

ATTACHED AND MADE A PART OF THAT CERTAIN OPERATING AGREEMENT BETWEEN YATES PETROLEUM CORPORATION AS OPERATOR, AND STRATA PRODUCTION COMPANY, SCOTT EXPLORATION, INC., DEVON SFS OPERATING, INC., CHEVRON USA, INC., TEXAS INDEPENDENT EXPLORATION, INC. AND OXY USA WTP LIMITED PARTNERSHIP AS NON-OPERATORS, COVERING TOWNSHIP 22 SOUTH, RANGE 32 EAST, N.M.P.M. SECTION 19: E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SECTION 21: W $\frac{1}{2}$, SECTION 28: NW $\frac{1}{4}$, SECTION 29: E $\frac{1}{2}$ SW $\frac{1}{4}$, SECTION 30: E $\frac{1}{2}$, LEA COUNTY, NEW MEXICO

EXHIBIT "A"

I. Lands Subject to Agreement:

Township 22 South, Range 32 East, N.M.P.M.

Section 19: E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
 Section 21: W $\frac{1}{2}$
 Section 28: NW $\frac{1}{4}$
 Section 29: E $\frac{1}{2}$, SW $\frac{1}{4}$
 Section 30: E $\frac{1}{2}$

II. Depth Restriction:

Surface of the Earth down to the base of the Morrow formation

III. Percentage Interests of Parties Under the Agreement:

Tract 1 – E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ of Sec. 19
 NW $\frac{1}{4}$ of Sec. 28
 E $\frac{1}{2}$, SW $\frac{1}{4}$ of Sec. 29
 E $\frac{1}{2}$ of Sec. 30 –

	Interest in Operating Rights
Yates Petroleum Corporation	0.25000000
OXY USA WTP Limited Partnership	0.29166667
Devon SFS Operating, Inc.	0.12500000
Chevron USA, Inc.	0.16666666
Texas Independent Exploration, Inc.	0.16666667
Total	1.00000000

Tract 2 – W $\frac{1}{2}$ of Section 21 –

	Interest in Operating Rights
Yates Petroleum Corporation	0.25000000
Strata Production Company	0.01437500
Scott Exploration, Inc.	0.29166667
Devon SFS Operating, Inc.	0.11062500
Chevron USA, Inc.	0.16666666
Texas Independent Exploration, Inc.	0.16666667
Total	1.00000000

IV. Lease Subject to Agreement:

Lessor: USA
 Original Lessee: William F. Brainerd
 Effective Date: August 1, 1996
 Term: 10 Years
 Serial Number: NMNM90
 Description: Subject Lands among others

V. Addresses:

Yates Petroleum Corporation
 105 South Fourth Street
 Artesia, New Mexico 88210-218

Chevron USA, Inc.
 Attn: Terri Nunnery
 11111 S. Wilcrest
 Houston, Texas 77099

Strata Production Company
 P.O. Box 1030
 Roswell, New Mexico 88202-1030

OXY USA WTP Limited Partnership
 Attn: David Evans
 6 Desta Drive, Suite 600
 P.O. Box 50250
 Midland, Texas 79705

Devon SFS Operating, Inc.
 Attn: Ken Gray
 20 North Broadway
 Oklahoma City, Oklahoma 73102-8260

Scott Exploration, Inc.
 215 West 3rd Street
 Roswell, New Mexico 88202

Texas Independent Exploration, Inc.
 Attn: Dave Waters
 1600 Smith, Suite 3800
 Houston, Texas 77002

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 14058... Exhibit No. 2

Submitted by:

YATES PETROLEUM INCORPORATED

Hearing Date: January 10, 2008