

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
Recognized Specialist in the Area of
Natural Resources-oil and gas law-
New Mexico Board of Legal Specialization

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
kellahin@earthlink.net

May 6, 2005

2005 MAY 6 PM 1 37

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

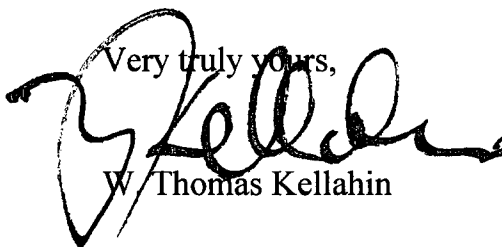
Case 13504

Re: East Blinebry-Drinkard Unit
Application of Apache Corporation
for Statutory Unitization
Lea County, New Mexico

Dear Mr. Fesmire:

On behalf of Apache Corporation, find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for June 2, 2005. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Apache Corporation
Attn: Mario Moreno

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

2005 MAY 6 PM 1 38

**APPLICATION APACHE CORPORATION
FOR STATUTORY UNITIZATION OF ITS
EAST BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO**

CASE NO. 13 504

APPLICATION

APACHE CORPORATION, pursuant to the provisions of the New Mexico Statutory Unitization Act (Sections 70-7-1 through 70-7-21, NMSA 1978, applies to the New Mexico Oil Conservation Division for an order unitizing its East Blinebry-Drinkard Unit and in support states:

(1) Apache Corporation is a Delaware corporation authorized to transact business in the State of New Mexico and is engage in the business of, among other things, producing and selling oil and gas.

(2) Apache seeks an order pursuant to the Statutory Unitization Act providing for the unitized management, operation and further development of the proposed East Blinebry-Drinkard Unit Area consisting of 2080.00 total acre, more or less, of federal and fee lands located in Lea County, New Mexico and more particularly described as follows:

Township 21 South, Range 37East, NMPM

Section 1:	Lots 11 thru 15, SW/4 and W/2SE/4
Section 11:	E/2 and NW/4
Section 12:	W/2NE/4, NW/4, W/2SE/4, SW/4
Section 13:	W/2, W/2NE/4 and NW/4SE/4
Section 14:	NE/4 and E/2SE/4

See Locator Map attached as Exhibit "A"

(2) The vertical limits of the formations to be included within the proposed Unit Area will be limited to the following interval:

From an upper limit being 75 feet above the stratigraphic Blinebry 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 well located 1980 feet FNL and 1980 feet FEL, Section 11, T21S, R37E and is that interval which is correlative to the interval from 5615 feet to 6795 feet below the surface measured from the derrick floor as shown on this type log. The Blinebry marker has been defined by the NMOCD at a depth of 5457 feet (elevation 3380, sub-sea datum 2077) in Exxon State S#30 well located in the SW/4NW/4 of Section 2, T22S, R37E, Lea County, New Mexico.

(3) The Unit Area is within the boundaries of the Blinebry Oil & Gas Pool, Drinkard Oil Pool and the Tubb Gas Pool.

(4) Apache Corporation proposes to institute a waterflood project by the injection of water produced from the San Andres formation into the Blinebry and Drinkard portions of the Blinebry Oil & Gas Pool and the Drinkard Oil Pool, without affecting the Tubb Gas Pool, pursuant to a plan of operations as more completely set forth in its Application for approval of the waterflood project.

(5) On March 22, 2005, the Bureau of Land Management approved this unit and issued its Certificate of Effectiveness attached as Exhibit "B" to this application.

(6) Attached to this application, as Exhibit "C" and incorporated herein is a copy of the proposed plan of unitization ("Unit Agreement") which Apache Corporation considers fair, reasonable and equitable.

(7) Attached to this application as Exhibit "D" and incorporated herein is a copy of the proposed operating plan ("Unit Operating Agreement") covering the manner in which the unit will be supervised and managed including the costs allocation and payment.

(8) Apache Corporation states:

- a. Unitized management, operation and further development of the portion of the Blinebry and Drinkard formations of the Blinebry Oil & Gas Pool and the Drinkard Oil Pool, that are the subject of this application, is reasonably necessary in order to effectively carry on secondary recovery operations and to substantially increase the ultimate recovery of oil from the unitized portions of these pools.

- b. Unitized methods of operation applied to this portion of the Blinebry Oil & Gas Pool, the Drinkard Oil Pool and the Tubb Gas Pool are feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil from the pool than would otherwise be recovered.
- c. The estimated additional costs, if any, of conducting such operations will not exceed the estimated value of additional oil recovered plus a reasonable profit.
- d. Unitization and adoption of unitized methods of operation will benefit the working interest owners and the royalty owners of the oil and gas rights within this portion of these pools.
- e. Apache Corporation, as the proposed operator, has made a good faith effort to secure voluntary unitization within the portion of the Blinebry-Drinkard Pool, the Drinkard Oil Pool and the Tubb Gas Pool affected by this application.
- f. The participation formula contained in the unitization agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the Unit Area in a fair, reasonable and equitable basis.

(9) Apache Corporation requests that any order issued in this case provide for carrying any working interest owner on a limited, carried net profits basis payable out of production and including a non-consent penalty for risk to be charge against carried working interest owners within the Unit Area upon such terms and conditions to be determined by the Division as just and reasonable.

(10) Statutory unitization of the East Blinebry-Drinkard Unit Area is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Wherefore, Applicant requests that this application be set for hearing and that after said hearing, the Division enter its order approving this application.

Respectfully submitted,

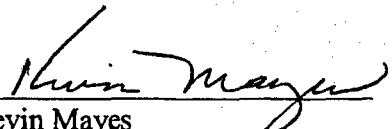


W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504
Attorney for Applicant

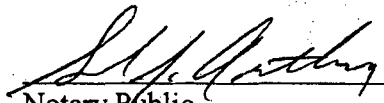
VERIFICATION

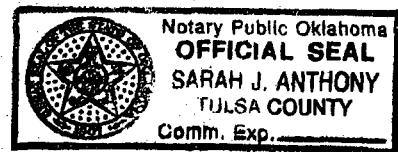
STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

Kevin Mayes, being duly sworn upon his oath, deposes and states: He is a petroleum engineer employed by Apache Corporation, that he is familiar with the matters set forth in this application and the statements therein are true and correct to the best of his knowledge.


Kevin Mayes

SUBSCRIBED AND SWORN to before me this 4 day of ^{MAY}~~April~~ 2005, by Kevin Mayes


Notary Public



My commission expires: 2-2-2008
my commission #: 00000222

TOWNSHIP 21S, RANGE 37E, N.M.P.M.

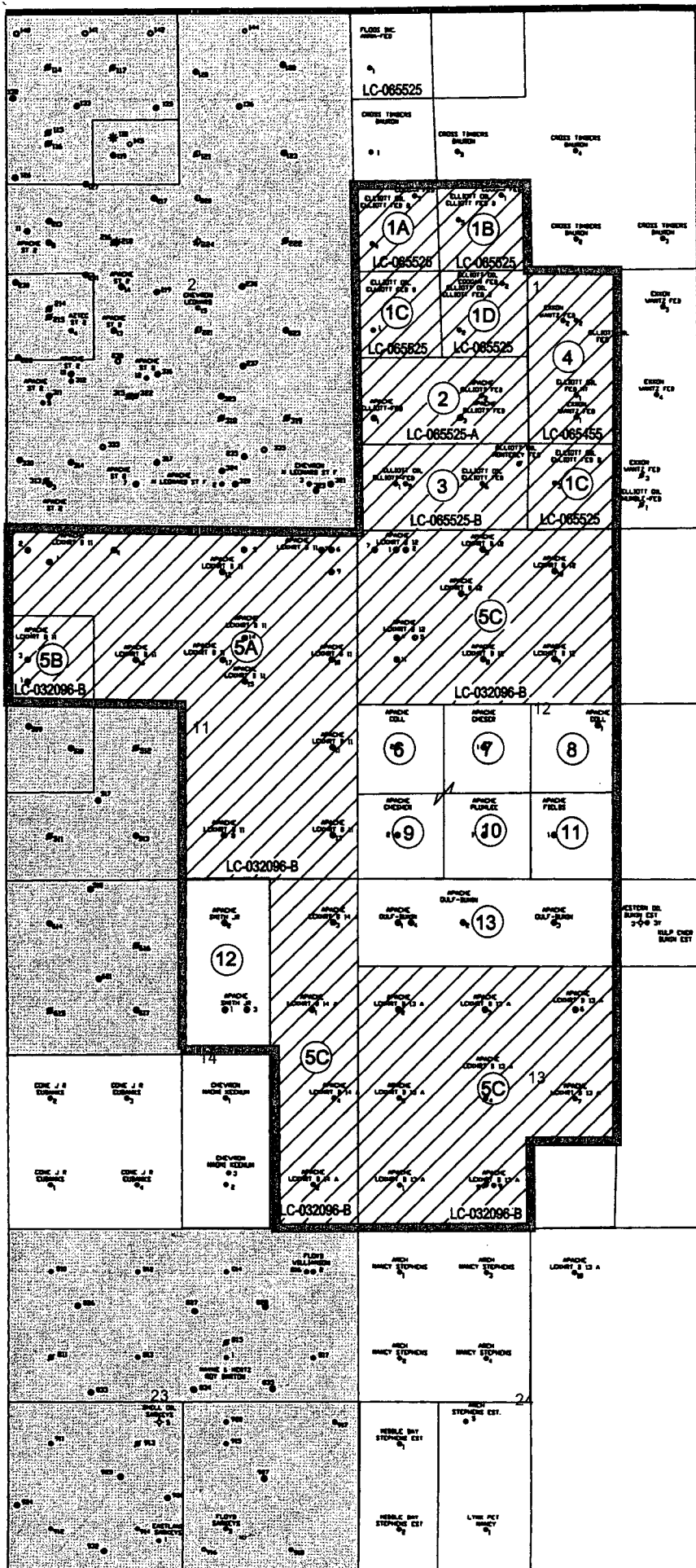
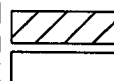


EXHIBIT "A" EAST BLINEBRY DRINKARD UNIT LEA COUNTY, NEW MEXICO APACHE CORP., OPERATOR

LEGEND

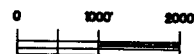
⑪ UNIT TRACT NUMBER



FEDERAL LANDS

PATENTED (FEE) LANDS

ACREAGE	PERCENTAGE
1640.00	78.90
440.00	21.10
TOTALS	2080.00 100%





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 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

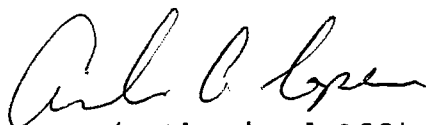


CERTIFICATION - DETERMINATION

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

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
NMNM 112723X



UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO
NMNM 112723X



UNIT AGREEMENT

EAST BLINEBRY - DRINKARD UNIT LEA COUNTY, NEW MEXICO

Table of Contents

Section 1	Enabling Act and Regulation.....	2
Section 2	Unit Area and Definitions.....	2
Section 3	Exhibits	5
Section 4	Expansion	6
Section 5	Unitized Land	8
Section 6	Unit Operator	8
Section 7	Resignation or Removal of Unit Operator	8
Section 8	Successor Unit Operator	9
Section 9	Accounting Provisions and Unit Operating Agreement	10
Section 10	Rights and Obligations of Unit Operator	10
Section 11	Plan of Operations	10
Section 12	Use of Surface and Use of Water	11
Section 13	Tract Participations	12
Section 14	Tracts Qualified for Participation	14
Section 15.A.	Allocation of Unitized Substances.....	16
Section 15.B.	Taking Unitized Substances in Kind	17
Section 16	Outside Substances	18
Section 17	Royalty Settlement.....	18
Section 18	Rental Settlement.....	20
Section 19	Conservation	20
Section 20	Drainage.....	20
Section 21	Loss of Title.....	20
Section 22	Leases and Contracts Conformed and Extended	21
Section 23	Covenants Run with Land	23
Section 24	Effective Date and Term.....	23
Section 25	Rate of Prospecting, Development and Production	24
Section 26	NonDiscrimination	25
Section 27	Appearances.....	25
Section 28	Notices	25
Section 29	No Waiver of Certain Rights	25
Section 30	Equipment and Facilities Not Fixtures Attached to Realty	26
Section 31	Unavoidable Delay	26
Section 32	Nonjoinder and Subsequent Joinder	26
Section 33	Counterparts.....	27
Section 34	Joinder in Dual Capacity	28
Section 35	Taxes.....	28
Section 36	No Partnership	28
Section 37	Production as of the Effective Date	28
Section 38	No Sharing of Market	29
Section 39	Statutory Unitization.....	29
Section 40	Controlling Agreement	29

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of March, 2005, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto".

WITNESSETH

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in the Unit Area subject to this Agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly, or separately with others, in collectively adapting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico (hereinafter referred to as the "Division") is authorized by an Act of the Legislature (Chapter 72 Laws of 1935 as amended) (Chapter 70, Article 2, Section 2 et seq., New Mexico Statutes 1978 Annotated) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interest in the Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their respective interest in the below defined Unit Area, and agree severally among themselves as follows:

SECTION 1. ENABLING ACT AND REGULATION. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this Agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this Agreement; and as to non-federal lands, the oil and gas operating regulations in effect as of the Effective Date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the state in which the non-federal land is located, are hereby accepted and made a part of this Agreement.

SECTION 2. UNIT AREA AND DEFINITIONS. For the purpose of this Agreement, the following terms and expressions as used herein shall mean:

(a) "Authorized Officer" or "A.O." is any employee of the Bureau of Land Management who has been delegated the required authority to act on behalf of the BLM.

(b) "Department" is defined as the Department of the Interior of the United States of America.

(c) "Division" is defined as the Oil Conservation Division of the Department of Energy and Minerals of the State of New Mexico.

(d) "Effective Date" is the date determined in accordance with Section 24, or as redetermined in accordance with Section 39.

(e) "Oil and Gas Rights" are rights to explore, develop and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

(f) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and which is injected into the Unitized Formation.

(g) "Plan of Operation" shall have the meaning ascribed to such term in Section 11 hereof.

(h) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.

(i) "Royalty Interest" or "Royalty" is an interest other than a Working Interest in, or right to receive a portion of, the Unitized Substances or the proceeds thereof and includes; the Royalty Interest reserved by the lessor or by an oil and gas lease and any overriding royalty interest, oil payment interest, net profit contracts, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(j) "Royalty Owner" is the owner of a Royalty Interest.

(k) "Secretary" is defined as the Secretary of the Interior of the United States of America, or his duly authorized delegate.

(l) "Tract" is each parcel of land described as such and given a Tract number in Exhibit "B-1".

(m) "Tract Participation" is defined as the percentage of participation shown on Exhibit "B-2" for allocating Unitized Substances to a Tract under this Agreement.

(n) "Unit Area" is defined as those lands described in Exhibit "B-1" and depicted on Exhibit "A" hereof, and such land is hereby designated and recognized as constituting the Unit Area, containing 2,080.00 acres, more or less, in Lea County, New Mexico.

(o) "Unit Equipment" is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

(p) "Unit Expense" is all cost, expense or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

(q) "Unit Manager" is any person or corporation appointed by the Working Interest Owners to perform the duties of the Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 7 hereof.

(r) "Unit Operating Agreement" is the Agreement entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, East Blinebry - Drinkard Unit, Lea County, New Mexico".

(s) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.

(t) "Unit Operator" is the party designated by the Working Interest Owners pursuant to Section 6 of this Agreement and any successor thereof selected and qualified in accordance with the provisions of this Agreement and the Unit Operating Agreement.

(u) "Unit Participation" is the sum of the percentages obtained by multiplying the Working Interest of a Working Interest Owner in each Tract by the Tract Participation of such Tract.

(v) "Unitized Formation" shall mean that interval underlying the Unit Area, the vertical limits of which extend from an upper limit 75 feet above the stratigraphic Blinebry 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-T21S-R37E, 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 Blinebry 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 SW/4 NW/4 of Sections 2-T22S-R37E, Lea County, New Mexico.)

(w) "Unitized Lands" shall have the means ascribed to such term in Section 5 of this Agreement.

(x) "Unitized Substances" are all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons, other than outside substances, within and produced from the Unitized Formation.

(y) "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, operating agreement, or otherwise, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any Royalty Interest created out of a Working Interest subsequent to the execution of this Agreement by the owner of the Working Interest shall continue to be subject to such Working Interest burdens and obligations.

(z) "Working Interest Owners" is any party hereto owning a Working Interest, including a carried Working Interest Owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, mineral fee title or otherwise. The owner of Oil and Gas Rights that are free of lease or other instrument creating a Working Interest in another shall be regarded as a Working Interest Owner to the extent of seven-eighths (7/8) of his interest in Unitized Substances and as a Royalty Owner with respect to the remaining one-eighth (1/8) of his interest therein.

SECTION 3. EXHIBITS. The following exhibits are incorporated herein by reference: Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of Tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B-1" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and kind of ownership of Oil and Gas Interests in all land in the Unit Area. Exhibit "B-2" attached hereto is a schedule showing the Tract Participation of each Tract. Exhibit "B-3" attached hereto is a schedule showing a summary of Tract Participation for the Proper BLM Office. Exhibit "C" attached hereto is a copy of the Type Log identifying the unitized interval underlying the Unit Area. However, nothing herein or in said schedules or map shall be construed as a representation by any party hereto as to the ownership of any interest other

than such interest or interests as are shown in said map or schedules as owned by such party. The shapes and descriptions of the respective Tracts have been established by using the best information available as of the date of execution of this Agreement. Each Working Interest Owner is responsible for supplying Unit Operator with accurate information relating to such Working Interest Owner's interest. If it subsequently appears that any Tract, because of diverse Royalty or Working Interest ownership, should be divided into more than one Tract, or when any revision is requested by the A.O., or any correction of any error other than mechanical miscalculations or clerical is needed, then the Unit Operator, with the approval of the Working Interest Owners, may correct the mistake by revising the Exhibits to conform to the facts. The revision shall not include any reevaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an Exhibit made within thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each other, such revision of an Exhibit occurring outside of such thirty (30) day period shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised Exhibit or on such other date as may be determined by the Working Interest Owners and set forth in the revised Exhibit. Not less than four copies of any such revision shall be filed with the A.O. In any such revision, there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof.

