



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

July 22, 2009

Marbob Energy Corporation
P. O. Box 227
Artesia, NM 88211-0227

Attn: Mr. Ross Duncan

Re: SRO State Exploratory Unit
Subsequent Joinders Effective 8/1/2009
Tract No. 23, 25 and 26
Eddy, County, New Mexico

Dear Mr. Duncan:

This office has received your letter of July 13, 2009. Also included with your letter are subsequent joinder ratifications from Chesapeake Exploration LP and Nearburg Exploration Company committing their interests to the SRO State Exploratory Unit Agreement.

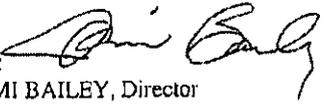
In accordance with Article 22 of the unit agreement, the Commissioner of Public Lands approves the subsequent joinder ratifications of Chesapeake Exploration LP and Nearburg Exploration Company to the SRO State Exploratory Unit Agreement. Tract Nos. 23, 25 and 26 will be committed to this unit agreement effective August 1, 2009.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm
cc: OCD-Santa Fe, Attention: Mr. Ed Martin

**BEFORE THE OIL CONVERSION
DIVISION**
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: **COG Operating LLC**
Hearing Date: **May 4, 2016**

-State Land Office Beneficiaries -

Curie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Central •



13 July 2009

Pete Martinez
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87501-2708

RE: SRO State Exploratory Unit
Eddy County, New Mexico

Dear Mr. Martinez:

Pursuant to Section 22 of the SRO State Exploratory Unit Agreement, I respectfully request approval of subsequent joinder, effective August 1, 2009, for the interest of Chesapeake Exploration LP and Nearburg Exploration Company. Attached please find Chesapeake and Nearburg's executed Ratification and Joinder of Unit Agreement and Unit Operating Agreement. Also enclosed is a revised Exhibit "B" to the Unit Agreement showing committed and uncommitted tracts.

Chesapeake and Nearburg have both subscribed to the Unit Operating Agreement and will pay their proportionate share of the expenses associated with drilling the SRO State Unit #1H well. Since said well has not been drilled, there has been no production to date, and therefore, there will be no retroactive adjustments of revenue.

If you have any questions, please feel free to call me at (575) 748-3303.

Sincerely,



Ross Duncan
Sr. Landman

Enclosures as stated.

CC: NMOCD

Post Office Box 227 Artesia, New Mexico 88211-0227 (575) 748-3303 Fax (575) 746-2523

**RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the Development and Operation of the SRO State Exploratory UNIT AREA, County of Eddy, State of New Mexico, dated May 8th, 2009, in form approved on behalf of the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in untized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 10th day of July, 2009.

Chesapeake Exploration, L.L.C.
P.O. Box 18496
Oklahoma City, OK 73154-0496

Chesapeake Exploration, L.L.C., An Oklahoma limited liability company By: _____ Henry J. Hood, Senior Vice President - Land and Legal & General Counsel

TRACT (S) See Attached Exhibit "B"

STATE OF Oklahoma
COUNTY OF Oklahoma

) ss.

Acknowledgment in an Individual Capacity

This instrument was acknowledged before me on July 10, 2009 Date
by Gina Peterson
Name(s) of Person(s)

(Notary Seal)

 GINA PETERSON Notary Public State of Oklahoma Commission # 08008510 Expires 08/28/12	_____ SIGNATURE OF NOTARIAL OFFICER MY COMMISSION EXPIRES: <u>8/28/2012</u>
--	---

Acknowledgment in a Representative Capacity

This instrument was acknowledged before me on _____ Date
by _____
as _____ of _____
Type of authority; e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Notary Seal)

SIGNATURE OF NOTARIAL OFFICER
MY COMMISSION EXPIRES: _____

RATIFICATION AND JOINDER OF UNIT AGREEMENT
AND
UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SRO State Exploratory UNIT AREA, County of Eddy, State of New Mexico, dated May 8th, 2009, in form approved on behalf of the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, or her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTED this 26th day of June, 2009.

SIGNATURE OF OFFICER

Terry Gant, Midland Manager
TRACT (S) See Attached Exhibit "B"

Nearburg Exploration Company, L.L.C.
BUSINESS ENTITY

Address: P. O. Box 823085
Dallas, Texas 75382-3085

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

Acknowledgment in an Individual Capacity

This instrument was acknowledged before me on _____ Date

by _____
Name(s) of Person(s)

(Notary Seal)

SIGNATURE OF NOTARIAL OFFICER

MY COMMISSION EXPIRES: _____

Acknowledgment in a Representative Capacity

This instrument was acknowledged before me on June 26, 2009 Date

by Terry Gant

as Midland Manager of Nearburg Exploration Company, L.L.C., a

Type of authority; e.g., officer, trustee, etc

Name of party or behalf of whom instrument was executed

Texas Limited Liability company, on

behalf of nearburg company

(Notary Seal)



