

Memorandum of Development Agreement

STATE OF NEW MEXICO §
COUNTY OF EDDY §

Notice is hereby given that effective June 1, 2011, a Development Agreement ("DA") was entered into between Yates Petroleum Corporation whose address 105 S. Fourth Street, Artesia, NM 88210 and COG Operating LLC whose address is 550 W. Texas Street, Fasken Center Tower II, Suite 100, Midland, TX 79701.

The DA covers the lands described on the Exhibit "A" attached hereto and made a part hereof for all purposes. The DA is for a term of eighteen (18) months from the effective date and for so long thereafter as operations for the drilling and completing of wells as defined in the DA.

IN WITNESS WHEREOF, this Memorandum of Development Agreement is executed to be effective as of the effective date first above written.

YATES PETROLEUM CORPORATION

By: [Signature]
Name: John A. Yates, Jr.
Attorney in Fact

COG OPERATING LLC

By: [Signature]
Timothy A. Leach
Chief Executive Officer and President
[Handwritten initials: HAD, DRE, GKD, TAC]

COG OPERATING LLC
550 W TEXAS AVE STE 100
MIDLAND TX 79701

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by:
COG OPERATING, LLC
Hearing Date: September 1, 2011

ACKNOWLEDGMENTS

STATE OF NEW MEXICO }
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COUNTY OF EDDY }

Before me, the undersigned authority, on this 7th day of June, 2011, personally appeared John A. Yates, Jr. as Attorney in Fact for Yates Petroleum Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same, in the capacities, and for the purpose and consideration therein expressed.

My Commission Expires:

4/12/2014

Lorina E. Flores

Notary Public in and for the State of New Mexico



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 4/12/2014

STATE OF NEW MEXICO }
 }
COUNTY OF EDDY }

Before me, the undersigned authority, on this 7th day of June, 2011, personally appeared Timothy A. Leach as Chief Executive Officer and President of COG Operating LLC, a Delaware limited liability company, on behalf of said company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same, in the capacities, and for the purpose and consideration therein expressed.

My Commission Expires:

4/12/2014

Lorina E. Flores

Notary Public in and for the State of New Mexico



OFFICIAL SEAL
Lorina E. Flores
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 4/12/2014

Exhibit "A"
Attached to a Made a Part of that that Memorandum of
Development Agreement dated June 1, 2011
by and between Yates Petroleum Corporation and
COG Operating LLC

- 1 T18S-R25E-Sec. 34 S2, NE
- 2 T18S-R25E-Sec. 35 All
- 3 T18S-R25E-Sec. 36 All
- 4 T18S-R26E-Sec. 31 All
- ~~5 T18S-R26E-Sec. 32 All~~
- 6 T18S-R26E-Sec. 33 W2
- 7 T19S-R25E-Sec. 1 All
- 8 T19S-R25E-Sec. 2 All
- 9 T19S-R25E-Sec. 3 All
- 10 T19S-R25E-Sec. 10 N2
- 11 T19S-R25E-Sec. 11 N2
- 12 T19S-R25E-Sec. 12 All
- 13 T19S-R25E-Sec. 13 All
- 14 T19S-R26E-Sec. 2 All
- 15 T19S-R26E-Sec. 3 All
- 16 T19S-R26E-Sec. 4 All
- 17 T19S-R26E-Sec. 5 All
- ~~18 T19S-R26E-Sec. 6 All~~
- 19 T19S-R26E-Sec. 7 All
- 20 T19S-R26E-Sec. 8 All
- 21 T19S-R26E-Sec. 9 All
- 22 T19S-R26E-Sec. 10 All
- 23 T19S-R26E-Sec. 16 All
- 24 T19S-R26E-Sec. 18 NW

Eddy County, New Mexico

RECEPTION NO: 1106212 STATE OF
NEW MEXICO, COUNTY OF EDDY
RECORDED 06/16/2011 8:23 AM
BOOK 0856 PAGE 1062
DARLENE ROSPRIM, COUNTY CLERK



Darlene Rosprim
Clerk of Eddy County, N. Mex.
Deputy

CLERK'S CERTIFICATE
Certified this 12th day of July
2011, as a true and correct copy of the
original recorded in this office.