SECTION 4. EXPANSION. The above described Unit Area may, with the approval of the A.O., when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this Agreement provided however, in any such expansion there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof. Pursuant to Subsection (b) of this Section 4, the Working Interest Owners may agree upon an adjustment of investment by reason of any such expansion. Such expansion shall be affected in the following manner:

(a) The working interest owner or owners of a tract or tracts desiring to bring such tract or tracts into this unit, shall file an application therefore with Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice of the proposed expansion to each of the Working Interest Owners in the Unit Area and in the tract proposed to be included in the unit, setting out the basis for admission, the Tract Participation to be assigned to each Tract in the enlarged Unit Area and other pertinent data. After negotiation (at a Working Interest Owners' meeting or otherwise,) if at least two Working Interest Owners having in the aggregate at least sixty-five percent (65%) of the Unit Participation then in effect have agreed to the inclusion of such tract or tracts in the Unit Area, then Unit Operator shall:

(1) After obtaining preliminary concurrence by the A.O., prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefore, the basis for admission of the additional tract or tracts, the tract participation to be assigned thereto and the proposed effective date thereof; and

(2) Deliver copies of said notice to (i) the A.O. at the Proper BLM Office, (ii) each Working Interest Owner and (iii) the last known address of each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

(3) File, upon the expiration of said thirty (30) day, period as set out in (2) immediately above with the A.O. the following: (a) evidence of mailing or delivering copies of said notice of expansion; (b) an application for approval of such expansion; (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section 14, and Section 34, *infra*; and

(d) a copy of all objections received along with the Unit Operator's response thereto.

The expansion shall, after due consideration of all pertinent information and approval by the A.O. become effective as of the date prescribed in the notice thereof, preferably the first day of the month subsequent to the date of notice. Upon the approval of any such expansion, the tract or tracts added to the Unit Area shall thereafter be considered to be a "Tract" or "Tracts" as defined under this Agreement. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain the same ratio one to another.

SECTION 5. UNITIZED LAND. All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "Land subject to this Agreement". Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as defined in Section 2(v) of this Agreement.

SECTION 6. UNIT OPERATOR. APACHE CORPORATION is hereby designated the initial Unit Operator, and by signing this instrument as Unit Operator, agrees and consents to accept the duties and obligations of Unit Operator for the operation, development, and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such references means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, when such interests are owned by it, and the term "Working Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is owned by it. Unit Operator shall have a lien upon (i) the interests of the Working Interest Owners in the Unit Area, (ii) the Unitized Substances produced therefrom, (iii) the proceeds thereof and (iv) the Unit Equipment to the extent provided in the Unit Operating Agreement.

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. The Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release such Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of its intention to resign has been given by Unit Operator to all Working Interest Owners and the A.O., unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of such six (6) month period.

The Unit Operator shall, upon material default or material failure in the performance of its material duties hereunder or under the Unit Operating Agreement, be subject to removal by the affirmative vote of three (3) or more Working Interest Owners having, in the aggregate, sixty-five percent (65%) or more of the Unit Participation then in effect exclusive of the Working Interest

Owner who is the Unit Operator. Such removal shall be effective upon delivery of notice thereof to the A.O.

In all such instances of effective resignation or removal, until a successor to the outgoing Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in the Unit Area or in the Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall promptly deliver possession of all well equipment, books and records, materials, appurtenances and any other assets used in connection with the Unit Operations to the new duly qualified successor Unit Operator or to the Unit Manager if no such Unit Operator is then elected. Nothing herein shall be construed as authorizing the removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator or Unit Manager who resigns or is removed hereunder from any liability or duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator as herein provided. The selection of a successor Unit Operator shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the A.O. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the A.O. at their election, may declare this Agreement terminated.

In selecting a successor Unit Operator, the affirmative vote of three or more Working Interest Owners having a total of sixty-five percent (65%) or more of the total Unit Participation shall prevail; provided that if any one Working Interest Owner has a Unit Participation of more

than thirty-five percent (35%), its negative vote or failure to vote shall not be regarded as sufficient unless supported by the vote of two or more other Working Interest Owners having a total Unit Participation of at least five percent (5%). If the Unit Operator who is removed votes only to succeed itself or fails to vote, the successor Unit Operator may be selected by the affirmative vote of the owners of at least sixty-five percent (65%) of the Unit Participation remaining after excluding the Unit Participation of Unit Operator so removed.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

Costs and expenses incurred by Unit Operator in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other contracts and such other rights and obligation as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement this Agreement shall prevail. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the A.O. at the Proper BLM Office as required prior to approval of this Agreement.

SECTION 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto including surface rights which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances or the proceeds thereof are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, acceptable evidence of title to said rights shall be deposited with said Operator, and together with this Agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this Agreement the Unit

Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 11. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to put into effect an improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural resources. Unit Operator shall have the right to inject into the Unitized Formation any substances for secondary recovery or enhanced recovery purposes in accordance with a plan of operation (a "Plan of Operation") approved by the Working Interest Owners, the A.O., and the Division, including the right to drill and maintain injection wells within the Unit Area and completed in the Unitized Formation, and to use any temporarily or permanently abandoned well or wells that penetrated the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation may be revised as conditions may warrant.

The initial Plan of Operation shall be filed with the A.O., and the Division concurrently with the filing of this Unit Agreement for final approval. The initial Plan of Operation and all revisions thereof shall be as complete and adequate as the A.O. and the Division may determine to be necessary for timely operation consistent herewith. Upon approval of this Agreement and the initial Plan of Operation by the A.O., said Plan of Operation, and all subsequently approved Plans of Operation, shall constitute the operating obligations of the Unit Operator under this Agreement for the period(s) specified therein. Thereafter, from time to time before the expiration of any existing Plan of Operation, the Unit Operator shall submit for like approval a Plan of Operation for an additional specified period of operations. After such operations are commenced, reasonable diligence shall be exercised by the Unit Operator in complying with the obligations of the currently approved Plan of Operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence Unit Operations for the secondary recovery of Unitized Substances from the Unit Area within eighteen (18) months after the effective date of this Agreement, or any extension thereof approved by the A.O., this Agreement shall terminate automatically as of the date of default.

SECTION 12. USE OF SURFACE AND USE OF WATER. The parties to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonably be necessary for Unit Operations. Unit Operator's free use of water or brine or both for Unit Operations, shall not include any water, from any well, lake, pond, or irrigation ditch of a surface owner, unless approval for such use is granted by the surface owner. Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures on the Unitized Land that result from Unit Operations, and such payments shall be considered as items of Unit Expense to be borne by all the Working Interest Owners in the Unitized Lands.

SECTION 13. TRACT PARTICIPATION. In Exhibit "B-2" attached hereto there are listed and numbered the various Tracts within the Unit Area, and set forth opposite each Tract are figures which represent the Tract Participation, during Unit Operations if all Tracts in the Unit Area qualify as provided herein. The Tract Participation of each Tract as shown in Exhibit "B-2" has been determined in accordance with the following formula:

Tract Participation: Beginning at 7:00 A.M. on the Effective Date of this Agreement and continuing for the term of this agreement, the Tract Participation of each Tract shall be determined by the formula:

$$\text{Tract Participation} = 95\% \text{ A/B} + 5\% \text{ C/D}$$

A. The number of barrels of cumulative oil produced from the Unitized Formation underlying such Tract from date of first production through June 1, 2004.

B. The total number of barrels of cumulative oil produced from the Unitized Formation underlying all such Tracts from date of first production through June 1, 2004.

C. The number of surface acres constituting such Tract.

D. The total number of surface acres of all such Tracts.

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be calculated on the basis of all such qualified Tracts rather than all Tracts in the Unit Area.

SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, the Tracts within the Unit Area which shall be entitled to participation in the production of Unitized Substances shall be those Tracts more particularly described in Exhibit "B-1" that corner or have a common boundary (Tracts separated only by a public road or a railroad right-of-way shall be considered to have a common boundary), and that otherwise qualify as follows:

(a) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this Agreement.

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the inclusion of such Tract, and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the combined Unit Participation in all Tracts that meet the requirements of Section 14(a) above have voted in favor of the inclusion of such Tract.

(c) Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or

obligated themselves to execute and deliver, an indemnity agreement indemnifying and agreeing to hold harmless the other owners of committed Working Interests in other Tracts, their successors and assigns, against all claims and demands that may be made by the owners of Working Interest in such Tract who are not parties to this Agreement, and which arise out of the inclusion of the Tract; and as to which (2) Working Interest Owners; owning at least seventy-five percent (75%) of the Unit Participation in all Tracts that meet the requirements of Section 14(a) and 14(b) have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a Tract, the Tract Participations which would have been attributed to the nonsubscribing owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to such Working Interest Owner's respective Working Interests in the relevant Tract.

If on the Effective Date of this Agreement, there is any Tract or Tracts which have not been effectively committed to or made subject to this Agreement by qualifying as above provided, then such Tract or Tracts shall not be entitled to participate hereunder. Unit Operator shall, when submitting this Agreement for final approval by the A.O., file therewith schedules of those Tracts which have been committed and made subject to this Agreement and are entitled to participate in Unitized Substances. Said schedules shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of such Tract which shall be computed according to the participation formulas set forth in Section 13 (Tract Participation) above. Exhibit "B-1", "B-2" and "B-3" shall be revised, and upon approval thereof by the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until new schedules are approved by the A.O.

SECTION 15.A. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, and other production or development purposes and for injection or unavoidable loss in accordance with a Plan of Operation approved by the A.O.) shall be apportioned among and allocated to the qualified Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances were produced, as, set forth in the schedule of

participation in Exhibit "B-2". All oil, condensate and distillate shall be allocated to the several Tracts based on the Tract Participations. All gas and its associated and constituent liquid of liquefiable hydrocarbons, and gaseous substances and sulphur contained in the gas shall be allocated to the several Tracts based on the Tract Participations. The amount of Unitized Substances so allocated to each Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract) shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract, as such production is deemed attributable to such Tract under this Agreement, in the same manner, in the same proportions and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

No Tract committed to this Agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances under such Tract.

If the Working Interests and/or the Royalty Interests in any Tract are divided with respect to separate parcels or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall, in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. TAKING UNITIZED SUBSTANCES IN KIND. The Unitized Substances allocated to each Tract may be delivered in kind to the respective parties entitled thereto by virtue of the ownership of Oil and Gas Rights therein. Each such party shall have the right to construct, maintain and operate all necessary facilities for the purpose of receiving such share of Unitized Substances in kind within the Unitized Area, provided the same are constructed, maintained and operated as not to interfere with Unit Operations. Subject to Section 17 hereof, any

extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation, then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year, and at not less than the price received by the Unit Operator, for its share of Unitized Substances and the account of, such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned.

Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all Royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner harmless against all claims, demands and causes of action by owners of such Royalty, overriding royalty and production payments. If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently committed hereto, as provided in Section 4 (Expansion) hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date hereof but which are subsequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32 (Nonjoinder and Subsequent Joinder); or if any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedules as shown in Exhibits "B-1", "B-2" and "B-3" shall be revised by the Unit Operator; and the revised Exhibits "B-1", "B-2" and "B-3", upon approval by the A.O., shall govern the allocation of production on and after the effective date thereof until revised schedules are approved as hereinabove provided.

SECTION 16. OUTSIDE SUBSTANCES. If gas obtained from formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulating of production or increasing ultimate recovery which shall be in conformity with a Plan of Operation first approved by the A.O., a like amount of gas with appropriate deduction for loss or depletion from any cause may be withdrawn from unit wells completed in the Unitized Formation royalty free as to dry gas, but not royalty free as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Operation or as otherwise may be consented to or prescribed by the A.O. as conforming to good petroleum engineering practices and provided further that such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. ROYALTY SETTLEMENT. The United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the Unitized Substances produced from any Tract unitized hereunder, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty not taken in kind shall be made by Working Interest Owners responsible therefore under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed on Unitized Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed hereto on which the royalty rate depends upon the daily average production per well, such average production shall be determined in accordance with the operating regulations pertaining to Federal leases as though the committed Tracts were included in a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline runs per well from such Tract during any period of time, then such production shall be determined from and after the Effective Date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells

located thereon capable of producing Unitized Substances as of the Effective Date hereof, provided that a Tract not having any well so capable of producing Unitized Substances on the Effective Date hereof shall be considered as having one such well for the purpose of this provision.

All Royalty due the United States of America and the other Royalty Owners hereunder shall be computed and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts committed hereto, in lieu of actual production from such Tract or Tracts.

With the exception of Federal and State requirements to the contrary, Working Interest Owners may use or consume Unitized Substances for Unit Operations and no Royalty, overriding royalty, production payments or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

Each Royalty Owner (other than United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as its interest appears in Exhibit "B-2" attached hereto. If any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, during the term of this Agreement, then the Royalty Interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interests of all parties shall be adjusted accordingly.

SECTION 18. RENTAL SETTLEMENT. Rentals or minimum royalties due on the leases committed hereto shall be paid by Working Interest Owners responsible therefore under existing contracts, laws and regulations provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof, due under their leases. Rental or minimum royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless such rental or minimum royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 19. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said

substances without waste, as may be defined by or pursuant to Federal and State laws and regulations.

SECTION 20. DRAINAGE. The Unit Operator shall take reasonable and prudent measures to prevent drainage of Unitized Substances from Unitized land by wells on land not subject to this Agreement. The Unit Operator, upon approval by the Working Interest Owners and the A.O. is hereby empowered to enter into a borderline agreement or agreements with working interest owners of adjoining lands not subject to this Agreement with respect to operations in the border area for the maximum economic recovery, conservation purposes and proper protection of the parties and interests affected.

SECTION 21. LOSS OF TITLE. In the event title to any Tract of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty, Working Interest, or other interests subject to this Agreement, payment or delivery on account thereof may be withheld by the Unit Operator without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the A.O. to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement. If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

(a) require that the party to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid furnish acceptable security to the Unit Operator for the proper accounting therefore to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction

of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party or parties rightfully entitled thereto.

Each Working Interest Owner shall indemnify, hold harmless, and defend all other Working Interest Owners against any and all claims by any party against the interest attributed to such Working Interest Owner on Exhibits "B-1" and "B-2". Unit Operator is relieved from any responsibility for any defect or failure of any title hereunder.

SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary, shall and by its approval hereof, or by the approval hereof by their duly authorized representatives, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum Royalty and Royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this Agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each Tract subject to this Agreement, regardless of whether there is any development of such Tract of the Unit Area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling, producing or improved recovery operations performed hereunder shall be deemed to be performed upon and for the benefit of each Tract, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each Tract within the Unitized Area.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil and/or gas which by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein, so that it shall be continued in full force and effect for and during the term of this Agreement.

(e) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Section 17(j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; provided, however, that any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

SECTION 23. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument of transfer; and no assignment or transfer of any Royalty Interest subject hereto shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument of transfer.

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the A.O., and the Division.

If this Agreement does not become effective on or before March 1, 2006, it shall ipso facto expire on said date (hereinafter called "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Unit Participation of at least seventy-five percent (75%); and at least seventy-five percent (75%) of such working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before Extended Expiration Date, it shall ipso facto expire on the Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file a counterpart of this Agreement or a memorandum of this Agreement stating, among other things, the Effective Date hereof, for record within thirty (30) days after the Effective Date hereof, in the office of the County Clerk of Lea County, New Mexico.

The terms of this Agreement shall be in effect for so long as and during the time that Unitized Substances are produced from the Unitized Land and so long thereafter as drilling, reworking or other operations (including improved or enhanced recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the A.O. by Working Interest Owners owning at least seventy-five percent (75%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners determination. Notice of any such termination

shall be filed by Unit Operator in the office of the County Clerk of Lea County, New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into.

Notwithstanding any other provision in the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any applicable Federal or State statute. The A.O. is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and, within the limits made or fixed by the Division, to alter or modify the quantity and rate of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest. The purpose of any such alteration or modification and the public interest to be served thereby is to be stated in the order of alternation or modification; provided, further, that no such alteration or modification shall be effective as to any privately owned lands subject to this Agreement or to the quantity and rate of production from such lands in the absence of specific written approval thereof by the Division.

Powers in this Section vested in the A.O. shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from the Unit Operator's receipt of such notice, and thereafter subject to administrative appeal before becoming final.

SECTION 26. NONDISCRIMINATION. Unit Operator in connection with the performance of work under this agreement relating to leases of the United States, agrees to comply

with all of the provisions of Section 202(1) to (7) inclusive of Executive Order 11246, (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.

SECTION 27. APPEARANCES. Unit Operator shall have the right (i) to appear for or on behalf of any interests affected hereby before the Department and the Division, (ii) to appeal from any order issued under the rules and regulations of the Department or the Division, and/or (iii) to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Department or the Division or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

SECTION 28. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by e-mail, facsimile transmission, postpaid certified or registered mail addressed to such party or parties at their last known address set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other addresses as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 29. NO WAIVER OF CERTAIN RIGHTS. Nothing in this Agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said Unitized Lands are located, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive; provided, however, each party hereto covenants that it will not resort to any action to partition the Unitized Land or the Unit Equipment.

SECTION 30. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY. Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unitized Land as now or hereafter constituted. Therefore, for all purposes of this Agreement, any such equipment shall be considered to be personal property and not fixtures

attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this Agreement, and it is agreed that any such equipment and personal property shall be and remain personal property of the Working Interest Owners for all purposes and shall be owned by the Working Interest Owners in proportion to their respective Unit Participation.

SECTION 31. UNAVOIDABLE DELAY. All obligations under this Agreement requiring the Unit Operator to commence or continue improved recovery operations or to operate on or produce Unitized Substances from any of the Unitized Lands covered by this Agreement shall be suspended while, but only so long as, the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 32. NONJOINDER AND SUBSEQUENT JOINDER. Except as set forth in Section 14, the joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formation not committed hereto prior to submission of this Agreement to the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 14 (Tracts Qualified for Participation) hereof, at any time up to the Effective Date hereof on the same basis of Tract Participation as provided in Section 13, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof, the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than sixty-five percent (65%) of the Unit Participation then in effect, and approved by the A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where Federal land is involved, such joinder must be approved by the A.O. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder on behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with the A.O. of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the A.O., is duly made sixty (60) days after such filing.

SECTION 33. COUNTERPARTS. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the described Unit Area. Furthermore, this Agreement shall extend to and be binding on the parties hereto, and their respective successors, heirs and assigns.

SECTION 34. JOINDER IN DUAL CAPACITY. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party within the Unit Area; provided, that if the party is the owner of a Working Interest, he must also execute the Unit Operating Agreement.

SECTION 35. TAXES. Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required or if it be determined that

the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefore by the parties hereto, including Royalty Owners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged to the United States, or to any lessor who has a contract with a lessee which requires his lessee to pay such taxes.