Linda K. Fieseler
SIGNATURE OF NOTARIAL OFFICER

MY COMMISSION EXPIRES: 9-30-2012

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER	EXPIRATION DATE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	WORKING INTEREST OWNERS	WI Decimal	Net Acres							
1	<u>TOWNSHIP 25 SOUTH, RANGE 28 EAST</u> Section 32: E/2E/2	160	VB-0575	8/1/2009	0.1875	YATES PETROLEUM CORPORATION	Yates Petroleum Corp.	0.18322480	29.315968							
							ABO Petroleum Corp.	0.04257430	6.811888							
							Yates Drilling Company	0.04257430	6.811888							
							MYCO Industries, Inc.	0.04257430	6.811888							
							Marbob Energy Corp	0.11959360	19.134976							
							Pitch Energy Corp	0.11959360	19.134976							
							Legend Natural Gas	0.21045550	33.67288							
							Devon Energy Production Company LP	0.23940960	38.305536							
							2	Section 33: N/2	320	VB-0576	8/1/2009	0.1875	YATES PETROLEUM CORPORATION	Yates Petroleum Corp.	0.18322480	58.631936
														ABO Petroleum Corp	0.04257430	13.623776
Yates Drilling Company	0.04257430	13.623776														
MYCO Industries, Inc.	0.04257430	13.623776														
Marbob Energy Corp	0.11959360	38.269952														
Pitch Energy Corp	0.11959360	38.269952														
Legend Natural Gas	0.21045550	67.34576														
Devon Energy Production Company LP	0.23940960	76.611072														
3	Section 33: S/2	320	VB-0569	8/1/2009	0.1875	YATES PETROLEUM CORPORATION								Yates Petroleum Corp.	0.18322480	58.631936
														ABO Petroleum Corp	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776							
							MYCO Industries, Inc.	0.04257430	13.623776							
							Marbob Energy Corp	0.11959360	38.269952							
							Pitch Energy Corp	0.11959360	38.269952							
							Legend Natural Gas	0.21045550	67.34576							
							Devon Energy Production Company LP	0.23940960	76.611072							

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

4	Section 34: S/2	320	V-7085	7/1/2009 - Prod	0.16667	MARBOB ENERGY CORPORATION	Marbob Energy Corp Pitch Energy Corp Yates Petroleum Corp. ABO Petroleum Corp Yates Drilling Company MYCO Industries, Inc. EG3, Inc. The Allar Company	0.19505495 0.19505495 0.07554945 0.07554945 0.07554945 0.07554945 0.07692308 0.23076922	62.417584 62.417584 24.175824 24.175824 24.175824 24.175824 24.6153856 73.8461504
	<u>TOWNSHIP 26 SOUTH, RANGE 28 EAST</u>								
5	Section 2: W/2	320	VB-0694	7/1/2010	0.1875	YATES PETROLEUM CORPORATION	Marbob Energy Corp Pitch Energy Corp Yates Petroleum Corp. ABO Petroleum Corp Yates Drilling Company MYCO Industries, Inc. EG3, Inc. The Allar Company	0.19505495 0.19505495 0.07554945 0.07554945 0.07554945 0.07554945 0.07692308 0.23076922	62.417584 62.417584 24.175824 24.175824 24.175824 24.175824 24.6153856 73.8461504
6	Section 3: E/2	320	V-7438	7/1/2010	0.16667	The Allar Company	Marbob Energy Corp Pitch Energy Corp Yates Petroleum Corp. ABO Petroleum Corp Yates Drilling Company MYCO Industries, Inc. EG3, Inc. The Allar Company	0.19505495 0.19505495 0.07554945 0.07554945 0.07554945 0.07554945 0.07692308 0.23076922	62.417584 62.417584 24.175824 24.175824 24.175824 24.175824 24.6153856 73.8461504

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

7	Section 3: W/2	320	V-7461	7/1/2010	0.16667	Yates Petroleum Corporation	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
8	Section 4: E/2	320	V-7439	7/1/2010	0.16667	The Allar Company	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
9	Section 4: W/2	320	V-7462	7/1/2010	0.16667	Yates Petroleum Corporation	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp	0.11959360	38.269952
							Pitch Energy Corp	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
Devon Energy Production Company LP	0.23940960	76.611072							

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

10 UNCOMMITTED	Section 5: E/2	320	V-7440	7/1/2010	0.16667	Legend Natural Gas III LP	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp	0.11959360	38.269952
							Pitch Energy Corp	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072
11	Section 5: W/2	320	V-7463	7/1/2010	0.16667	Yates Petroleum Corporation	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp	0.11959360	38.269952
							Pitch Energy Corp	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072
12 UNCOMMITTED	Section 6: E/2	320	V-7441	7/1/2010	0.16667	Legend Natural Gas III LP	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp	0.11959360	38.269952
							Pitch Energy Corp	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

