

TWO WARREN PLACE / SUITE 1500 / 6120 SOUTH YALE / TULSA, OK 74136-4224



WWW.APACHECORP.COM

(918) 491-4900
(918) 491-4853 (FAX)
(918) 491-4854 (FAX)

April 7, 2005

WORKING INTEREST OWNERS
(See Attached Address List)

**RE: Bureau of Land Management Approval of
Unit Agreement to East Blinebry-Drinkard Unit
Sections 1, 11, 12, 13, & 14 , T21S, R37E, Lea County, NM**

Pursuant to the Bureau of Land Management's request, enclosed for your records and further handling is a copy of the Bureau of Land Management's (BLM) letter dated March 22, 2005 along with the Unit Agreement which the BLM has approved. The Unit Agreement covers Apache Corporation's (Apache) proposal to unitize the Blinebry, Tubb and Drinkard formations in Sections 1, 11, 12, 13, and 14 (totaling 2,080.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry/Tubb/Drinkard reservoirs in Apache's East Blinebry-Drinkard Waterflood Unit.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Michelle Hanson (918) 491-4838, Mario Moreno at (918) 491-4963 for any Land questions or Kevin Mayes (Reservoir Engineer) at (918) 491-4972 for any Technical questions. We look forward to your support in facilitating the implementation of this project.

APACHE CORPORATION

A handwritten signature in cursive script, reading 'Mario R. Moreno Jr.'.

Mario R. Moreno, Jr.
Senior Staff Landman

Encls: BLM Letter dated March 22, 2005
Unit Agreement

cc: Tom Kellahin

BEFORE THE
OIL CONSERVATION DIVISION
Case No. Exhibit No. 10
Submitted By:
Apache Corporation
Hearing Date: June 16, 2005



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSSELL FIELD OFFICE
2909 West Second Street
Roswell, New Mexico 88201-2019

RECEIVED

MAR 25 2005

TULSA
LAND DEPT.

IN REPLY REFER
NMNM112723X
3180 NM(513)

MAR 22 2005

Apache Corporation
Attention: Mario R. Moreno, Jr.
Two Warren Place, Suite 1500
Tulsa, OK 74136-4224

Gentlemen:

One approved copy of the East Blinbry Drinkard Unit Agreement, No. NMNM112723X, Lea County, New Mexico is enclosed. Such agreement is approved as of the date of approval and is effective pending the submittal of a Certificate of Effectiveness pursuant to Section 24 of the unit agreement. Your initial Plan of Operation has been reviewed and is acceptable.

Approval of the agreement does not warrant or certify that the operator thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

You are required to furnish all interested principals with appropriate evidence of this approval.

Sincerely,

Larry D. Bray
Assistant Field Manager,
Lands and Minerals

Enclosures

CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Authorized Officer of the Bureau of Land Management, under the authority of 43 CFR 3183, I do hereby:

- A. Approve the attached agreement for the development and operation of the East Blinbry Drinkard Unit Area, State of New Mexico. This approval shall be invalid *ab initio* if the public interest requirement under 3183.4(b) of this title is not met.
- B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: March 22, 2005


(Authorized Officer)
Bureau of Land Management

Contract No.: NMNM112723X

**East Blinebry-Drinkard Unit
Working Interest Owners
Who were sent BLM Letters
4/7/05.**

David H. Arrington
P.O. Box 2071
Midland, TX 79702

J.L. & Jessie M. Reynolds
648 N. RO Ave
Stockton, CA

Duce D. & Ruth Cobb Bivins Rev Trust
8479 Sexton Rd
Pasadena, MD 21122-2913

P.L. Lawrence Jr. Estate
P.O. Box L
Crowley, LA 70526

Beverly Elizabeth Somerville
1504 Dartmouth
Albuquerque, NM 87106

Exxon Mobil Corporation
P.O. Box 4697
Houston, TX 77210-4697
Attn: Dan Barber

Lettunich Oil Company
P.O. Box 925
Fabens, TX 79838

Elliott-Hall Company Ltd. Partnership
P.O. Box 1231
Ogden, UT 84402

Donald Long
1514 Martin Ave.
Aztec, NM 87410

Elizabeth Eaton
2121 East Biscayne Court
Highlands Ranch, CO 80126

Rosser E. Schwarz
324 W. Ramona Ave
Colorado Springs, CO 80906

BP America Production Co.
501 Westlake Park Blvd
Houston, TX 77079
Attn: Thomas Furtwangler

Elliott Industries Ltd. Partners
P.O. Box 1355
Roswell, NM 88201

Tierra Exploration, Inc.
P.O. Box 2188
Hobbs, NM 88241

T.H. McElvain Oil & Gas Ltd. Prt.
1050 17th St., Suite 1800
Denver, CO 80265

Ken McPeters
502 W. Gold
Hobbs, NM 88240

Christopher R. Wilkinson &
Christine A. Wilkinson
26 Warren Ave.
Plymouth, MA 02360

Frank A. Glispin
P.O. Box 12564
Dallas, TX 75225

Watson Truck & Supply
P.O. Box 10
Hobbs, NM 88240

Triple H Resources, Inc.
P.O. Box 10463
Midland, TX 79702

Anne S. Johnson
6529 High 42 South
Fort Valley, GA 31030

Baynard W. Malone, Trustee of
the Andersen-Malone Trust
P.O. Box 87
Roswell, NM 88202-0087

Chevron USA Inc.
11111 South Wilcrest
Houston, TX 77099
Attn: James Baca