SECTION 36. NO PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

SECTION 37. PRODUCTION AS OF THE EFFECTIVE DATE. Unit Operator shall make a proper and timely gauge of all lease tanks and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 a.m. on the Effective Date hereof. All such oil which has then been produced in accordance with established allowables shall be and remain the property of the Working Interest Owner entitled thereto, the same as if the unit had not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms hereof. The oil that is in excess of the prior allowable of the wells from which it was produced shall be regarded as Unitized Substances produced after Effective Date hereof. If, as of the Effective Date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract and the amount of overproduction has been sold or otherwise disposed of, such overproduction shall be regarded as a part of the Unitized Substances produced after the Effective Date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

SECTION 38. NO SHARING OF MARKET. This Agreement is not intended to provide and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale or marketing of Unitized Substances.

SECTION 39. STATUTORY UNITIZATION. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Act (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operating Agreement shall automatically be revised and/or amended in accordance with the following:

(1) Section 14 of this Agreement shall be revised by substituting for the entire said Section the following:

“SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances.”

(2) Section 24 of this Agreement shall be revised by substituting for the first three paragraphs of said Section the following:

“SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order; approval of this Agreement as so amended, by the Land Commissioner; and the A.O. and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of Lea County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working Interest Owners owning

a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area.

Unit Operator shall, within thirty (30) days after the Effective Date of this Agreement, file for record in the office of the County Clerk of Lea County, New Mexico, a certificate to the effect that this Agreement has become effective in accordance with its terms, therein identifying the Division's order approving statutory unitization and stating the Effective Date."

(3) This Agreement and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the Division's order approving statutory unitization.

Any and all amendments of this Agreement and/or the Unit Operating Agreement that are necessary to conform said agreements to the Division's order approving statutory unitization shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties, except as follows:

(a) If any amendment of this Agreement has the effect of reducing any Royalty Owner's participation in the production of Unitized Substances, such Royalty Owner shall not be deemed to have hereby approved the amended agreement without the necessity of further approval in writing by said Royalty Owner; and

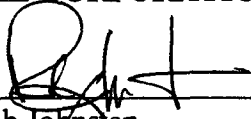
(b) If any amendment of this Agreement and/or the Unit Operating Agreement has the effect of reducing any Working Interest Owner's participation in the production of Unitized Substances or increasing such Working Interest Owner's share of Unit Expense, such Working Interest Owner shall not be deemed to have hereby approved the amended agreements without the necessity of further approval in writing by said Working Interest Owner.

SECTION 40. CONTROLLING AGREEMENT. Notwithstanding anything herein to the contrary, in the event of a conflict between this Agreement and the Unit Operating Agreement, the terms and provisions of this Agreement shall control.

IN WITNESS WHEREOF, the undersigned have executed this agreement on the dates evidenced by their respective certificates of acknowledgement hereof.

**UNIT OPERATOR AND WORKING INTEREST OWNER
APACHE CORPORATION**

By: _____


Rob Johnston
Vice President



Address: Two Warren Place
6120 South Yale, #1500
Tulsa, Oklahoma 74136-4224



WORKING INTEREST OWNER

ANN ELIZABETH ROMER

ANNE S. JOHNSON

**BAYNARD W. MALONE, TRUSTEE OF THE
ANDERSON-MALONE TRUST**

**BAYNARD W. MALONE, TRUSTEE OF THE
ROSS MALONE TEXTAMENTARY TRUST**

BP AMERICA PRODUCTION CO.

CAL FARLEY BOY'S RANCH

CHEVRON USA INC.

**CHRISTOPHER R. WILKINSON AND
CHRISTINE A. WILKINSON, JOINT TENANTS
WITH RIGHT OF SURVIVORSHIP**

DAVID H. ARRINGTON

DOLLY E. BRAND

DONALD LONG

DONNA RODGERS COLLINS

DUCE D. BIVINS

EARL MALONE MD

ELLIOTT INDUSTRIES LIMITED PARTNERSHIP

**ELLIOTT-HALL COMPANY LIMITED
PARTNERSHIP**

EXXON CO. USA

FRANK A. GLISPIN

FREDA M. LONG

J. L. REYNOLDS

JESSIE M. REYNOLDS

K. D. MCPETERS

KENNETH LONG

LAWRENCE DALE LONG

LETTUNICH OIL COMPANY

MARSHA COCKRELL

MARY J. MCWHORTER

**T. H. MCELVAIN OIL & GAS
LIMITED PARTNERSHIP
BY: MCELVAIN OIL & GAS PROPERTIES, INC.,
ITS SOLE GENERAL PARTNER**

ORA LEE JONES, LIFE ESTATE

P. L. LAWRENCE, JR. ESTATE

ROSSER E. SCHWARZ

RUBY RODGERS

RUTH D. BROWN, LIFE ESTATE

THE LANE FAMILY TRUST

TIERRA EXPLORATION, INC.

TRIPLE H. RESOURCES, INC.

WATSON TRUST & SUPPLY INC.

STATE OF OKLAHOMA

§

COUNTY OF TULSA

§

§

This instrument was acknowledged before me on _____ by Rob Johnston,
Vice President of Apache Corporation, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for said
County and State

STATE OF

§

COUNTY OF

§

§

This instrument was acknowledged before me on _____ by
_____, _____ of _____, a
_____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for said
County and State

STATE OF

§

COUNTY OF

§

§

This instrument was acknowledged before me on _____ by
_____.

My Commission Expires:

Notary Public in and for said
County and State

TOWNSHIP 21S, RANGE 37E, N.M.P.M.

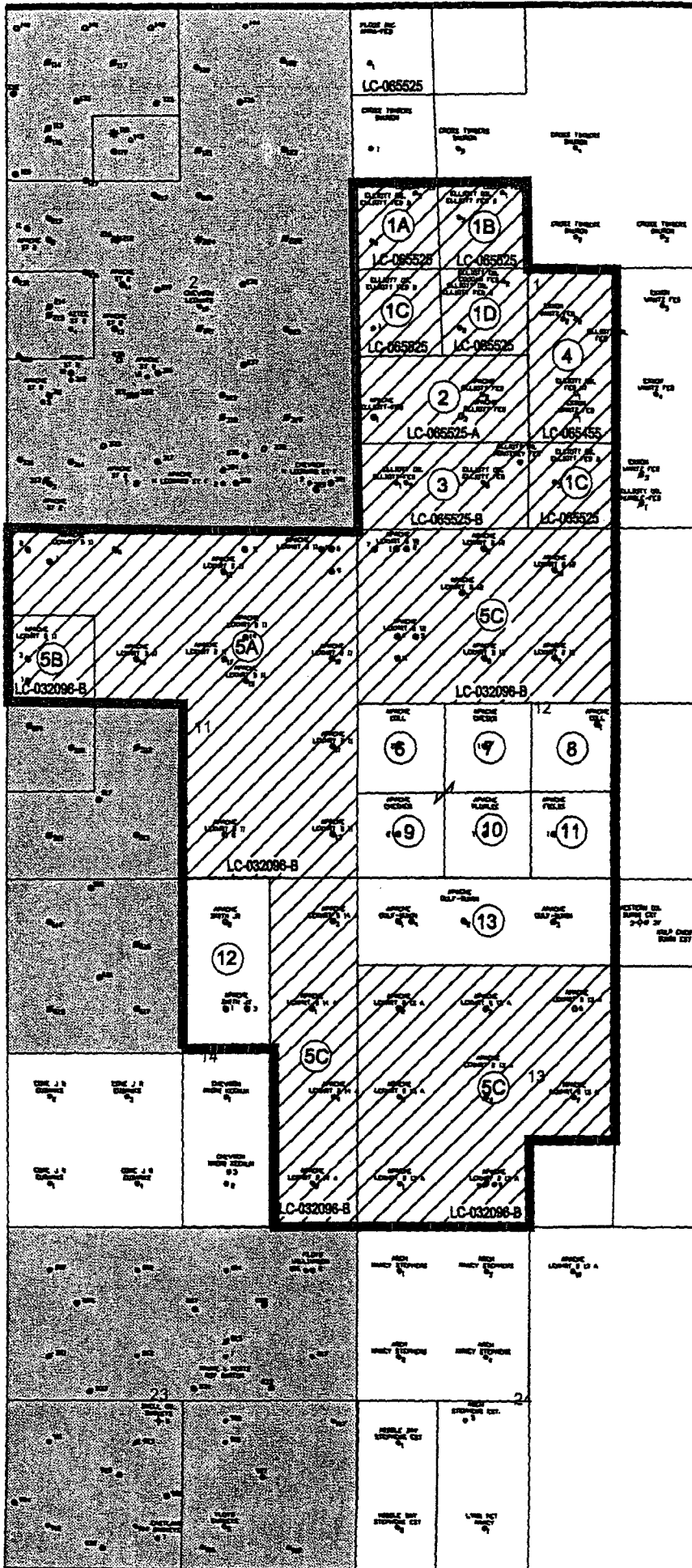




EXHIBIT "A"
EAST BLINEBRY DRINKARD UNIT
LEA COUNTY, NEW MEXICO
 APACHE CORP., OPERATOR

LEGEND
 ⑪ UNIT TRACT NUMBER

	ACREAGE	PERCENTAGE
 FEDERAL LANDS	1640.00	78.85
 PATENTED (FEE) LANDS	440.00	21.15
TOTALS	2080.00	100%



Attached to Unit Agreement
EAST BLINEBRY DRINKARD UNIT
Lea County, New Mexico
March 1, 2005

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
FEDERAL LANDS:							
1A	T21S-R37E, NMPM Section 1: <u>Lot 12</u> (Elliott B Federal)	40	LC-065525 HBP 9/1/1947	USA 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 2.250000% Elliott-Hall Co. Limited Partners 2.250000%	T.H. McElvain Oil & Gas Limited Partnership 60.0000% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% <u>Total - 100%</u>
As to the interval from the top of the Blinebry to 100' below the base of the Blinebry Formation which includes the Blinebry and 100' of the Tubb Formation.							
	T21S-R37E, NMPM Section 1: <u>Lot 12</u>		LC-065525 HBP 9/1/1947	USA 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 2.557771% Elliott-Hall Co. Limited Partners 2.557771%	T.H. McElvain Oil & Gas Limited Partnership 51.390000% Elliott Industries Limited Partnership 17.130000% Elliott-Hall Company Limited Partnership 17.130000% Tierra Exploration, Inc. 8.750000% Watson Truck & Supply, Inc. 2.10% Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship 1.400000% Frank A. Glispin 0.875000%
As to 100' below the Base of the Blinebry Formation which includes the Tubb and Drinkard Formations.							

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
1C	T21S-R37E, NMMPM Section 1: Lot 13 and SW/4 SE/4 (Elliott B Federal)	80	LC-065525 HBP 9/1/1947	USA 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 2.25000% Elliott-Hall Co. Limited Partners 2.25000%	T.H. McElvain Oil & Gas Limited Partnership 60.00% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% Total - 100%
1D	T21S-R37E, NMMPM Section 1: Lot 14 (Elliott B Federal) (Coogan Federal) As to the interval from the top of the Blinebry to 100' below the base of the Blinebry Formation which includes the Blinebry and 100' of the Tubb Formation.	40	LC-065525 HBP 9/1/1947	USA 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 2.25% Elliott-Hall Co. Limited Partners 2.25%	T.H. McElvain Oil & Gas Limited Partnership 60.00% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% Total - 100%
	T21S-R37E, NMMPM Section 1: Lot 14 As to 100' below the Base of the Blinebry Formation which includes the Tubb and Drinkard Formations.		LC-065525 HBP 9/1/1947	USA 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 1.78875% Elliott-Hall Co. Limited Partners 1.78875%	T.H. McElvain Oil & Gas Limited Partnership 47.7000% Elliott Industries Limited Partnership 15.90% Elliott-Hall Company Limited Partnership 15.90% Tierra Exploration, Inc. 12.50% Watson Truck & Supply, Inc. 3.00%
							Triple H. Resources, Inc. 1.2500% Total - 100%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	T21S-R37E, NMPM Section 11: SW/4 NW/4 (Lockhart /B-11/)		LC-032096-B HBP 11/1/1961	USA Schedule D	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25% TOTAL - 100.00%	Apache Corporation 0.218650%	Apache Corporation 93.75% Lettunich Oil Co. 6.25% TOTAL-100.00%
	As to the Drinkard Formation.						
5C	T21S-R37E, NMPM Section 12: NW/4 and W/2 NE/4 Section 14: E/2 E/2 Section 13: S/2 NW/4, SW/4 NE/4, SW/4, W/2 SE/4 (Lockhart /B-12/) (Lockhart /A/ /B-13/) (Lockhart /B-14/)	720	LC-032096-B HBP 11/1/1961	USA Schedule D	Apache Corporation 75% Chevron USA Inc. 25% TOTAL - 100.00%	Apache Corporation 0.218650%	Apache Corporation 75% Chevron USA Inc. 25% TOTAL - 100.00%
	As to the Drinkard and Tubb Formations.						
5C	T21S-R37E, NMPM Section 12: NW/4 and W/2 NE/4 Section 14: E/2 E/2 Section 13: S/2 NW/4, SW/4 NE/4, SW/4, W/2 SE/4 (Lockhart /B-12/) (Lockhart /A/ /B-13/) (Lockhart /B-14/)	720	LC-032096-B HBP 11/1/1961	USA Schedule D	Apache Corporation 75% Chevron USA Inc. 25% TOTAL - 100.00%	Apache Corporation 0.218650%	Apache Corporation 100% TOTAL - 100.00%

As to the Blinebry Formation.

Tract 5 ----- 1,200.0 net acres or 57.69% of Unit (surface) area

TOTAL FEDERAL LANDS = 1640.00 ACRES OR 78.85%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
6	T21S-R37E, NMPM Section 12: NW/4 SW/4 (Coll)	40	Fee Lease HBP 3/19/47 (17) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3)	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.58594% Charles H. Coll 0.58594% James N. Coll 0.58593% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 2.72461% Trubee Buford 0.00977% Illene Gulick Living Trust 0.03906% Habel Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977% Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977% Margaret C. Lemaster 0.009770% Medora M. Lemaster 0.117190% Robin G. Lemaster 0.009770% Cindy Macias 0.009760%	Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.6250% TOTAL - 100%		Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.6250% TOTAL - 100%

FEE LANDS:

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				National Finance Credit Corp.			
				0.130210%			
				Sue Sanders			
				0.009760%			
				Edith A. Schmidt			
				0.130210%			
				Gerald R. Sharp			
				0.130210%			
				The Black Trust			
				0.130210%			
				Shriners Hospitals for Children			
				0.908200%			
				BMCM Partnership LP			
				0.130200%			
				Jack Buford			
				1.562500%			
				Max Coll II			
				0.351564%			
				Sally Rodgers			
				0.234376%			
				Total - 12.421860%			
	Tract 6 ----- 40.0 net acres or 1.92% of Unit (surface) area						
7	T21S-R37E, NMPM Section 12: NE/4 SW/4 (Chesher)	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3)	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.17579% Charles H. Coll 0.17577% James N. Coll 0.17577% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 0.49804%	Apache Corporation 79.15580% Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100%		

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Fee Lease 10/10/05 (34)		Trubee Buford 0.00977%	Baynard W. Malone, Trustee of the Ross Malone Textamentary Trust 0.625000%	Baynard W. Malone, Trustee of the Ross Malone Textamentary Trust 0.625000%	Baynard W. Malone, Trustee of the Ross Malone Textamentary Trust 0.625000%	
	Fee Lease 9/24/07(10)		Illene Gulick Living Trust 0.03906%				
			Habell Trust dbd 11/15/84 0.02604%	David H. Arringotn 0.156200%	David H. Arringotn 0.156200%	David H. Arringotn 0.156200%	
			Lynn Lawrence 0.00976%	Mary J. McWhorter 0.156200%	Mary J. McWhorter 0.156200%	Mary J. McWhorter 0.156200%	
			Stacia Ann Lemaster 0.00976%	P. L. Lawrence, Jr. Estate 5.000000%	P. L. Lawrence, Jr. Estate 5.000000%	P. L. Lawrence, Jr. Estate 5.000000%	
			Richard Grant Lemaster 0.00977%	Duce D. Bivins 2.916700%	Duce D. Bivins 2.916700%	Duce D. Bivins 2.916700%	
			Margaret C Lemaster 0.00977%	Cal Farley Boy's Ranch 8.750000%	Cal Farley Boy's Ranch 8.750000%	Cal Farley Boy's Ranch 8.750000%	
			Medora M. Lemaster 0.11719%	Lawrence Dale Long 0.208300%	Lawrence Dale Long 0.208300%	Lawrence Dale Long 0.208300%	
			Robin G. Lemaster 0.00977%	Kenneth Long 0.041700%	Kenneth Long 0.041700%	Kenneth Long 0.041700%	
			Cindy Macias 0.00976%	Donald Long 0.041700%	Donald Long 0.041700%	Donald Long 0.041700%	
			National Finance Credit Corp. 0.13021%	Marsha Cockrell 0.041700%	Marsha Cockrell 0.041700%	Marsha Cockrell 0.041700%	
			Sue Sanders 0.00976%	Ann Elizabeth Romer 0.277800%	Ann Elizabeth Romer 0.277800%	Ann Elizabeth Romer 0.277800%	
			Edith A. Schmidt 0.02604%	Ora Lee Jones, Life Estate 0.158700%	Ora Lee Jones, Life Estate 0.158700%	Ora Lee Jones, Life Estate 0.158700%	
			Gerald R. Sharp 0.02604%	The Lane Family Trust 0.370400%	The Lane Family Trust 0.370400%	The Lane Family Trust 0.370400%	
			The Black Trust 0.13022%	Freda M. Long 0.370400%	Freda M. Long 0.370400%	Freda M. Long 0.370400%	
			Shriners Hospitals for Children 0.16602%	Ruby Rodgers 0.039700%	Ruby Rodgers 0.039700%	Ruby Rodgers 0.039700%	
			BMC Partnership LP 0.13021%	Dolly E. Brand 0.370400%	Dolly E. Brand 0.370400%	Dolly E. Brand 0.370400%	
				Ruth D. Brown, Life Estate 0.158700%	Ruth D. Brown, Life Estate 0.158700%	Ruth D. Brown, Life Estate 0.158700%	