13	Section 7: E/2	320	V-7465	7/1/2010	0.16667	Yates Petroleum Corporation	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp.	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp.	0.11959360	38.269952
							Pitch Energy Corp.	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072
14	Section 8: W/2 UNCOMMITTED	320	V-7443	7/1/2010	0.16667	Legend Natural Gas III LP	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp.	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp.	0.11959360	38.269952
							Pitch Energy Corp.	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072
15	Section 8: E/2	320	V-7466	7/1/2010	0.16667	Marbob Energy Corporation	Yates Petroleum Corp.	0.18322480	58.631936
							ABO Petroleum Corp.	0.04257430	13.623776
							Yates Drilling Company	0.04257430	13.623776
							MYCO Industries, Inc.	0.04257430	13.623776
							Marbob Energy Corp.	0.11959360	38.269952
							Pitch Energy Corp.	0.11959360	38.269952
							Legend Natural Gas	0.21045550	67.34576
							Devon Energy Production Company LP	0.23940960	76.611072

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

16	Section 9: W/2	320	V-7444	7/1/2010- Prod	0.16667	The Allar Company	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
17	Section 9: E/2	320	V-7467	7/1/2010 - Prod	0.16667	Yates Petroleum Corporation	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
18	Section 10: W/2	320	VB-0677	7/1/2010	0.1875	The Allar Company	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

19	Section 10: E/2	320	VB-0695	7/1/2010	0.1875	Yates Petroleum Corporation	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
20	Section 15: E/2	320	V-7445	7/1/2010	0.16667	The Allar Company	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							
21	Section 15: W/2	320	V-7468	7/1/2010	0.16667	Yates Petroleum Corporation	Marbob Energy Corp	0.19505495	62.417584
							Pitch Energy Corp	0.19505495	62.417584
							Yates Petroleum Corp.	0.07554945	24.175824
							ABO Petroleum Corp	0.07554945	24.175824
							Yates Drilling Company	0.07554945	24.175824
							MYCO Industries, Inc.	0.07554945	24.175824
							EG3, Inc.	0.07692308	24.6153856
The Allar Company	0.23076922	73.8461504							

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

22	Section 16: E/2E/2	160	V-7446	7/1/2010	0.16667	The Allar Company	Marbob Energy Corp. Pitch Energy Corp. Yates Petroleum Corp. ABO Petroleum Corp. Yates Drilling Company MYCO Industries, Inc. EG3, Inc. The Allar Company	0.19505495 0.19505495 0.07554945 0.07554945 0.07554945 0.07554945 0.07692308 0.23076922	31.208792 31.208792 12.087912 12.087912 12.087912 12.087912 12.3076928 36.9230752
23	Section 17: E/2	320	V-7447	7/1/2010	0.16667	Chesapeake Exploration LP	Chesapeake Exploration Limited Partnership	1.00000000	320
24	Section 17: W/2	320	V-7470	7/1/2010	0.16667	Yates Petroleum Corporation	Yates Petroleum Corp. ABO Petroleum Corp. Yates Drilling Company MYCO Industries, Inc. Marbob Energy Corp	0.35000000 0.05000000 0.05000000 0.05000000 0.50000000	112 16 16 16 160
25	Section 18: E/2	320	V-7448	7/1/2010	0.16667	Chesapeake Exploration LP	Chesapeake Exploration Limited Partnership	1.00000000	320
26	Section 20: W/2	320	V-7450	7/1/2010	0.16667	Nearburg Exploration Company, LLC	Nearburg Exploration Company, LLC	1.00000000	320
27	Section 20: E/2	320	V-7473	7/1/2010	0.16667	Marbob Energy Corporation	Marbob Energy Corp. Pitch Energy Corp. Yates Petroleum Corp. ABO Petroleum Corp. Yates Drilling Company MYCO Industries, Inc. EG3, Inc. The Allar Company	0.19505495 0.19505495 0.07554945 0.07554945 0.07554945 0.07554945 0.07692308 0.23076922	62.417584 62.417584 24.175824 24.175824 24.175824 24.175824 24.6153856 73.8461504

EXHIBIT "B"
SCHEDULE OF OWNERSHIP

RECAPITULATION

Acres of State of New Mexico Lands = 100%

Acres of Fee Lands = 0%

100%

LEASE BASIS

TOTAL COMMITTED ACRES	7360
TOTAL UNCOMMITTED ACRES	960
TOTAL ACRES	8320

Unit Working Interest

Marbob Energy Corp	0.18507511	1188.974488
Pitch Energy Corp	0.16016961	1028.974488
Yates Petroleum Corp.	0.12379680	795.305384
ABO Petroleum Corp	0.06331485	406.752344
Yates Drilling Company	0.06331485	406.752344
MYCO Industries, Inc.	0.06331485	406.752344
EG3, Inc.	0.04789522	307.69232
The Allar Company	0.14368564	923.07688
Chesapeake Exploration LLC	0.09962205	640
Nearburg Exploration Company LLC	0.04981102	320
TOTAL	1.00000000	6424.280592