



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  
COMMISSION  
Santa Fe, New Mexico  
Exhibit No. 2  
Submitted by: COG OPERATING LLC  
Hearing Date: February 28, 2017

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 Capital •



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**

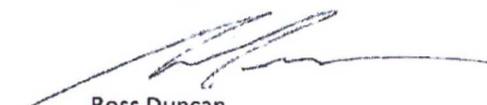
Dear Mr. Martinez:

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

**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 10th day of July 20 09

Chesapeake Exploration L L C  
P O Box 18496  
Oklahoma City OK 73154 0496  
TRACT (S) See Attached Exhibit 'B'

Chesapeake Exploration, L L C, An Oklahoma limited liability company By <u>[Signature]</u> Henry J Hood Senior Vice President Land and Legal & General Counsel	CBB JH
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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]  
 SIGNATURE OF NOTARIAL OFFICER  
 MY COMMISSION EXPIRES 8/28/2012

**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 on behalf of whom instrument was executed

Texas Limited Liability company, on

behalf of \_\_\_\_\_  
(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	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
5	<u>TOWNSHIP 28 SOUTH, RANGE 28 EAST</u> Section 2. W/2	320	VB-0694	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
6	Section 3 E/2	320	V 7438	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

**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 8  
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.	0.19505495	31.208792
							Pitch Energy Corp	0.19505495	31.208792
							Yates Petroleum Corp.	0.07554945	12.087912
							ABO Petroleum Corp.	0.07554945	12.087912
							Yates Drilling Company	0.07554945	12.087912
							MYCO Industries, Inc.	0.07554945	12.087912
							EG3, Inc.	0.07692308	12.3076928
							The Allar Company	0.23076922	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.	0.35000000	112
							ABO Petroleum Corp	0.05000000	16
							Yates Drilling Company	0.05000000	16
							MYCO Industries, Inc.	0.05000000	16
							Marbob Energy Corp	0.50000000	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	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

RECAPITULATION

Acres of State of New Mexico Lands = 100%  
Acres of Fee Lands = 0%  

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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