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Max Coll II 0.10547%	Donna Rodgers Collins 0.119000%		Donna Rodgers Collins 0.119000%
				Sally Rodgers 0.07032%	Total - 100.00%		Total - 100.00%
				Davis E. Coppedge 0.014643%			
				Kenneth Noel Headley 0.937500%			
				Frank H. Hults 0.234375%			
				Wayman Weldon Holmes 0.273430%			
				Judith Lee Taylor 0.017363%			
				Margie Pearl Patterson 0.069450%			
				A. V. Rodgers, Life Estate 0.029756%			
				Janice Rodgers Griffith 0.009918%			
				Bill Herron 0.069450%			
				Roberta Herron 0.069450%			
				Jo Ann Long 0.007818%			
				Norma J. Reger 0.208330%			
				Howard P. Chandler 0.069450%			
				Joyce Ann Bivins Bellan 0.546881%			
				James E. Coppedge 0.014640%			
				Gilbert J. Eaton 0.08%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	New Mexico Western Minerals, Inc.						
	Michael H. Moore			0.9375%			
	Edith Coppedge Wheeler			0.05859%			
	Ann Dennard			0.029287%			
	Allison			0.029287%			
	Tate Byrne			Jennings			
	June S. Brown			0.468750%			
	Kay Parker Adkins			0.091140%			
	Sara Brown			0.091140%			
	Marshall						
	Louise B. Siewert and Henry G.			0.09114%			
	Siewert, Trustees of the Stewart Family Trust						
	dated 11/1/91						
	Pat R. Chandler			0.208330%			
	Earl W. Lyon			0.069450%			
	Lillian . Long			0.070125%			
	Dorothy Scribner			0.05209%			
	Charlene Bruhn			0.039050%			
	Clifford J. Roth			0.0391%			
	Glen Warren Roth			0.017360%			
				0.017360%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Dorothy Leathers 0.070125%			
				Betty Ann Philley 0.069450%			
				Norma D. Owen & Charles B. Owen 0.069450%			
				Laquita Rodgers Cross 0.009919%			
				Dennis A. Whorton 0.009918%			
				Ina Bell Berryman 0.059530%			
				Cindy Ann Allen Trustee of the Reeder Legacy Trust Dated 8/4/04 0.042713%			
				Charles F. Malone, Trustee of the Charles F. Malone Living Trust 0.083340%			
				Maura Smyrl Jennings 0.468750%			
				Brent W. Whorter or Ruth A. Whorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.039063%			
				Jimmy Long 0.00782%			
				Frances May Reeder, Life Estate 0.052880%			
				Total - 11.880686%			

Tract 7 ----- 40.0 net acres or 1.92% of Unit (surface) area

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
8	T21S-R37E, NMPPM Section 12: NW/4 SE/4 (Coll)	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3)	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.97656% Charles H. Coll 0.97656% James N. Coll 0.97656% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 2.72461% Trubee Buford 0.00977% Illene Gulick Living Trust 0.03906% Habel Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977% Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977% Margaret C. Lemaster 0.009770% Medora M. Lemaster 0.11719% Robin G. Lemaster 0.00977% Cindy Macias 0.00976%	Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.62500% Total - 100.00%		Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.62500% Total - 100.00%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				National Finance Credit Corp. 0.13021% Sue Sanders 0.00976% Edith A. Schmidt 0.13021% Gerald R. Sharp 0.13021% Max Coll II 0.58594% The Black Trust 0.13021% Shriners Hospitals for Children 0.90820% BMCM Partnership LP 0.13020% Sally Rodgers 0.39062% <u>Total -</u> 12.42186%			
	Tract 8 ----- 40.0 net acres or 1.92% of Unit (surface) area						
9	T21S-R37E, NMPM Section 12: SW/4 SW/4 (Chesher)	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3)	Roy G. Sr. & Opal Barton Rev. Tr. 1.81641% June D. Speight 3.12500% Jon F. Coll 0.17579% Charles H. Coll 0.17577% James N. Coll 0.17577% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 0.49804%	Apache Corporation 81.3543% Earl Malone MD 0.416700% David H. Arringotn 0.156200% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100% Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust 0.625000%		Apache Corporation 81.3543% Earl Malone MD 0.416700% David H. Arringotn 0.156200% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100% Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust 0.625000%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Fee Lease 10/10/05 (11)			Trubee Buford 0.00977%	Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700%		Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700%
	Fee Lease 9/24/07 (7)			Illene Gulick Living Trust 0.03906%	Mary J. McWhorter 0.156200%		Mary J. McWhorter 0.156200%
				Habell Trust dbd 11/15/84 0.02604%	P. L. Lawrence, Jr. Estate 5.000000%		P. L. Lawrence, Jr. Estate 5.000000%
				Lynn Lawrence 0.00976%	Duce D. Bivins 2.916700%		Duce D. Bivins 2.916700%
				Stacia Ann Lemaster 0.00976%	Cal Farley Boy's Ranch 8.750000%		Cal Farley Boy's Ranch 8.750000%
				Richard Grant Lemaster 0.00977%	Total - 100.00%		Total - 100.00%
				Margaret C. Lemaster 0.00977%			
				Medora M. Lemaster 0.11719%			
				Robin G. Lemaster 0.00977%			
				Cindy Macias 0.00976%			
				National Finance Credit Corp. 0.13021%			
				Sue Sanders 0.00976%			
				Edith A. Schmidt 0.02604%			
				Shriners Hospitals for Children 0.16602%			
				Gerald R. Sharp 0.02604%			
				The Black Trust 0.13022%			
				BMCN Partnership LP 0.13021%			
				Max Coll II 0.10547%			
				Sally Rodgers 0.07032%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Kenneth Noel Headley 0.937500% Frank H. Hults 0.234370% Davis E. Coppedge 0.014640% Wayman Weldon Holmes 0.273430% New Mexico Western Minerals Inc. 0.17589% June S. Brown 0.091140% Kay Parker Adkins 0.091140% Sara Brown Marshall 0.091140% Joyce Ann Bivins Bellan 0.546881% Tate Byrne Jennings 0.468750% Michael H. Moore 0.058590% Edith Coppedge Wheeler 0.029287% Ann Dennard Allison 0.029287% James E. Coppedge 0.014640% Gilbert J. Eaton 0.078130% Charles F. Malone, Trustee of the Charles F. Malone Living Trust 0.083340% Maura Smyrl Jennings 0.46875%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.03906%			
				Total - 10.91346%			
	Tract 9 ----- 40.0 net acres or 1.92% of Unit (surface) area						
10	T21S-R37E, NMPM Section 12: SE/4 SW/4 (Plumlee)	40	Fee Lease HBP 3/22/47 (2) Fee Lease HBP 3/5/47 (2) Fee Lease HBP 3/10/1947 Fee Lease HBP 3/17/1947 Fee Lease HBP 3/26/1947 Fee Lease HBP 3/24/1947 Fee Lease HBP 3/19/1947 (2) Fee Lease HBP 3/20/1947	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.17576% Charles H. Coll 0.17577% James N. Coll 0.17578% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 0.49804% Trubee Buford 0.00977% Illene Gulick Living Trust 0.03906% Habel Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977% Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977%	Apache Corporation 100.00%		Apache Corporation 100.00%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Margaret C. Lemaster 0.00977%			
				Medora M Lemaster 0.11719%			
				Robin G. Lemaster 0.00977%			
				Cindy Macias 0.00976%			
				National Finance Credit Corp. 0.13021%			
				Sue Sanders 0.00976%			
				Edith A. schmidt 0.13021%			
				Gerald R. Sharp 0.13021%			
				Francis R. Reeves 0.78124%			
				Bruce Reeves 0.39063%			
				Virginia Deanalta Mills 1.56250%			
				Lynn Reeves 0.39062%			
				Ethan A. Walker III 1.56250%			
				The Black Trust 0.13021%			
				Shriners Hospitals for Children 0.16602%			
				Mary Ann Fauble 0.78125%			
				John Morris Plumlee 0.78125%			
				BMC Partnership LP 0.13021%			
				Max Coll II 0.10547%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Sally Rodgers 0.07032%			
				Total - 12.49997%			
	Tract 10 ----- 40.0 net acres or 1.92% of Unit (surface) area						
11	T21S-R37E, NMPM Section 12: SW/4 SE/4 (Fields)	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3) Fee Lease 10/10/05 (11) Fee Lease 9/24/07 (9)	Roy G. Sr. & Opal Barton Rev. Tr. 1.81641% June D. Speight 3.12500% Jon F. Coll 0.17579% Charles H. Coll 0.17577% James N. Coll 0.17577% J. Hiram Moore Trust 0.17578% Trubee Buford 0.00977% Allie M. Lee Trust 0.49804% Illene Gulick Living Trust 0.03906% Habel Trust dbd 11/15/84 0.02604% Lynn Lawrence 0.00976% Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977% Margaret C. Lemaster 0.00977% Medora M. Lemaster 0.11719% Robin G. Lemaster 0.00977%	Apache Corporation 81.3540% Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100% Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust 0.625000% David H. Arringotn 0.156200% Mary J. McWhorter 0.156200% P. L. Lawrence, Jr. Estate 5.000000% Duce D. Bivins 2.916700% Cal Farley Boy's Ranch 8.750000%		Apache Corporation 81.3540% Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100% Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust 0.625000% David H. Arringotn 0.156200% Mary J. McWhorter 0.156200% P. L. Lawrence, Jr. Estate 5.000000% Duce D. Bivins 2.916700% Cal Farley Boy's Ranch 8.750000%
				Total - 100.00%	Total - 100.00%	Total - 100.00%	Total - 100.00%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Cindy Macias 0.00976%			
				National Finance Credit Corp. 0.13021%			
				Sue Sanders 0.00976%			
				Edith A. Schmidt 0.02604%			
				Gerald R. Sharp 0.02604%			
				The Black Trust 0.13022%			
				Max Coll II 0.10547%			
				Shriners Hospitals for Children 0.16602%			
				BMCM Partnership LP 0.13021%			
				Sally Rodgers 0.07032%			
				Wayman Weldon Holmes 0.273430%			
				Kenneth Noel Headley 0.937500%			
				Frank H. Hults 0.234370%			
				Davis E. Coppedge 0.014640%			
				New Mexico Western Minerals Inc. 0.17578%			
				Gilbert J. Eaton 0.078131%			
				June S. Brown 0.091140%			
				Kay Parker Adkins 0.091140%			
				Sara Brown Marshall 0.091140%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				Joyce Ann Bivins Bellan 0.546881% Michael H. Moore 0.058593% Edith Coppedge Wheeler 0.029287% Ann Dennard Allison 0.029287% James E. Coppedge 0.014643% James M. Fields, Patricia D. Lee and Priscilla A. Gilmore Trustees of The Fields Trust			
				Charles F. Malone, F. Trustee of the Charles Malone Living Trust 0.083340% Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.039063% Maura Smyrl Jennings 0.468750% TOTAL - 10.444611%			
	Tract 11 ----- 40.0 net acres or 1.92% of Unit (surface) area						
12	T21S-R37E, NMPM Section 14: W/2 NE/4 (Smith)	80	Fee Lease HBP 4/7/1947 Fee Lease HBP 3/17/1947	Jack Markham 0.19531% John Redfern III 0.06510% Joy M. Winn 0.78125%	Apache Corporation 100.00%	Texaco Exploration and Production 4.10%	Apache Corporation 100.00%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Fee Lease HBP		3/19/1947	Fairway Oil and Gas Company 0.19531%			
	Fee Lease HBP		3/21/1947	J. R. Cone, et ux 0.39063%			
				Allie M. Lee Trust 2.34375%			
				Waikiki Partners LP 0.06511%			
				Montgomery Petroleum Inc. 0.04883%			
				Ronald O. Holman 0.01628%			
				Charles D. Sands 0.39063%			
				Estate of R. H. Fulton 0.19531%			
				CCTC Ltd. Successor Trustee FBO 0.78125%			
				M. H. McGrail Testamentary Trust 1.56250%			
				Benischek Properties LLC 0.78125%			
				Shriners Hospitals for Children 0.78125%			
				Smith-Todd Properties Ltd. Co. 0.78125%			
				Pur Resources LP 3.12500%			
				Total - 12.50001%			

Tract 12 ----- 80.0 net acres or 3.84% of Unit (surface) area

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
13	T21S-R37E, NMMPM Section 13: N/2 NW/4; NW/4 NE/4 (Gulf Burnin)	120	Fee Lease HBP 10/14/1944	N. B. Bunnin Properties 12.50%	Apache Corporation 100.00%	Chevron USA Inc. 5.47% Daniel L. Veirs 0.50%	Apache Corporation 100.00%
	Tract 13 -----	120.0 net acres or 5.77% of Unit (surface) area					
	Total Fee Lands	=	440.00	Acres or 21.15%			
	Total Federal Lands	=	1640.00	Acres or 78.85%			
	TOTAL UNIT		2080.00	Acres or 100.00%			

EXHIBIT "B-2"

Attached to and made a part of that certain
Unit Agreement dated March 1, 2005,
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
FEDERAL LANDS			
1A	Elliott Industries Ltd.	20%	1.0369%
(Blinebry	Elliott-Hall Company	20%	1.0369%
Formation)	T.H. McElvain Oil & Gas Ltd Partnership	60%	1.0369%
	Total	100%	0.010369
1A	T.H. McElvain Oil & Gas Ltd Partnership	51.39%	0.0481%
(Tubb &	Elliott Industries	17.13%	0.0481%
Drinkard	Limited Partnership		
Formation)	Elliott-Hall Company Limited Partnership	17.13%	0.0481%
	Tierra Exploration, Inc.	8.75%	0.0481%
	Watson Truck & Supply, Inc.	2.10%	0.0481%
	Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship	1.40%	0.0481%
	Frank A. Glispin	0.8750%	0.0481%
	K. D. McPeters	0.3500%	0.0481%
	Triple H. Resources, Inc.	0.8750%	0.0481%
	Total	100%	0.000481
1B	Elliott Industries Ltd.	20%	0.9909%
(Blinebry	Elliott-Hall Company	20%	0.9909%
Formation)	T.H. McElvain Oil & Gas Ltd Partnership	60%	0.9909%
	Total	100%	0.009909

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
1B (Tubb & Drinkard Formation)	T.H. McElvain Oil & Gas Ltd Partnership Elliott Industries Limited Partnership Elliott-Hall Company Limited Partnership Tierra Exploration, Inc. Watson Truck & Supply, Inc. Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship Frank A. Glispin K. D. McPeters Triple H. Resources, Inc.	47.70% 15.90% 15.90% 12.50% 3.00% 2.00% 1.2500% 0.5000% 1.2500%	0.000229 0.000076 0.000076 0.000060 0.000014 0.000010 0.000006 0.000002 0.000006
	Total	100%	0.000481
1C	Elliott Industries Ltd. Elliott-Hall Company T.H. McElvain Oil & Gas Ltd Partnership	20% 20% 60%	0.005352 0.005352 0.016056
	Total	100%	0.026760
1D (Blinebry Formation)	Elliott Industries Ltd. Elliott-Hall Company T.H. McElvain Oil & Gas Ltd Partnership	20% 20% 60%	0.002649 0.002649 0.007946
	Total	100%	0.013244
1D (Tubb & Drinkard Formation)	T.H. McElvain Oil & Gas Ltd Partnership Elliott Industries Limited Partnership Elliott-Hall Company Limited Partnership Tierra Exploration, Inc. Watson Truck & Supply, Inc.	47.70% 15.90% 15.90% 12.50% 3.00%	0.000229 0.000076 0.000076 0.000060 0.000014

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
	Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship	2.00%	0.0481%
	Frank A. Glispin	1.2500%	0.0481%
	K. D. McPeters	0.5000%	0.0481%
	Triple H. Resources, Inc.	1.2500%	0.0481%
	Total	100%	0.000481
2	Apache Corporation	100%	0.034809
	Total	100%	0.034809
3	Elliott Industries Ltd.	20%	4.2742%
	Elliott-Hall Company	20%	4.2742%
	T.H. McElvain Oil & Gas Ltd Partnership	60%	4.2742%
	Total	100%	0.042742
4	Elliott Industries Ltd.	20%	2.0279%
(Blinbry	Elliott-Hall Company	20%	2.0279%
Formation)	T.H. McElvain Oil & Gas Ltd Partnership	60%	2.0279%
	Total	100%	0.020279
4	Exxon Co. USA	100%	0.000962
(Tubb & Drinkard Formation)	Total	100%	0.000962
5A	Apache Corporation	50%	32.1724%
	BP America Production Co.	25%	32.1724%
	Chevron USA Inc	25%	32.1724%
	Total	100%	0.321724

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
5B (Blinbry & Tubb Formation)	Apache Corporation BP America Production Co. Chevron USA Inc	50.00% 25.00% 25.00%	1.5199% 1.5199% 1.5199%
	Total	100.00%	0.015199
5B (Drinkard Formation)	Apache Corporation Lettunich Oil Company	93.75% 6.25%	2.9342% 2.9342%
	Total	100.00%	0.029342
5C	Apache Corporation (Blinbry)	100%	21.2751%
	Total	100%	0.212751
5C	Apache Corporation Chevron USA Inc (Tub, Drinkard)	75% 25%	4.0045% 4.0045%
	Total	100%	0.040045
<u>FEE LANDS</u>			
6	Apache Corporation J. L. Reynolds & Jessie M. Reynolds	99.375% 0.6250%	2.0049% 2.0049%
	Total	100.00%	0.020049

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)	
9	Apache Corporation Earl Malone MD David H. Arringotn Anne S. Johnson Rosser E. Schwarz Baynard W. Malone, Trustee of the Ross Malone Textamentary Trust Baynard W. Malone, Trustee of the Andersen-Malone Trust Mary J. McWhorter P. L. Lawrence, Jr. Estate Duce D. Bivins Cal Farley Boy's Ranch	81.3543% 0.4167% 0.1562% 0.1041% 0.1041% 0.6250% 0.4167% 0.1562% 5.0000% 2.9167% 8.7500%	1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254% 1.6254%	0.013223 0.000068 0.000025 0.000017 0.000017 0.000102 0.000068 0.000025 0.000813 0.000474 0.001422
	Total	100%	0.016254	
10	Apache Corporation	100%	0.010620	
	Total	100.00%	0.010620	
11	Apache Corporation Earl Malone MD Baynard W. Malone, Trustee of the Andersen-Malone Trust Anne S. Johnson Rosser E. Schwarz Baynard W. Malone, Trustee of the Ross Malone Textamentary Trust David H. Arringotn Mary J. McWhorter P. L. Lawrence, Jr. Estate Duce D. Bivins Cal Farley Boy's Ranch	81.3540% 0.4167% 0.4167% 0.1041% 0.1041% 0.6250% 0.1562% 0.1562% 5.0000% 2.9167% 8.7500%	0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366% 0.6366%	0.005179 0.000027 0.000027 0.000007 0.000007 0.000040 0.000010 0.000010 0.000318 0.000186 0.000557
	Total	100.00%	0.006366	

