



United States Department of the Interior

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

RECEIVED

JAN 18 2005

TULSA
LAND DEPT.

JAN 13 2005

IN REPLY REFER
NMNM112723X
3180 NM(513)

Apache Corporation
Attention: Mario R. Moreno, Jr.
Two Warren Place, Suite 1500
6120 S. Yale
Tulsa, OK 74136-4224

Gentlemen:

Your application of January 5, 2005, filed with the BLM requests the designation of the East Blinbry Drinkard Unit area, embracing 2080.00 acres, more or less, Lea County, New Mexico, as logically subject to secondary recovery operations under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit A, Apache Corporation, East Blinbry Drinkard Unit, Lea County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM112723X. This designation is valid for a period from one year from the date of this letter.

Waterflooding will be limited to the following interval: That interval underlying the Unit Area, the vertical limits of which extend from an upper limit 75 feet above the stratigraphic Blinbry marker to a lower limit at the top of the Abo formation as seen on the Type Log from the Continental Lockhart B-11 #17 located at 1980' FNL and 1980' FEL, Section 11, T. 21 S., R. 37 E., and is that interval which is correlative to the interval from 5615' to 6795' below the surface measured from the derrick floor as shown on Exhibit "C" Type Log. The Blinbry marker has been defined by the New Mexico Oil Conservation Commission (NMOCC) at a depth of 5457 feet (elevation 3380, sub-sea datum 2077) in Exxon State S #20, located in the SW1/4NW1/4 of Section 2, T. 22 S., R. 37 E., Lea County, New Mexico).

Your basis for allocation of unitized substances and your proposed form of unit agreement are acceptable. Corrections that need to be made to Exhibit B are marked in red on the enclosed Exhibit.

If conditions are such that modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outline above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

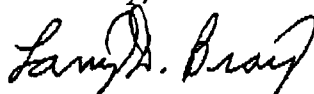
BEFORE THE
OIL CONSERVATION DIVISION

Case No. Exhibit No. — 4
Submitted By:
Apache Corporation
Hearing Date: June 16, 2005

When the executed agreement is transmitted to the BLM for final approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form. You will also need to submit an initial Plan of Operations and a list of wells showing the old well names and numbers and the new well names and numbers.

Inasmuch as this unit agreement involves Fee lands, we are sending a copy of the letter to the NMOCD.

Sincerely,



Larry D. Bray
Assistant Field Manager,
Lands and Minerals

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL 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 Blinebry 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

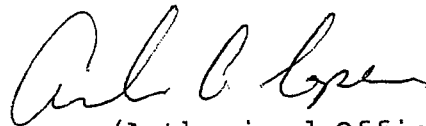


CERTIFICATION - DETERMINATION

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 Blinebry 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