

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 TERM	PREFERENTIAL RIGHTS TERM OF AGREEMENT	PREF RTS STRICKEN 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  
DIRECT    DIRECT CHARGES

OVERHD    OVERHEAD RATES

OVERHD    OVERHEAD RATES  
OVERHD    OVERHEAD RATES  
INVENTO    INVENTORIES

COPAS 1984-1 ONSHORE  
EQUIPMENT/FACILITIES: INTEREST NOT TO  
EXCEED 12% PER ANNUM  
SHALL NOT INCLUDE SALARIES/WAGES/EXPENSES  
OF TECHNICAL EMPLOYEES/CONSULTANTS  
FIXED RATE BASIS: \$6000 DRLG; \$600 PROD  
MAJOR CONSTRUCTION/CATASTROPHE: 5%-3%-2%  
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  
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 \*\*

02/22/17

## C O N T R A C T   D A T A   S H E E T

Page 4

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

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
------------	-------------	------------------------	-------------------------------

## \*\* Participants \*\*

Part Code	Act Flg	Eff Dates	Exp Dates	Participant	Interest
WI	N			4154 MARBOB ENERGY CORPORATION	0 19477715
				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

02/22/17

C O N T R A C T   D A T A   S H E E T

Page 5

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

\_\_\_\_ \*\* Payout Information \*\* \_\_\_\_\_

Payout code	Description	Type	Paid out	Cost centers	Contracts
----------------	-------------	------	----------	--------------	-----------

\_\_\_\_ \*\* 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

NEX00015531