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
12	Apache Corporation	100%	0.089886
	Total	100.00%	0.089886
13	Apache Corporation	100%	0.055087
	Total	100.00%	0.055087
	FEDERAL LANDS	TOTAL	0.779578
	FEE LANDS	TOTAL	0.220422
	TOTAL FEDERAL & FEE LANDS		1.000000

EXHIBIT "B-3"

Attached to and made a part of that certain
Unit Agreement dated March 1, 2005,
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

TRACT NO.	SERIAL NUMBER	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
FEDERAL LANDS		
1A	LC-065525 (Blinebry Formation)	0.010369
1A	LC-065525 (Tubb & Drinkard Formation)	0.000481
1B	LC-065525 (Blinebry Formation)	0.009909
1B	LC-065525 (Tubb & Drinkard Formation)	0.000481
1C	LC-065525	0.02676
1D	LC-065525 (Blinebry Formation)	0.013244
1D	LC-065525 (Tubb & Drinkard Formation)	0.000481
2	LC-065525-A	0.034809
3	LC-065525-B	0.042742
4	LC-065455 (Blinebry Formation)	0.020279
4	LC-065455 (Tubb & Drinkard Formation)	0.000962
5A	LC-032096-B	0.321724
5B	LC-032096-B (Blinebry & Tubb Formation)	0.015199
5B	LC-032096-B (Drinkard Formation)	0.029342
5C	LC-032096-B (Blinebry Formation)	0.212751
5C	LC-032096-B (Tubb & Drinkard Formation)	0.040045
	FEDERAL LANDS	0.779578

TRACT NO.	SERIAL NUMBER	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
<u>FEE LANDS</u>		
6	Fee Lease	0.020049
7	Fee Lease	0.00993
8	Fee Lease	0.01223
9	Fee Lease	0.016254
10	Fee Lease	0.01062
11	Fee Lease	0.006366
12	Fee Lease	0.089886
13	Fee Lease	0.055087
	FEE LANDS	0.22042
	TOTAL FEDERAL & FEE LANDS	1.00000

East Blinebry Drinkard Unit
Type Log
Continental, Lockhart B-11 #17
1980'FNL, 1980'FEL
Sec. 11, T-21-S, R-37-E
Lea Co., NM

EXHIBIT "C"

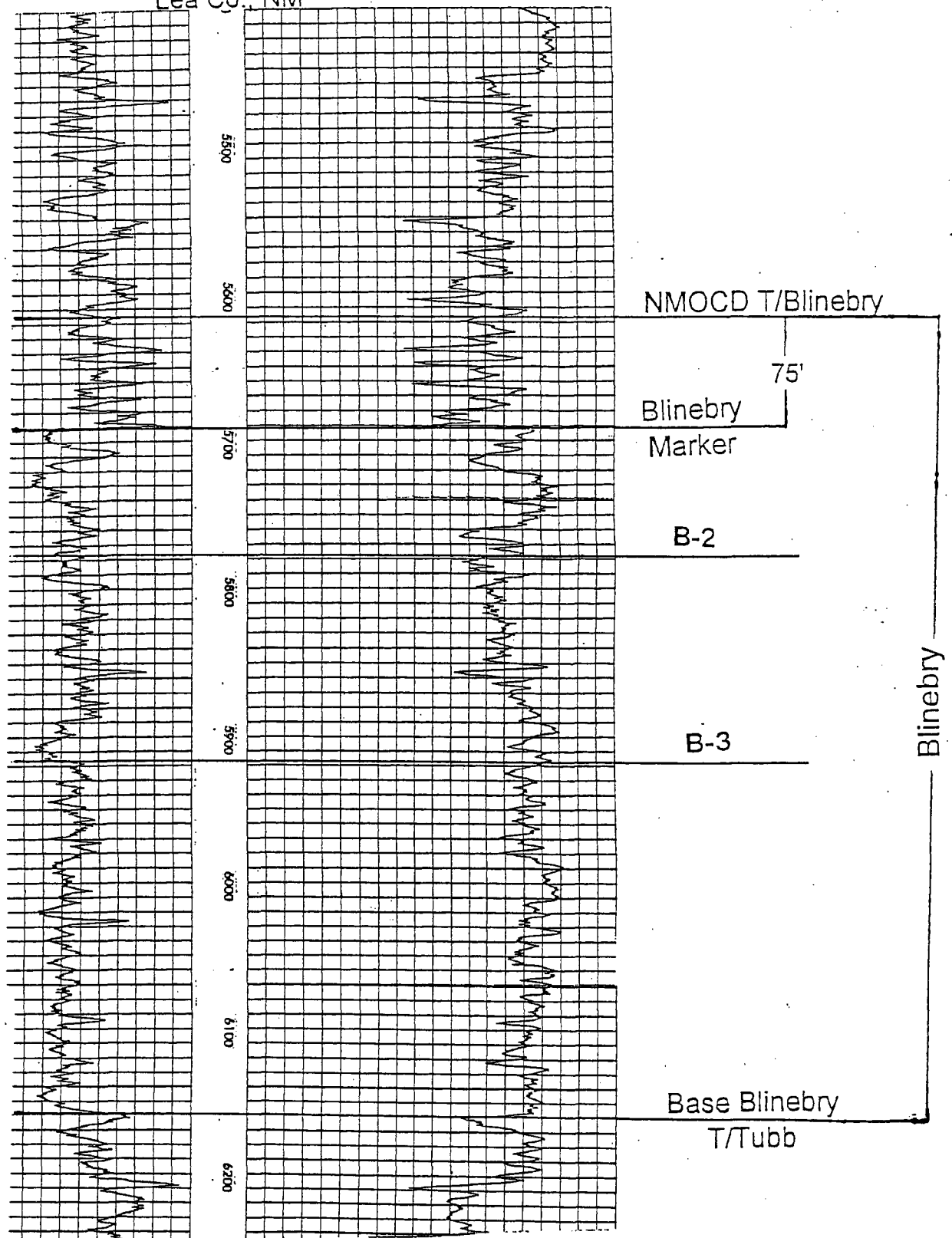
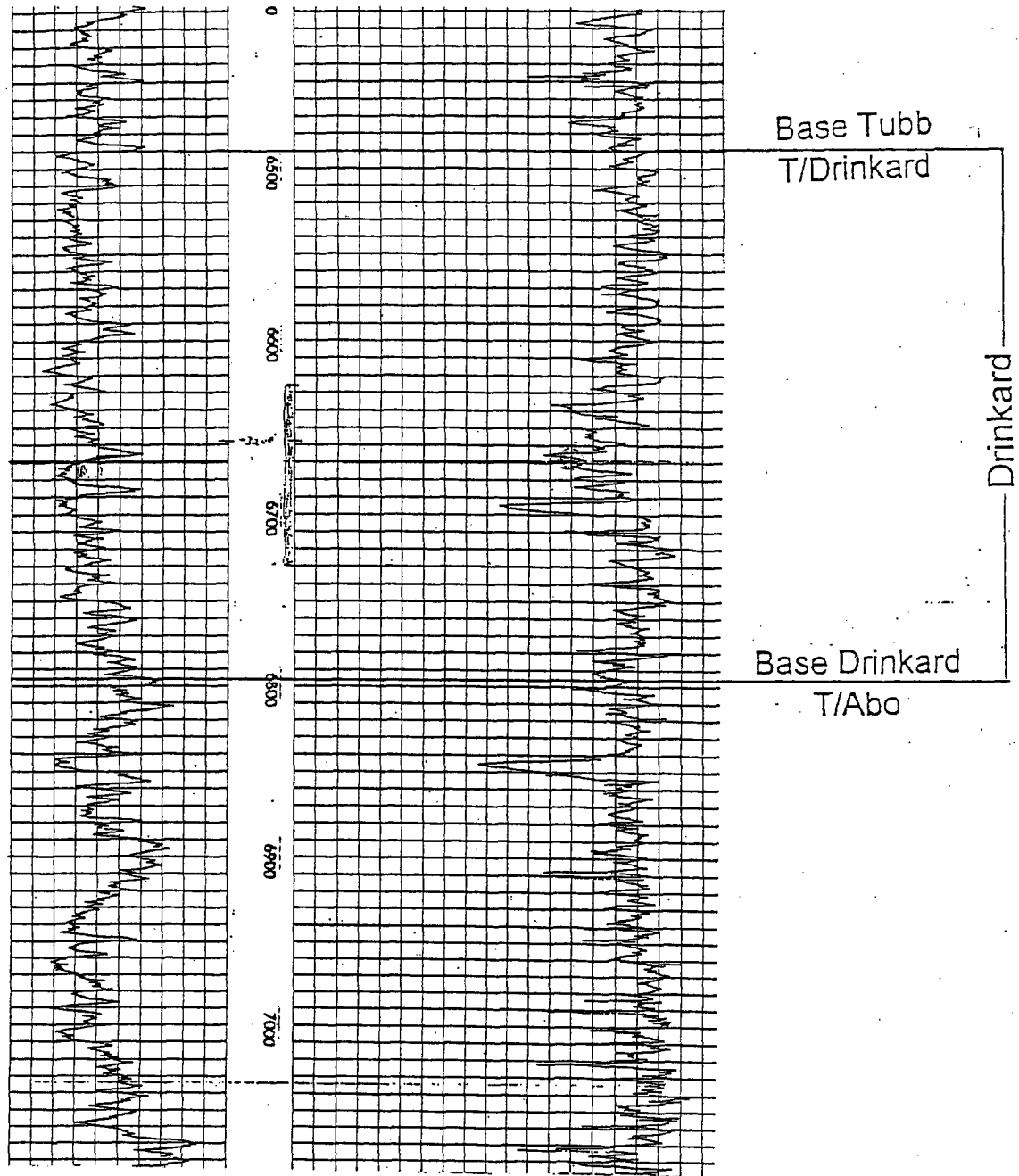


EXHIBIT "C"



**UNIT OPERATING AGREEMENT
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO**



**UNIT OPERATING AGREEMENT
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO**

Table of Contents

<u>ARTICLE 1- CONFIRMATION OF UNIT AGREEMENT</u>	1
<u>Section 1.1</u> Unit Agreement	1
<u>ARTICLE 2- EXHIBITS</u>	1
<u>Section 2.1</u> Exhibits	1
2.1.1 Exhibits A, B-1 and B-2	1
2.1.2 Exhibit C	1
2.1.3 Exhibit D	2
2.1.4 Exhibit E	2
2.1.5 Exhibit F	2
2.1.6 Exhibit G	2
2.1.7 Exhibit H	2
2.1.8 Exhibit I	2
<u>Section 2.2</u> Revision of Exhibits	2
<u>Section 2.3</u> Reference to Exhibits	2
<u>ARTICLE 3- SUPERVISION OF OPERATIONS</u>	
<u>BY WORKING INTEREST OWNERS</u>	2
<u>Section 3.1</u> Overall Supervision	2
<u>Section 3.2</u> Specific Authority and Duties	3
3.2.1 Method of Operation	3
3.2.2 Drilling of Wells	3
3.2.3 Well Abandonment, Use, and Conversion	3
3.2.4 Expenditures	3
3.2.5 Disposition of Unit Equipment	3
3.2.6 Appearance Before a Court of Regulatory Agency	3
3.2.7 Audits	4
3.2.8 Inventories	4
3.2.9 Technical Services	4
3.2.10 Assignment to Committees	4
3.2.11 Removal of Unit Operator	4
3.2.12 Enlargement of Unit Area	4
3.2.13 Adjustment and Readjustment of Investments	4
3.2.14 Termination of Unit Agreement	4
3.2.15 Approval of Cooperative Agreement	4
<u>ARTICLE 4 - MANNER OF EXERCISING SUPERVISION</u>	5
<u>Section 4.1</u> Designation of Representative	5
<u>Section 4.2</u> Meetings	5
<u>Section 4.3</u> Voting Procedure	5
4.3.1 Voting Interest	5

4.3.2	Vote Required	5
4.3.3	Vote at Meeting by Non-attending Working Interest Owner	5
4.3.4	Poll Votes.....	6
ARTICLE 5 - INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS		6
Section 5.1	Reservation of Rights	6
Section 5.2	Specific Rights.....	6
5.2.1	Access to Unit Area	6
5.2.2	Reports	6
5.2.3	CO2.....	6
ARTICLE 6 - UNIT OPERATOR		6
Section 6.1	Unit Operator	6
Section 6.2	Resignation or Removal	7
Section 6.3	Selection of Successor	7
ARTICLE 7 - AUTHORITY AND DUTIES OF UNIT OPERATOR		7
Section 7.1	Exclusive Right to Operate Unit.....	7
Section 7.2	Workmanlike Conduct.....	7
Section 7.3	Liens and Encumbrances	7
Section 7.4	Employees.....	8
Section 7.5	Records	8
Section 7.6	Reports to Working Interest Owners	8
Section 7.7	Reports to Governmental Authorities.....	8
Section 7.8	Engineering and Geological Information	8
Section 7.9	Expenditures	8
Section 7.10	Wells Drilled by Unit Operator	8
Section 7.11	Cooperative Agreements	8
ARTICLE 8 - TAXES.....		9
Section 8.1	Ad Valorem Taxes.....	9
Section 8.2	Other Taxes.....	9
ARTICLE 9 - INSURANCE		9
Section 9.1	Insurance.....	9
ARTICLE 10 - ADJUSTMENT OF INVESTMENTS.....		10
Section 10.1	Personal Property Taken Over.....	10
10.1.1	Wells	10
10.1.2	Wells and Lease Equipment	10
10.1.3	Condition of Wells.....	10
10.1.4	Records	11
10.1.5	Retention of Liability.....	11
Section 10.2	Inventory and Evaluation of Personal Property	11
Section 10.3	Investment Adjustment.....	12
Section 10.4	General Facilities	12
Section 10.5	Ownership of Personal Property and Facilities	12
ARTICLE 11 - UNIT EXPENSE.....		12
Section 11.1	Basis of Charge to Working Interest Owners	12
Section 11.2	Advance Billings	13
Section 11.3	Commingling of Funds	13
Section 11.4	Lien and Security Interest.....	13

Section 11.5	Unpaid Unit Expense	14
Section 11.6	Carved-Out Interest	14
Section 11.7	Uncommitted Royalty	15
<u>ARTICLE 12 - NONUNITIZED FORMATIONS</u>		15
Section 12.1	Right to Operate	15
<u>ARTICLE 13 - TITLES</u>		16
Section 13.1	Warranty and Indemnity	16
Section 13.2	Failure Because of Unit Operations	16
<u>ARTICLE 14 - LIABILITY, CLAIMS, AND SUITS</u>		16
Section 14.1	Individual Liability	16
Section 14.2	Settlements	16
<u>ARTICLE 15 - INTERNAL REVENUE PROVISION</u>		17
Section 15.1	Internal Revenue Provision	17
<u>ARTICLE 16 - NOTICES</u>		18
Section 16.1	Notices	18
<u>ARTICLE 17 - WITHDRAWAL OF WORKING INTEREST OWNER</u>		18
Section 17.1	Withdrawal	18
Section 17.2	Limitation on Withdrawal	19
<u>ARTICLE 18 - ABANDONMENT OF WELLS</u>		19
Section 18.1	Rights of Former Owners	19
Section 18.2	Plugging	20
<u>ARTICLE 19 - EFFECTIVE DATE AND TERM</u>		20
Section 19.1	Effective Date	20
Section 19.2	Term	20
<u>ARTICLE 20 - ABANDONMENT OF OPERATIONS</u>		20
Section 20.1	Termination	20
	20.1.1 Oil and Gas Rights	20
	20.1.2 Right to Operate	20
	20.1.3 Salvaging Wells	21
	20.1.4 Cost of Abandonment	21
	20.1.5 Distribution of Assets	21
<u>ARTICLE 21 - LAWS, REGULATIONS AND CERTIFICATE OF COMPLIANCE</u>		21
	21.1.1 Laws and Regulations	21
	21.1.2 Certificate of Compliance	21
<u>ARTICLE 22 - EXECUTION</u>		21
Section 22.1	Original, Counterpart, or Other Instrument	21
<u>ARTICLE 23 - SUCCESSORS AND ASSIGNS</u>		22
Section 23.1	Successors and Assigns	22
<u>ARTICLE 24 - GAS BALANCING</u>		22
Section 24.1	Gas Balancing	22

UNIT OPERATING AGREEMENT
EAST BLINEBRY - DRINKARD UNIT
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of January, 2005, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof;

WITNESSETH:

WHEREAS, the parties hereto as Working Interest Owners have executed, as of the date hereof, an agreement entitled "Unit Agreement, East Blinebry - Drinkard Unit, Lea County, New Mexico," herein referred to as "Unit Agreement", which, among other things, provides for a separate agreement to be entered into by Working Interest Owners to provide for Unit Operations as therein defined;

NOW, THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

ARTICLE I

CONFIRMATION OF UNIT AGREEMENT

1.1 Unit Agreement. The Unit Agreement is hereby confirmed and by reference made a part of and incorporated into this agreement. The definitions in the Unit Agreement are adopted for all purposes of this agreement. If there is any conflict between the Unit Agreement and this agreement, the Unit Agreement shall govern.

ARTICLE 2

EXHIBITS

2.1 Exhibits. The following exhibits are incorporated herein by reference:

2.1.1 Exhibits A, B-1 and B-2 of the Unit Agreement.

2.1.2 Exhibit C, attached hereto, is a schedule showing the Unit Oil and Gas Participations of each Working Interest Owner. Exhibit C, or a revision thereof, shall not be conclusive as to the information therein, except it may be used as showing the Unit Oil and Gas Participations of Working

Interest Owners for purposes of this agreement until shown to be in error and revised as herein authorized.

2.1.3 Exhibit D, attached hereto, is the Accounting Procedure applicable to Unit Operations. If there is any conflict between this agreement and Exhibit D, this agreement shall govern.

2.1.4 Exhibit E, attached hereto, contains insurance provisions applicable to Unit Operations.

2.1.5 Exhibit F, attached hereto, is the Gas Balancing Agreement applicable to Unit Operations.

2.1.6 Exhibit G, attached hereto, is the form of indemnity agreement provided for in Article 9 of the Unit Agreement.

2.1.7 Exhibit H, attached hereto, is the non-discrimination agreement provided for in Section 21.2.

2.1.8 Exhibit I, attached hereto, is a list of wells to be delivered to Unit Operator on the Effective Date for use in Unit Operations.

