT COM #8H - ORRI
300150707 01	SRO STATE UNIT #13H - ORRI
300150708 01	SRO STATE UNIT #14H - ORRI
300150727 01	SRO STATE UNIT #17H - ORRI
300150729 01	SRO STATE UNIT #15H ORI - P&A
300150730 01	SRO STATE UNIT #9H - ORRI
300150743 01	SRO STATE UNIT #16H - ORRI
300150753 01	SRO STATE UNIT COM #11H - ORI
300150762 01	SRO STATE UNIT #10H - ORRI
300150778 01	SRO STATE UNIT #31H - ORRI
300150780 01	SRO STATE UNIT #18H - ORRI
300150846 01	SRO STATE UNIT #12H - ORRI
300150847 01	SRO STATE UNIT #20H - ORRI
300150848 01	SRO STATE UNIT #53H - ORRI

** Associated Contracts **

Contract no	Name
A-0332	COTTONWOOD DRAW NORTH T/A - NEX TO MARBOB (EXPIRED)
C-0282	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE COM #2H
C-0283	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #3H
C-0284	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #4H
C-0285	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #5H
C-0286	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #7H
C-0288	COTTONWOOD DRAW NORTH UA (SRO STATE EXPL UNIT) - MARBOB &
C-0295	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #8H
C-0296	COTTONWOOD DRAW NORTH COMAGMT - SRO STATE UNIT COM #6H

** Acquisitions **

** Tract Information **

Tract 1		
State	NEW MEXICO	District PERMIAN BASIN
County	EDDY	Field
Prospect	COTTONWOOD DRAW NORT	

** Legal Description **

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Contract no C-0288A
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Legal Desc ID 28909

New Mexico Principal Meridian

T25S R28E
 Sec 32 E/2 E/2

Sec 33 ALL

Sec 34 S/2

T26S R28E
 Sec 2 W/2

Sec 3 ALL

Sec 4 ALL

Sec 5 W/2

Sec 7 E/2

Sec 8 E/2

Sec 9 ALL

Sec 10 ALL

Sec 15 ALL

Sec 16 E/2 E/2

Sec 17 ALL

Sec 18 E/2

Sec 20 ALL

FROM SURFACE TO BASE OF BONE SPRING FM

** Depth Restrictions **

From To	Depth NA	Ref SURFACE BASE	Formation BONE BONE SPRING
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** Participants **

Part Code	Act Flg	Eff Dates	Exp Dates	Participant	Interest
WI	N			4154 MARBOB ENERGY CORPORATION	0 19477715
WI				1200 PITCH ENERGY CORPORATION	0 16856606
				2282 EOG Y RESOURCES, INC	0 13028650
				2164 EOG A RESOURCES INC	0 06663396
				2277 YATES DRILLING COMPANY	0 06663396
				1969 EOG M RESOURCES INC	0 06663396
				8992 THE ALLAR COMPANY	0 20162395
				17573 CHESAPEAKE EXPLORATION L L C	0 10484446
				Total	1 00000000
ORRI N			4	NEARBURG EXPLORATION CO LLC	0 00083333
ORRI-NEX				Total	0 00083333

NEX00015530

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CONTRACT DATA SHEET

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Contract no C-0288A
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** Payout Information **

Payout code	Description	Type	Paid out	Cost centers	Contracts
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** Attachments **

Type	Attachment filename
MID OA OPERATING AGREEMENT	C-0288A Cottonwood Draw North-JOA-Marbob & Pitch et al pdf

** Set-up Information **

Input date	11/24/2014
Input user	ST
Last update date	05/19/2016
Last update user	LP