2.2 Revision of Exhibits. Whenever Exhibits A, B-1 and B-2 are revised, Exhibit C shall be revised accordingly and be effective as of the same date. Unit Operator shall also revise Exhibit C from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement. Working Interest Owners shall be provided a duplicate copy of any exhibit revised as provided herein.

2.3 Reference to Exhibits. When reference is made herein to an exhibit, it is to the exhibit as originally attached, or, if revised, to the last revision.

ARTICLE 3

SUPERVISION OF OPERATIONS BY

WORKING INTEREST OWNERS

3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations pursuant to this agreement and the Unit Agreement. In the exercise of such authority, each Working Interest Owner shall act solely in its own behalf in the capacity of an individual owner and not on behalf of the owners as an entirety.

3.2 Specific Authority and Duties. The matters with respect to which Working Interest Owners shall decide and take action shall include, but not be limited to, the following:

3.2.1 Method of Operation. The method of operation, including the type or types of secondary or tertiary recovery, or other enhanced recovery program to be employed. 3.2.2 Drilling of Wells. The drilling, deepening, or plugging back of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.2. Drilling of Wells. The drilling, deepening, or plugging back of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3 Well Abandonment, Use, and Conversion. The abandonment of any well; the use of any well for injection, saltwater disposal, or for any purpose other than production; or the conversion of the use of any well from one purpose to another. The reactivation of a well which was shut-in or temporarily abandoned to its former use, by Unit Operator shall not require prior approval of Working Interest Owners if the estimated expenditure is less than the expenditure limitation specified in Section 3.2.4.

3.2.4 Expenditures. The making of any single expenditure in excess of fifty thousand dollars (\$50,000.00); however, approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefore, and for completing, testing, and equipping the well, including necessary flow lines, separators, and lease tankage.

3.2.5 Disposition of Unit Equipment. The selling or otherwise disposing of any major item of surplus Unit Equipment, if the current price of new equipment similar thereto is fifty thousand dollars (\$50,000.00) or more.

3.2.6 Appearance Before a Court or Regulatory Agency. The designating of a representative to appear before any court or regulatory agency in matters pertaining to Unit Operations; however, Unit Operator shall act as such representative in the absence of the designation of a different representative

by Working Interest Owners. Such designation shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.

3.2.7 Audits. The auditing of the accounts of Unit Operator pertaining to Unit Operations hereunder; however, the audit shall:

- (a) not be conducted more than once each year except upon the resignation or removal of Unit Operator, and
- (b) be made upon the approval of the owner or owners of a majority of Working Interest other than that of Unit Operator, at the expense of all Working Interest Owners other than Unit Operator, or
- (c) be made at the expense of those Working Interest Owners requesting such audit, if owners of less than a majority of Working Interest, other than that of Unit Operator, request such an audit, and
- (d) be made upon not less than thirty (30) days written notice to Unit Operator.

3.2.8 Inventories. The taking of periodic inventories under the terms of Exhibit D.

3.2.9 Technical Services. The authorizing of charges to the joint account for services by consultants or Unit Operator's technical personnel not covered by the overhead charges provided by Exhibit D.

3.2.10 Assignment to Committees. The appointment of committees to study any problems in connection with Unit Operations.

3.2.11 The removal of Unit Operator and the selection of a successor.

3.2.12 The enlargement of the Unit Area.

3.2.13 The adjustment and readjustment of investments.

3.2.14 The termination of the Unit Agreement.

3.2.15 The approval of Cooperative Agreements as provided in Section 7.11 hereof.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1 Designation of Representatives. Each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 Meetings. All meetings of Working Interest Owners shall be called by Unit Operator upon its own motion or at the request of one (1) or more Working Interest Owner having a total Unit Participation of not less than ten percent (10%). No meeting shall be called on less than fourteen (14) days advance written notice, with agenda for the meeting attached. Working Interest Owners who attend the meeting may amend items included in the agenda and may act upon an amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.

4.3 Voting Procedure. Working Interest Owners shall decide all matters coming before them as follows:

4.3.1 Voting Interest. Each Working Interest Owner shall have a voting interest equal to its Unit Oil Phase II Participation.

4.3.2 Vote Required. Unless otherwise provided herein or in the Unit Agreement, Working Interest Owners shall determine all matters by the affirmative vote of three (3) or more Working Interest Owners having a combined voting interest of at least sixty-five percent (65%); however, should any one Working Interest Owner have more than thirty-five percent (35%) voting interest, its negative vote or failure to vote shall not defeat a motion and such motion shall pass if approved by Working Interest Owners having a majority voting interest, unless two or more additional Working Interest Owners likewise vote against the motion or fail to vote.

4.3.3 Vote at Meeting by Non-attending Working Interest Owner. Any Working Interest Owner who is not represented at a meeting may vote on any agenda item by letter e-mail, facsimile transmission or telegram addressed to the representative of Unit Operator if its vote is received prior to the vote at the meeting.

4.3.4 Poll Votes. Working Interest Owners may vote on and decide, by letter, e-mail, facsimile transmission or telegram, any matter submitted in writing to Working Interest Owners. If a meeting is not requested, as provided in Section 4.2, within fourteen (14) days after a written proposal is sent to Working Interest Owners, the vote taken by letter, e-mail or telegram shall become final. Unit Operator will give prompt notice of the results of such voting to all Working Interest Owners.

ARTICLE 5

INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

5.1 Reservation of Rights. Working Interest Owners severally reserve to themselves all their rights, except as otherwise provided in this agreement and the Unit Agreement.

5.2 Specific Rights. Each Working Interest Owner shall have, among others, the following specific rights:

5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.

5.2.2 Reports. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency, reports of crude oil runs and stocks, inventory reports, and all other information pertaining to Unit Operations. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to Working Interest Owners shall be charged to the Working Interest Owner that requests such information.

5.2.3 CO₂. The right to supply in-kind its proportionate share of any CO₂ or other injectants used in tertiary recovery or enhanced recovery operations.

ARTICLE 6

UNIT OPERATOR

6.1 Unit Operator. Apache Corporation is hereby designated Unit Operator.

6.2 Resignation or Removal. Unit Operator may resign at any time by giving written notice thereof to Working Interest Owners. Unit Operator may be removed at any time by the affirmative vote of three (3) or more Working Interest Owners having seventy-five percent (75%) or more of the voting interest remaining after excluding the voting interest of Unit Operator. Such resignation or removal shall not become effective for a period of ninety (90) days after the resignation or removal unless a successor Unit Operator has taken over Unit Operations prior to the expiration of such period.

6.3 Selection of Successor. Upon the resignation or removal of a Unit Operator, a successor Unit Operator shall be selected by Working Interest Owners. If the Unit Operator that is removed fails to vote or votes only to succeed itself, the successor Unit Operator shall be selected by the affirmative vote of Working Interest Owners having over fifty percent (50%) of the voting interest remaining after excluding the voting interest of the Unit Operator that was removed.

ARTICLE 7

AUTHORITY AND DUTIES OF UNIT OPERATOR

7.1 Exclusive Right to Operate Unit. Subject to the provisions of this agreement and to instructions from Working Interest Owners, Unit Operator shall have the exclusive right and be obligated to conduct Unit Operations.

7.2 Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good and workmanlike manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages, unless such damages result from its gross negligence or willful misconduct.

7.3 Liens and Encumbrances. Unit Operator shall endeavor to keep the lands and leases in the Unit Area and Unit Equipment free from all liens and encumbrances occasioned by Unit Operations, except the lien and security interest of Unit Operator granted hereunder.

7.4 Employees. The number of employees used by Unit Operator in conducting Unit Operations, their selection, hours of labor, and compensation shall be determined by Unit Operator. Such employees shall be the employees of Unit Operator.

7.5 Records. Unit Operator shall keep correct books, accounts, and records of Unit Operations.

7.6 Reports to Working Interest Owners. Unit Operator shall furnish Working Interest Owners periodic reports of Unit Operations. Such reports shall be furnished as frequently as may be determined by Working Interest Owners.

7.7 Reports to Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 Engineering and Geological Information. Unit Operator shall furnish to a Working Interest Owner, upon written request, a copy of all logs and other engineering and geological data pertaining to wells drilled for Unit Operations.

7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of fifty thousand dollars (\$50,000.00) without prior approval of Working Interest Owners. If an emergency occurs, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.

7.10 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge therefore shall not exceed the usual rates prevailing in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in contracts of independent contractors doing work of a similar nature.

7.11 Cooperative Agreements. Unit Operator may after approval by Working Interest Owners, enter into cooperative agreements with respect to lands adjacent to the Unit Area for the purpose of coordinating operations.

ARTICLE 8

TAXES

8.1 Ad Valorem Taxes. Beginning with the first calendar year after the Effective Date hereof Unit Operator shall make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities with respect to all property of each Working Interest Owner used or held by Unit Operator for Unit Operations. Unit Operator shall settle assessments arising therefrom. All such ad valorem taxes shall be paid by Unit Operator and charged to the joint account; however, if the interest of a Working Interest Owner is subject to a separately assessed overriding royalty interest, production payment, or other interest in excess of a one-eighth (1/8) royalty, such Working Interest Owner shall notify Unit Operator of such interest prior to the rendition date and shall be given credit for any reduction in taxes paid resulting therefrom. If the ad valorem taxes are based in whole or in part upon separate valuation of the Working Interest of each Working Interest Owner, then notwithstanding anything to the contrary herein, charges to the joint account shall be made and paid by the Working Interest Owners in accordance with the tax value generated by the Working Interest of each Working Interest Owner. If Unit Operator considers any tax assessment improper, Unit Operator may, at its discretion, protest within the time and manner prescribed by law, and prosecute to a final determination, unless Working Interest Owners agree to abandon the protest prior to final determination. During the pendency of administrative or judicial proceedings, Operator may elect to pay, under protest, all such taxes and any interest or penalty. When any such protested assessment shall have been finally determined, Unit Operator shall pay the tax for the joint account, together with any interest and penalty accrued.

8.2 Other Taxes. Each Working Interest Owner shall pay or cause to be paid all production, severance, gathering, and other taxes imposed upon or with respect to the production or handling of its share of Unitized Substances, except that on gas production only the taking parties shall pay such taxes.

ARTICLE 9

INSURANCE

9.1 Insurance. Unit Operator, with respect to Unit Operations, shall provide insurance as set forth in Exhibit E.

ARTICLE 10

ADJUSTMENT OF INVESTMENTS

10.1 Personal Property Taken Over. Upon the Effective Date, Working Interest Owners shall deliver to Unit Operator the following:

10.1.1 Wells. All wells listed on Exhibit I, together with the casing therein.

10.1.2 Well and Lease Equipment. The tubing in each such well, the wellhead connections thereon, and all other well, lease and operating equipment that is used in the operation of such wells, which Working Interest Owners determine is necessary or desirable for conducting Unit Operations. Working Interest Owners shall make such determination as soon as practicable after the Effective Date hereof, and all such property that is determined to be surplus shall be returned as promptly as possible to the Working Interest owners who delivered same to Unit Operator.

10.1.3 Condition of Wells. If any well has any zone(s) open below the Unitized Interval, Working Interest Owner(s) of such well must set a cast iron bridge plug (CIBP) in production casing within a 15 foot interval from the top of the Abo to 15 feet above the Abo and place approximately 35 feet of cement on top of the CIBP. If any well has any zone(s) open above the Unitized Interval, Working Interest Owner(s) of such well must cement squeeze the non-unit zone, drill out the cement in production casing, and pressure test the squeeze. Squeeze test must hold 500 psi surface pressure for 30 minutes and be documented. All wells, including the casing therein, shall be delivered to Unit Operator in reasonably good physical condition capable of being used for Unit Operations. If within one hundred and twenty (120) days after the Effective Date it is determined by the Working Interest Owners that at least one of the wells on Exhibit I within each forty (40) acres; (i.e., within each proration unit), has not been delivered to Unit Operator (a) in reasonably good physical condition capable of being used for Unit Operations on the Effective Date, and (b) free of any casing failure or leak, whether any such casing failure or leak is determined by Unit Operator to have developed before or after the Effective Date, and (c) with any zone(s) above or below the Unitized Interval that have not been placed in condition as set out above in this Section 10.1.3, then the Working Interest Owner(s) who contributed such forty (40) acres shall be liable to the other Working Interest Owners for liquidated damages as measured by the

cost of repairing one well on the forty (40) acres, or by the cost of drilling, completing, and equipping a replacement well on the forty (40) acres.

10.1.4 Records. A copy of all production and well records for such wells.

10.1.5 Retention of Liability. Notwithstanding anything to the contrary in this agreement, each Working Interest Owner shall retain all liability and shall indemnify all other Working Interest Owners from any claims, demands, causes of action and liabilities relating to any Adverse Environmental Condition (as defined below), which existed prior to the Effective Date on any lands or leases owned by such Working Interest Owner within the Unit boundaries. For purposes of this agreement, "Adverse Environmental Condition" shall mean any aspect of the leases, lands, plugged or abandoned wells (to the extent not used in Unit operations), fixtures or personal property located on the leases or lands which is not in compliance with applicable Environmental Law. "Environmental Law" means all laws, statutes, ordinances, rules and regulations of any governmental authority pertaining to protection of the environment in effect as of the Effective Date and as interpreted by court decisions or administrative orders as of the Effective Date in the jurisdiction in which such leases or lands are located.

10.2 Inventory and Evaluation of Personal Property. Working Interest Owners shall, at Unit Expense, inventory and evaluate the personal property taken over by Unit Operator under Section 10.1.2. The inventory shall include and be limited to those items of equipment considered controllable as recommended in the most recent edition of the "Materials Classification Manual" prepared by the Council of Petroleum Accountants Societies; however, upon determination of Working Interest Owners, items considered noncontrollable may be included in the inventory in order to insure a more equitable adjustment of investment. All noncontrollable items of well, lease and operating equipment used in the operation of the wells taken over under Section 10.1.1 which Working Interest Owners determine is necessary or desirable for conducting Unit Operations, although excluded from the inventory, shall nevertheless be taken over by Unit Operator. Casing taken over under Section 10.1.1 shall be included in the inventory for record purposes, but shall be excluded from evaluation and investment adjustment. Immediately following completion of such inventory, the material and equipment included in the inventory, with the exception of casing, shall be priced in accordance with the provisions of Exhibit "D". The pricing shall be performed under the supervision of, by the personnel of, and in the offices of the Unit Operator, with Working Interest Owners furnishing such additional pricing information as may be available and necessary.

10.3 Investment Adjustment. Upon approval by Working Interest Owners of the inventory and evaluation, each Working Interest Owner shall be credited with the value, as determined under Section 10.2, of its interest in all personal property taken over under Section 10.1.2, and shall be charged with an amount equal to that obtained by multiplying the total value, as determined under Section 10.2, of all personal property taken over under Section 10.1.2 by such Working Interest Owner's Unit Oil Participation. If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be an item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

10.4 General Facilities. The acquisition of warehouses, warehouse stocks, lease houses, camps, facility systems, and office buildings necessary for Unit Operations shall be by negotiation by the owners thereof and Unit Operator, subject to the approval of Working Interest Owners. There shall be no adjustments for lease roads or appurtenances thereto.

10.5 Ownership of Personal Property and Facilities. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest, equal to its Unit Participation, in all personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this agreement.

ARTICLE 11

UNIT EXPENSE

11.1 Basis of Charge to Working Interest Owners. Unit Operator initially shall pay all Unit Expense. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense. Each Working Interest Owner's share of Unit Expense is to be allocated based on Unit Participation in effect at the time such Unit Expense is incurred except for the following specific items of Unit Expense:

- Waterflood program implementation costs for drilling oil wells, for production/injection/source water facilities, electrical systems, computer assisted operating equipment, damages, well preparations, producer-to-injector conversions and larger lift are to be shared based on Unit Participation.

- "Major repair and condition work" is defined as a single job requiring expenditures greater than \$50,000 and is to be shared based on Unit Participation in effect at the time such item of Unit Expense is incurred.

All charges, credits, and accounting for, Unit Expense shall be in accordance with Exhibit D.

11.2 Advance Billings. Unit Operator shall have the right, without prejudice to other rights or remedies, to require Working Interest Owners to advance their respective shares of estimated Unit Expense by submitting to each Working Interest Owner, on or before the 15th day of any month,, an itemized estimate thereof for the succeeding month, together with an invoice for its share thereof. Within fifteen (15) days after receipt of the estimate, each Working Interest Owner shall pay to Unit Operator its share of such estimate. Adjustments between estimated and actual Unit Expense shall be made by the Unit Operator at the close of each calendar month, and the accounts of Working Interest Owners shall be adjusted accordingly.

11.3 Commingling of Funds. Funds received by Unit Operator under this agreement need not be segregated or maintained by it as a separate fund, but may be commingled with its own funds.

11.4 Lien and Security Interest. Each Working Interest Owner grants to Unit Operator a lien upon its Oil and Gas Rights in each Tract, and security interest in its share of Unitized Substances when extracted and its interest in all Unit Equipment, to secure payment of its share of Unit Expense, together with interest thereon at the Prime rate set by Chase Manhattan Bank of New York for the same period plus one percent (1%) per annum or the maximum contract rate permitted by applicable usury laws, whichever is the lesser. To the extent that Unit Operator has a security interest under the Uniform Commercial Code of the State of New Mexico, Unit Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by Unit Operator for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any Working Interest Owner in the payment of its share of Unit Expense, Unit Operator shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed by such Working Interest Owner, plus interest, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default. Unit Operator grants to Working Interest

Owners other than Unit Operator an identical lien and security interest, together with the same remedies as provided to Unit Operator above, to secure payment of Unit Operator's share of expense.

11.5 Unpaid Unit Expense. If any Working Interest Owner fails to pay its share of Unit Expense within sixty (60) days after rendition of a statement therefore by Unit Operator, each Working Interest Owner agrees, upon request by Unit Operator, to pay its proportionate part of the unpaid share of Unit Expense of the defaulting Working Interest Owner. Working Interest Owners that pay the share of Unit Expense of a defaulting Working Interest Owner shall be reimbursed by Unit Operator for the amount so paid, plus any interest collected thereon, upon receipt by Unit Operator of any past due amount collected from the defaulting Working Interest Owner. Any Working Interest Owner so paying a defaulting Working Interest Owner's share of Unit Expense shall, to obtain reimbursement thereof, be subrogated to the lien and other rights herein granted Unit Operator.

11.6 Carved-Out Interest. If any Working Interest Owner shall, after executing this agreement, create an overriding royalty, production payment, net proceeds interest, carried interest, or any other interest out of its Working Interest, such carved-out interest shall be subject to the terms and provisions of this agreement, specifically including, but without limitation, Section 11.5 hereof entitled "Lien and Security Interest of Unit Operator". If the Working Interest Owner creating such carved-out interest (a) fails to pay any Unit Expense chargeable to such Working Interest Owner under this agreement, and the production of Unitized Substances accruing to the credit of such Working Interest Owner is insufficient for that purpose, or (b) withdraws from this agreement under the terms and provisions of Article 17 hereof, the carved-out interest shall be chargeable with a pro rata portion of all Unit Expense incurred hereunder, the same as though such carved-out interest was a Working Interest, and Unit Operator shall have the right to enforce against such carved-out interest the lien and all other rights granted in Section 11.5 for the purpose of collecting the Unit Expense chargeable to the carved-out interest.

11.7 Uncommitted Royalty. Should an owner of a Royalty Interest in any Tract fail to become a party to the Unit Agreement, and, as a result thereof, the actual Royalty Interest payments with respect to such Tract are more or less than the Royalty Interest payments computed on the basis of the Unitized Substances that are allocated to such Tract under the Unit Agreement, the difference shall be borne by or inure to the benefit of Working Interest Owners, in proportion to their respective Unit Participations at the time the Unitized Substances were produced; however, the difference to be borne by or inure to the benefit of Working Interest

Owners shall not exceed an amount computed on the basis of one-eighth (1/8) of the difference between the Unitized Substances allocated to the Tract and the Unitized Substances produced from the Tract. If such difference exceeds an amount computed on the basis of one-eighth (1/8) of the difference between the Unitized Substances allocated to the Tract and the Unitized Substances produced from the tract, the excess shall be borne solely by the Working Interest Owners of such Tract proportionately in accordance with their Tract Participations as Shown an Exhibit B-2. Such adjustments shall be made by charges and credits to the joint account.

ARTICLE 12

NONUNITIZED FORMATIONS

12.1 Right to Operate. Any Working Interest Owner that now has or hereafter acquires the right to drill for and produce oil, gas, or other minerals, from a formation underlying the Unit Area other than the Unitized Formation, shall have the right to do so notwithstanding this agreement or the Unit Agreement. In exercising the right, however, such Working Interest Owner shall exercise care or cause care to be exercised to prevent unreasonable interference with Unit Operations. No Working Interest Owner shall produce Unitized Substances through any well drilled or operated by it.

ARTICLE 13

TITLES

13.1 Warranty and Indemnity. Each Working Interest Owner represents that it is the owner of the respective Working Interests set forth opposite its name in Exhibits B-1, B-2 and C, and agrees to indemnify and hold harmless the other Working Interest Owners from any loss due to failure, in whole or in part, of its title to any such interest, except failure of title arising because of Unit Operations; however, such indemnity and any liability for breach of warranty shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this agreement is concerned, as of 7:00 a.m. on the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense, or retroactive allocation of Unitized Substances or the proceeds therefrom, as a result of a title failure.

13.2 Failure Because of Unit Operations. The failure of title to any Working Interest in any Tract because of Unit Operations, including non-production from such Tract, shall not change the Unit Oil and Gas Participations of the Working Interest Owner whose title failed in relation to the Unit Participations of the other Working Interest Owners at the time of the title failure.

ARTICLE 14

LIABILITY, CLAIMS, AND SUITS

14.1 Individual Liability. The duties, obligations, and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein shall ever be construed as creating a partnership of any kind, joint venture, association, or trust among Working Interest Owners.

14.2 Settlements. Where insurance or self-insurance is not maintained as set forth in Exhibit E for the joint interest, the Unit Operator shall investigate, defend, settle or otherwise handle any injury or damage claim or suit if the settlement expenditure does not exceed or is reasonably expected not to exceed one hundred thousand dollars (\$100,000.00) and if the payment is in complete settlement of the claim or suit. A settlement expenditure in excess of the above amount may be made only by approval of Working Interest Owners and each Working Interest Owner shall have the right to participate through its own counsel at its own expense in the settlement, compromise or defense of any such claim or suit. Any expenditure incurred by Unit Operator in defending, compromising, settling or prosecuting any claims or suits, regardless of the settlement amount, shall be charged to the joint account, including charges for litigation services of Unit Operator's legal staff or fees or expenses of outside attorneys; however, no charge for services of Unit Operator's legal staff or fees or expenses of outside attorneys shall be made without prior approval of Working Interest Owners. If a claim is made against any Working Interest Owner with a matter arising from Unit Operations or if any Working Interest Owner is sued in connection with any matter arising from Unit Operations over which such Working Interest Owner has no control because of the rights given Working Interest Owners and Unit Operator by this Agreement and the Unit Agreement, the Working Interest Owner shall immediately notify Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

ARTICLE 15

INTERNAL REVENUE PROVISION

15.1 Internal Revenue Provision. Notwithstanding any provisions herein that the rights and liabilities of the parties hereunder are several and not joint or collective, or that this agreement and operations hereunder shall not constitute a partnership, if for Federal income tax purposes this agreement and the operations hereunder are regarded as a partnership, then each of the parties hereto elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code, as permitted and authorized by Section 761 of the Code and the regulations promulgated thereunder. Unit Operator is hereby authorized and directed to execute on behalf of each of the parties hereto such evidence of this election as may be required by the Secretary of the Treasury of the United States or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761-1(a). Should there be any requirement that each party hereto further evidence this election, each party hereto agrees to execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. Each party hereto further agrees not to give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state of New Mexico, or any future income tax law of the United States, contain provisions similar to those in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code, under which an election similar to that provided by Section 761 of the Code is permitted, each of the parties agrees to make such election as may be permitted or required by such laws. In making this election, each of the parties states that the income derived by such party from the operations under this agreement can be adequately determined without the computation of partnership taxable income.

ARTICLE 16

NOTICES

16.1 Notices. All notices required here under shall be in writing and shall be deemed to have been properly served when sent by mail, e-mail or telegram to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4.

ARTICLE 17

WITHDRAWAL OF WORKING INTEREST OWNER

17.1 Withdrawal. A Working Interest Owner may withdraw from this agreement by transferring, without warranty of title either express or implied, to the Working Interest Owners who do not desire to withdraw, all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interest in all Unit Equipment and in all wells used in Unit Operations, provided that such transfer shall not relieve such Working Interest Owner from any obligation or liability incurred (including but not limited to any estimated cost to remediate an environmental condition which exists on the property prior to such withdrawal) prior to the first day of the month following receipt by Unit Operator of such transfer. The delivery of the transfer shall be made to Unit Operator for the Working Interest Owners who do not desire to withdraw (i.e., the transferees). The transferred interest shall be owned by the transferees in proportion to their respective Unit Participations in effect at the time of the transfer. The transferees, in proportion to the respective interests so acquired, shall Pay the transferor for its interest in Unit Equipment, the salvage value thereof less its share of the estimated cost of salvaging same and of plugging and abandoning wells then being used or held for Unit Operations as determined by Working Interest Owners. In the event such withdrawing owner's interest in the aforesaid salvage value is less than such owner's share of such estimated costs, the withdrawing owner, as a condition precedent to withdrawal, shall pay the Unit Operator, for the benefit of Working Interest Owners succeeding to its interest, a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the Unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator and, as of such effective date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest Owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest transferred. Upon the effective date of transfer, the Unit Participations of the transferees shall be revised to reflect the increase in their shares resulting from the transferred interest.

17.2 Limitation on Withdrawal. Notwithstanding anything set forth in Section 17.1, Working Interest Owners may refuse to permit the withdrawal of a Working Interest Owner if its Working Interest is burdened by

any royalties, overriding royalties, production payments, net proceeds interest, carried interest, or any other interest created out of the Working Interest in excess of one-eighth (1/8) lessor's royalty, unless one or more of the other Working Interest Owners are willing to accept assignment of the Working Interest subject to such burdens. Such Working Interest Owners willing to accept assignment, if any, will own the transferred interest in proportion to their respective Unit Participations. Upon the effective date of transfer, if any, the Unit Participations of the transferees shall be revised to reflect the increase in their shares resulting from the Transferred interest.

ARTICLE 18

ABANDONMENT OF WELLS

18.1 Rights of Former Owners. If Working Interest Owners decide to abandon permanently any well within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice thereof to the Working Interest Owners of the Tract or which the well is located, and they shall have the option for a period of ninety (90) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well within ten (10) days after the Working Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the account of all Working Interest Owners, the amount determined by Working Interest Owners to be the value of the salvageable casing and equipment in and on the well up to and including the wellhead equipment, except casing therein if contributed by such Working Interest Owners under Section 10.1.1, less the amount determined by Working Interest Owners to be the cost of salvaging and plugging and abandoning. The Working Interest Owners of the Tract, by taking over the well, agree to seal off the Unitized Formation in a manner satisfactory to Working Interest Owners, and upon abandonment to plug the well in compliance with applicable laws and regulations.

18.2 Plugging. If the Working Interest Owners of a Tract do not elect to take over a well located within the Unit Area that is proposed for abandonment, Unit Operator shall plug and abandon the well in compliance with applicable laws and regulations.

ARTICLE 19

EFFECTIVE DATE AND TERM

19.1 Effective Date. This agreement shall become effective when the Unit Agreement becomes effective.

19.2 Term. This agreement shall continue in effect so long as the Unit Agreement remains in effect, and thereafter until (a) all Unit wells have been plugged and abandoned or turned over to Working Interest Owners in accordance with Article 20; (b) all Unit Equipment and real property acquired for the joint account have been disposed of by Unit Operator in accordance with instructions of Working Interest Owners; and (c) there has been a final accounting.

ARTICLE 20

ABANDONMENT OF OPERATIONS

20.1 Termination. Upon termination of the Unit Agreement, the following will occur:

20.1.1 Oil and Gas Rights. Oil and Gas Rights in and to each separate Tract shall no longer be affected by this agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts, and other instruments affecting the separate Tracts.

20.1.2 Right to Operate. Working Interest Owners of any Tract that desire to take over and continue to operate wells located thereon may do so by paying Unit Operator, for credit to the joint account, the amount determined by Working Interest Owners to be the value of the salvageable casing and equipment up to and including the wellhead equipment in and on the wells taken over, except casing therein if contributed by such Working Interest Owners under Section 10.1.1., less the amount determined by Working Interest Owners to be the cost of salvaging and plugging and abandoning, and by agreeing upon abandonment to plug each well in, compliance with applicable laws and regulations.

20.1.3 Salvaging Wells. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonably be salvaged, and shall cause the wells to be plugged and abandoned in compliance with applicable laws and regulations.

20.1.4 Cost of Abandonment. The cost of abandonment of Unit Operations shall be Unit Expense.

20.1.5 Distribution of Assets. Working Interest Owners shall share in the distribution of Unit Equipment, or the proceeds thereof, in proportion to their Oil Unit Participations.

ARTICLE 21

LAWS, REGULATIONS AND CERTIFICATE OF COMPLIANCE

21.1 Laws and Regulations. This Agreement and operations hereunder are subject to all valid rules, regulations and orders of all regulatory bodies having jurisdiction and to all other applicable federal, state and local laws, ordinances, rules, regulations and orders; and any provision of this agreement found to be contrary to or inconsistent with any such law, ordinance, rule, regulation or order shall be deemed modified accordingly.

21.2 Certificate of Compliance. In the performance of work under this agreement, the parties agree to comply with, and Unit Operator shall require each independent contractor to comply with, the Federal contract provisions of Exhibit "H".

ARTICLE 22

EXECUTION

22.1 Original, Counterpart, or Other Instrument. An owner of a Working Interest may become a party to this agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof. The signing of any such instrument shall have the same effect as if all parties had signed the same instrument.

ARTICLE 23

SUCCESSORS AND ASSIGNS

23.1 Successors and Assigns. This agreement shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute a covenant running with the lands, leases and interests covered hereby.

ARTICLE 24

GAS BALANCING

24.1 Gas Balancing. In the event one (1) or more Working Interest Owners' separate disposition of its share of gas causes deliveries to separate pipelines or deliveries which-on a day-to-day basis for any reason are not exactly equal to a Working Interest Owner's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Working Interest Owners shall be in accordance with Exhibit F, which shall prevail in the event of a conflict between the Unit Operating Agreement and Exhibit F.

IN WITNESS WHEREOF, the undersigned have executed this agreement on the dates evidenced by their respective certificates of acknowledgment hereof.

APACHE CORPORATION

By: _____
Rob Johnston
Vice President
Central Region

Address: Two Warren Place
6120 South Yale, #1500
Tulsa, Oklahoma 74136-4224

ANN ELIZABETH ROMER

ANNE S. JOHNSON

BAYNARD W. MALONE, TRUSTEE OF THE
ANDERSON-MALONE TRUST

**BAYNARD W. MALONE, TRUSTEE OF THE
ROSS MALONE TEXTAMENTARY TRUST**

BP AMERICA PRODUCTION CO.

**BRENT W. MCWHORTER OR RUTH A
MCWHORTER, TRUSTEE OF THE
MCWHORTER FAMILY TRUST DATED
2/24/89**

CAL FARLEY BOY'S RANCH

**CHARLES F. MALONE, TRUSTEE OF THE
CHARLES F. MALONE LIVING TRUST**

CHEVRON USA INC.

**CHRISTOPHER R. WILKINSON AND
CHRISTINE A. WILKINSON, JOINT TENANTS
WITH RIGHT OF SURVIVORSHIP**

DAVID H. ARRINGTON

DOLLY E. BRAND

DONALD LONG

DONNA RODGERS COLLINS

DUCE D. BIVINS

EARL MALONE MD

ELLIOTT INDUSTRIES LIMITED PARTNERSHIP

**ELLIOTT-HALL COMPANY LIMITED
PARTNERSHIP**

EXXON CO. USA

FRANK A. GLISPIN

FREDA M. LONG

J. L. REYNOLDS

JESSIE M. REYNOLDS

K. D. MCPETERS

KENNETH LONG

LAWRENCE DALE LONG

LETTUNICH OIL COMPANY

MARSHA COCKRELL

MARY FRANCES REEDER, LIFE ESTATE

MARY J. MCWHORTER

MAURA SMYRL JENNINGS

T. H. MCELVAIN OIL & GAS

ORA LEE JONES, LIFE ESTATE

P. L. LAWRENCE, JR. ESTATE

ROSSER E. SCHWARZ

RUBY RODGERS

RUTH D. BROWN, LIFE ESTATE

THE LANE FAMILY TRUST

TIERRA EXPLORATION, INC.

TRIPLE H. RESOURCES, INC.

WATSON TRUST & SUPPLY INC.

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

This instrument was acknowledged before me on _____ by Rob Johnston, Vice President of Apache Corporation, Inc., a Delaware corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public in and for said
County and State

STATE OF §
 §
COUNTY OF §

This instrument was acknowledged before me on _____ by _____,
_____ of _____, a _____ corporation, on behalf of
said corporation.

My Commission Expires: _____

Notary Public in and for said
County and State

STATE OF §
 §
COUNTY OF §

This instrument was acknowledged before me on _____ by
_____.

My Commission Expires: _____

Notary Public in and for said
County and State

STATE OF OKLAHOMA §
COUNTY OF TULSA §

This instrument was acknowledged before me on _____ by Rob Johnston, Vice President, Central Region of Apache Corporation, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Notary Public in and for
said County and State

Notary Public (Print Name)

EXHIBIT "B-1"
 Attached to Unit Operating Agreement
 EAST BLINEBRY DRINKARD UNIT
 Lea County, New Mexico
 January 1, 2005

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
-----------	-----------------------------------	--------------------	--	---	---	---	---

FEDERAL LANDS:

1A	T21S-R37E, NMPM Section 1: <u>Lot 12</u> (Elliott B Federal)	40	LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 2.250000% Elliott-Hall Co. Limited Partners	T.H. McElwain Oil & Gas 60.0000% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00%
As to the interval from the top of the Blinebry to 100' below the base of the Blinebry Formation which includes the Blinebry and 100' of the Tubb Formation.							
<u>Total - 100%</u>							

	T21S-R37E, NMPM Section 1: <u>Lot 12</u> (Coogan Federal)		LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 2.557771% Elliott-Hall Co. Limited Partners	T.H. McElwain Oil & Gas 51.155425% Elliott Industries Limited Partnership 17.051809% Elliott-Hall Company Limited Partnership 17.051809%
As to 100' below the Base of the Blinebry Formation which includes the Tubb and Drinkard Formations.							
<u>Total - 100%</u>							

Christopher R.
 Wilkinson and
 Christine A. Wilkinson,
 Joint Tenants with
 Right of Survivorship
 1.444681%
 Frank A. Glispin
 0.902926%
 K. D. McPeters
 0.361170%

Tierra Exploration, Inc.
 9.029255%
 Watson Truck &
 Supply, Inc.
 2.10%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
1B	T21S-R37E, NMPM Section 1: <u>Lot 11</u> (Elliott B Federal)	40	LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 2.250000% Elliott-Hall Co. Limited Partners 2.250000%	T.H. McElvain Oil & Gas 60.0000% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% <u>Total - 100%</u>
	As to the interval from the top of the Blinebry to 100' below the base of the Blinebry Formation which includes the Blinebry and 100' of the Tubb Formation.						
	T21S-R37E, NMPM Section 1: <u>Lot 11</u> (Coogan Federal)		LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% <u>Total - 100%</u>	Elliott Industries Limited Partners 6.25% Elliott-Hall Co. Limited Partners 6.25%	T.H. McElvain Oil & Gas 47.7000% Elliott Industries Limited Partnership 15.90% Elliott-Hall Company Limited Partnership 15.90% Tierra Exploration, Inc. 12.50% Watson Truck & Supply, Inc. 3.00%
	As to 100' below the Base of the Blinebry Formation which includes the Tubb and Drinkard Formations.						
							Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship 2.00% Frank A. Glispin 1.2500% K. D. McPeters 0.5000% Triple H. Resources, Inc. 1.2500% <u>Total - 100%</u>

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
1C	T21S-R37E, NM/PM Section 1: <u>Lot 13 and SW/4 SE/4</u> (Elliott B Federal)	80	LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 2.25% Elliott-Hall Co. Limited Partners 2.25%	T. H. McElvain Oil & Gas 60.00% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% Total - 100%
1D	T21S-R37E, NM/PM Section 1: <u>Lot 14</u> (Elliott B Federal) (Coogan Federal)	40	LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 2.25% Elliott-Hall Co. Limited Partners 2.25%	T. H. McElvain Oil & Gas 60.00% Elliott Industries Limited Partnership 20.00% Elliott-Hall Company Limited Partnership 20.00% Total - 100%
	As to the interval from the top of the Blinebry to 100' below the base of the Blinebry Formation which includes the Blinebry and 100' of the Tubb Formation.						
	T21S-R37E, NM/PM Section 1: <u>Lot 11</u> (Coogan Federal)		LC-065525 HBP 9/1/1947	United State Bureau of Land Management 12.50%	Elliott Industries Co. LP 50.00% Elliott Hall Co UT LP 50.00% Total - 100%	Elliott Industries Limited Partners 6.25% Elliott-Hall Co. Limited Partners 6.25%	T. H. McElvain Oil & Gas 47.7000% Elliott Industries Limited Partnership 15.90% Elliott-Hall Company Limited Partnership 15.90% Tierra Exploration, Inc. 12.50% Watson Truck & Supply, Inc. 3.00%
	As to 100' below the Base of the Blinebry Formation which includes the Tubb and Drinkard Formations.						
							Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship 2.00% Frank A. Glispin 1.2500%

K. D. McPeters
0.5000%
Triple H. Resources, Inc
1.2500%
<hr/> Total - 100%

TOTALS: Tract 2 ----- 80.0 net acres or 3.84% of Unit (surface) area

Total - 100%

Total - 100%

12.50%

1.25%

Total - 100%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	T21S-R37E, NMPM Section 11: Lots 15 and NW/4 SE/4 (H.T. Federal)		LC-065455 HBP 11/1/1947	United State Bureau of Land Management 12.50%	Exxon Co. USA 100.0000%		Exxon Mobil Corporation 100%

As to the Tubb and Drinkard Formations.

TOTALS: Tract 4 ----- 80.0 net acres or 3.84% of Unit (surface) area

5A	T21S-R37E, NMPM Section 11: <u>E/2, N/2 NW/4,</u> SE/4 NW/4 (Lockhart /B-11)	440	LC-032096-B HBP 11/1/1961	United State Bureau of Land Management Schedule D	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25%	Apache Corporation 0.218650%	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25%
----	--	-----	---------------------------------	---	---	------------------------------------	---

TOTAL - 100.00%TOTAL-100.00%

5B	T21S-R37E, NMPM Section 11: <u>SW/4 NW/4</u> (Lockhart /B-11/)	40	LC-032096-B HBP 11/1/1961	United State Bureau of Land Management Schedule D	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25%	Apache Corporation 0.218650%	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25%
----	---	----	---------------------------------	---	---	------------------------------------	---

As to the Blinebry and Tubb Formations.

	T21S-R37E, NMPM Section 11: <u>SW/4 NW/4</u> (Lockhart /B-11/)		LC-032096-B HBP 11/1/1961	United State Bureau of Land Management Schedule D	Apache Corporation 50% BP America Production Company 25% Chevron USA Inc. 25%	Apache Corporation 0.218650%	Apache Corporation 93.75% Lettunich Oil Co. 6.25%
--	---	--	---------------------------------	---	---	------------------------------------	--

TOTAL-100.00%TOTAL - 100.00%

As to the Drinkard Formation.

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
5C	T21S-R37E, NMPM Section 12: <u>NW/4 and W/2 NE/4</u> Section 14: E/2 E/2 Section 13: S/2 NW/4, SW/4 NE/4, SW/4, W/2 SE/4 (Lockhart /B-12/) (Lockhart /A/ /B-13/) (Lockhart /B-14/)	720	LC-032096-B HBP 11/1/1961	United State Bureau of Land Management Schedule D	Apache Corporation 75% Chevron USA Inc. 25% TOTAL - 100.00%	Apache Corporation 0.218650%	Apache Corporation 75% Chevron USA Inc. 25% TOTAL - 100.00%

As to the Drinkard and Tubb Formations.

5C	T21S-R37E, NMPM Section 12: <u>NW/4 and W/2 NE/4</u> Section 14: E/2 E/2 Section 13: S/2 NW/4, SW/4 NE/4, SW/4, W/2 SE/4 (Lockhart /B-12/) (Lockhart /A/ /B-13/) (Lockhart /B-14/)	720	LC-032096-B HBP 11/1/1961	United State Bureau of Land Management Schedule D	Apache Corporation 100% TOTAL - 100.00%	Apache Corporation 0.218650%	Apache Corporation 100% TOTAL - 100.00%
----	---	-----	---------------------------------	---	---	------------------------------------	---

As to the Blinebry Formation.

TOTALS: Tract 5 ----- 1,200.0 net acres or 57.69% of Unit

TOTAL FEDERAL LANDS = 1640

FREE LANDS:

6	T21S-R37E, NMPM Section 12: <u>NW/4 SW/4</u> (Coll)	40	Fee Lease HBP 3/19/47 (17) Fee Lease HBP 3/20/1947 Fee Lease HBP	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.58594% Charles H. Coll	Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.6250% TOTAL - 100%	Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.6250% TOTAL - 100%
---	--	----	---	---	--	--

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	3/22/47 (3) Fee Lease HBP		0.58594% James N. Coll 0.58593% J. Hiram Moore Trust				
	3/24/47 (3) Fee Lease HBP		0.17578% Allie M. Lee Trust 2.72461% Trubee Buford 0.00977%				
	3/26/47 (3)		Illene Gulick Living Trust 0.03906% Habel Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977%				
			Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977% Margaret C. Lemaster 0.009770% Medora M. Lemaster 0.117190% Robin G. Lemaster 0.009770% Cindy Macias 0.009760% National Finance Credit Corp. 0.130210% Sue Sanders 0.009760% Edith A. Schmidt 0.130210% Gerald R. Sharp 0.130210% The Black Trust 0.130210%				

Page 8							
TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
7	T21S-R37E, NMPM Section 12: <u>NE/4 SW/4</u> (Chesher)	40	Fee Lease HBP	Shriners Hospitals for Childred 0.908200% BMCM Partnership LP 0.130200% Jack Buford 1.562500% Max Coll II 0.351564% Sally Rodgers 0.234376%			
			3/19/47 (16)	Roy G. Sr. & Opal Barton Rev. Tr.	Apache Corporation 61.141600%		Apache Corporation 75.80510%
			Fee Lease HBP	0.56641% June D. Speight 3.12500% Jon F. Coll	New Mexico Western Minerals In 5.000000% Earl Malone MD		Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust
			3/20/1947				
			Fee Lease HBP	0.17579% Charles H. Coll 0.17577% James N. Coll 0.17577%	Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700%		Charles F. Malone, Trustee of the Charles F. Malone Living Trust 0.416700% Anne S. Johnson 0.104100%
			3/22/47 (3)				
			Fee Lease HBP	0.17578% Allie M. Lee Trust 0.49804%			Rosser E. Schwarz 0.104100%
			3/24/47 (3)				
			Fee Lease HBP				
			3/26/47 (3)				
				Trubee Buford 0.00977% Illene Gulick Living Trust	0.104100% Rosser E. Schwarz		Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust
							David H. Arrington
TOTALS: Tract 6 ----- 40.0 net acres or 1.92% of Unit (surface) area				<u>Total - 12.421860%</u>			
							0.156200%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Habell Trust dbd 11/15/84 0.02604%				0.625000% Gilbert J. Eaton		Mary J. McWhorter 0.156200%
	Lynn Lawrence 0.00976%				0.416700% David H. Arrington		Maura Smyrl Jennings 2.500000% P. L. Lawrence, Jr. Estate 5.000000%
	Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977%				0.156200%		Duce D. Bivins 2.916700%
	Margaret C. Lemaster 0.00977% Medora M. Lemaster 0.11719% Robin G. Lemaster 0.00977%				James E. Coppedge 0.078100%		Cal Farley Boy's Ranch 8.750000% Lawrence Dale Long 0.208300% Kenneth Long 0.041700% Donald Long 0.041700%
	Cindy Macias 0.00976% National Finance Credit Corp. 0.13021%				Mary J. McWhorter 0.156200% Michael H. Moore 0.312500%		Marsha Cockrell 0.041700% Mary Frances Reeder, Life Estate 0.277800%
	Sue Sanders 0.00976%				Edith Coppedge Wheeler 0.156200%		
	Edith A. Schmidt 0.02604%				Ann Dennard Allison 0.156200%		Ann Elizabeth Romer 0.277800%
	Gerald R. Sharp 0.02604%				Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.156200%		Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.156200% Ora Lee Jones, Life Estate 0.158700%
	The Black Trust 0.13022% Shriners Hospitals for Children 0.16602%				Maura Smyrl Jennings 2.500000% Tate Byrne Jennings 2.500000%		The Lane Family Trust 0.370400%

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				BMCM Partnership LP	P. L. Lawrence, Jr. Estate		Freda M. Long 0.370400%
				0.13021%	5.000000%		0.370400%
				Max Coll II	Duce D. Bivins		Ruby Rodgers
				0.10547%	2.916700%		0.039700%
				Sally Rodgers	June S. Brown		Dolly E. Brand
				0.07032%	0.486100%		0.370400%
				Davis E. Coppedge	Kay Parker Adkins		Ruth D. Brown, Life
				0.014643%	0.486100%		Estate
				Kenneth Noel			0.158700%
				Headley	Sara Brown Marshall		
				0.937500%	0.486100%		Donna Rodgers Collins
				Frank H. Hults	Cal Farley Boy's Ranch		0.119000%
				0.234375%	8.750000%		#REF!
				Wayman Weldon	Louise B. Siewert and		
				Holmes	Henry G. Siewert,		
				0.273430%	Trustees of the Stewart		
				Judith Lee Taylor	Family Trust dated		
				0.017363%	11/1/91		
				Margie Pearl	1.111100%		
				Patterson	Pat R. Chandler		
				0.069450%	0.370400%		
				A. V. Rodgers, Life	Earl W. Lyon		
				Estate	0.370400%		
				0.029756%	Lillian . Long		
				Janice Rodgers	0.277800%		
				Griffith	Lawrence Dale Long		
				0.009918%	0.208300%		
				Bill Herron	Dorothy Scribner		
				0.069450%	0.208300%		
				Roberta Herron	Charlene Bruhn		
				0.069450%	0.208300%		
				Jo Ann Long	Kenneth Long		
				0.007818%	0.041700%		
				Norma J. Reger	Jimmy Long		
				0.208330%	0.041700%		
				Howard P. Chandler	Donald Long		

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				0.069450% Joyce Ann Bivins Bellan 0.546881%	0.041700% Marsha Cockrell 0.041700%		
	James E. Coppedge 0.014640%			Cindy Ann Allen, Trustee of the Reeder Legacy Trust dated 8/4/02 0.277800%			
	Gilbert J. Eaton 0.08%			Mary Frances Reeder, Life Estate 0.277800%			
	New Mexico Western Minerals, Inc. 0.1758%			Ann Elizabeth Romer 0.277800%			
	Michael H. Moore 0.05859%			Clifford J. Roth 0.092600%			
	Edith Coppedge Wheeler 0.029287%			Glen Warren Roth 0.092600%			
				Dorothy Leathers 0.092600%			
	Ann Dennard Allison 0.029287%			Ora Lee Jones, Life Estate 0.370400%			
	Tate Byrne Jennings 0.468750%			The Lane Family Trust 0.370400%			
	June S. Brown 0.091140%			Freda M. Long 0.370400%			
	Kay Parker Adkins 0.091140%			Betty Ann Philley 0.370400%			
	Sara Brown Marshall 0.09114%			Norma D. Owen & Charles B. Owen 0.370400%			
	Louise B. Siewert and Henry G. Siewert, Trustees of the Stewart Family Trust dated 11/1/91 0.208330% Pat R. Chandler			0.370400% Ruby Rodgers 0.039700%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				0.069450% Earl W. Lyon 0.070125% Lillian . Long 0.05209% Dorothy Scribner 0.039050% Charlene Bruhn	Laquita Rodgers Cross 0.052900% Dennis A. Whorton 0.052900% Ina Bell Berryman 0.317500% Dolly E. Brand 0.370400% Ruth D. Brown, Life Estate 0.158700%		
				0.0391% Jimmy Long			
				Clifford J. Roth 0.017360% Glen Warren Roth 0.017360% Dorothy Leathers 0.070125% Betty Ann Philley 0.069450% Norma D. Owen & Charles B. Owen 0.069450% Laquita Rodgers Cross	Donna Rodgers Collins 0.119000% Total - 100.00%		
				Dennis A. Whorton 0.009918% Ina Bell Berryman 0.059530% Cindy Ann Allen			
				Trustee of the Reeder Legacy Trust Dated 8/4/04 0.042713%			

TOTALS: Tract 7 ----- 40.0 net acres or 1.92% of Unit (surface) area

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
8	T21S-R37E, NMPM Section 12: NW/4 SE/4	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease HBP 3/26/47 (3)	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.97656% Charles H. Coll 0.97656% James N. Coll 0.97656% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 2.72461% Trubee Buford 0.00977% Illene Gulick Living Trust 0.03906% Habeil Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977%	Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.62500% Total - 100.00%		Apache Corporation 99.375% J. L. Reynolds & Jessie M. Reynolds 0.62500% Total - 100.00%
	(Coll)						
				Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977%			
				Margaret C. Lemaster 0.009770% Medora M. Lemaster 0.11719% Robin G. Lemaster 0.00977% Cindy Macias 0.00976%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
9	T21S-R37E, NMPM Section 12: SW/4 SW/4 (Chesher)	40	Fee Lease HBP	National Finance Credit Corp. 0.13021%			
				Sue Sanders 0.00976%			
				Edith A. Schmidt 0.13021%			
				Gerald R. Sharp 0.13021%			
				Max Coll II 0.58594%			
				The Black Trust 0.13021%			
				Shriners Hospitals for Children 0.90820%			
				BMC Partnership LP 0.13020%			
				Sally Rodgers 0.39062%			
				Total - 12.42187%			
			Fee Lease HBP	Roy G. Sr. & Opal Barton Rev. Tr. 1.81641%	Apache Corporation 65.2867%		Apache Corporation 78.2814%
			3/19/47 (16) Fee Lease HBP	June D. Speight 3.12500%	New Mexico Western Minerals Inc. 5.00000%		Earl Malone MD 0.416700%
			3/20/1947 Fee Lease HBP	Jon F. Coll 0.17579%	Earl Malone MD 0.416700%		David H. Arrington 0.156200%
			3/22/47 (3) Fee Lease HBP	Charles H. Coll 0.17577%	Gilbert J. Eaton 0.416700%		Charles F. Malone, Trustee of the Charles Malone Living Trust 0.416700%
9	T21S-R37E, NMPM Section 12: SW/4 SW/4 (Chesher)	40	3/24/47 (3) Fee Lease HBP	J. Hiram Moore Trust 0.17578%	Charles F. Malone, F. Trustee of the Charles Malone Living Trust 0.416700%		Anne S. Johnson 0.104100%
			3/26/47 (3)	Allie M. Lee Trust 0.49804%			Rosser E. Schwartz 0.104100%
				Trubee Buford	Anne S. Johnson		Baynard W. Malone, Trustee of the Ross Malone Testamentary
				0.00977%	0.104100%		

Page 15							
TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Illene Gulick Living Trust 0.03906% Habel Trust dbd 11/15/84				Rosser E. Schwarz 0.104100% Baynard W. Malone, Trustee of the Ross		Trust 0.625000% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Mary J. McWhorter
	0.02604% Lynn Lawrence 0.00976%				Malone Testamentary Trust 0.625000%		0.156200% Maura Smyrl Jennings 2.500000%
	Stacia Ann Lemaster 0.00976% Lemaster				Baynard W. Malone, Trustee of The Andersen-Malone Trust		Brent W. McWhorter or Ruth A. McWhorter, Trustee of the
	0.00977%				0.416700%		McWhorter Family Trust dated 2/24/89 0.156200% P. L. Lawrence, Jr. • Estate
	Margaret C. Lemaster 0.00977%				James E. Coppedge 0.078100%		5.000000% Duce D. Bivins 2.916700%
	Medora M. Lemaster 0.11719% Robin G. Lemaster				Mary J. McWhorter 0.156200% Michael H. Moore		Cal Farley Boy's Ranch 8.750000% Total - 100.00% 100.000000%
	0.00977%				0.312500%		
	Cindy Macias 0.00976% National Finance Credit Corp.				Edith Coppedge Wheeler 0.156200% Ann Dennard Allison		
	0.13021% Sue Sanders 0.00976% Edith A. Schmidt 0.02604%				0.156200% Maura Smyrl Jennings 2.500000% Tate Byrne Jennings 2.500000%		
	Shriners Hospitals for Children 0.16602% Gerald R. Sharp 0.02604% The Black Trust 0.13022%				Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89 0.156200%		

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				BMCN Partnership LP 0.13021%	P. L. Lawrence, Jr. Estate 5.000000%		
	Max Coll II 0.10547%			Joyce Ann Bivins Bellan 2.916700%			
	Sally Rodgers 0.07032%			Duce D. Bivins 2.916700%			
	Kenneth Noel Headley 0.937500%			June S. Brown 0.486100%			
	Frank H. Hults 0.234370%			Kay Parker Adkins 0.486100%			
	Davis E. Coppedge 0.014640%			Sara Brown Marshall 0.486100%			
	Wayman Weldon Holmes 0.273430%			Cal Farley Boy's Ranch 8.750000%			
	New Mexico Western Minerals Inc. 0.17589%			Total - 100.00%			
	June S. Brown 0.091140%						
	Kay Parker Adkins 0.091140%						
	Sara Brown Marshall 0.091140%						
	Joyce Ann Bivins Bellan						
	Tate Byrne Jennings 0.468750%						
	Michael H. Moore 0.058590%						
	Edith Coppedge Wheeler 0.029287%						
	Ann Dennard Allison 0.029287%						

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
-----------	-----------------------------------	--------------------	--	---	---	---	---

James E. Coppedge
0.014640%
Gilbert J. Eaton
0.078130%

TOTALS: Tract 9 ----- 40.0 net acres or 1.92% of Unit (surface) area

10	T21S-R37E, NM/PM Section 12: <u>SE/4 SW/4</u> (Plumlee)	40	Fee Lease HBP 3/22/47 (2) Fee Lease HBP 3/5/47 (2) Fee Lease HBP 3/10/1947 Fee Lease HBP 3/17/1947 Fee Lease HBP 3/26/1947 Fee Lease HBP 3/24/1947 Fee Lease HBP 3/19/1947 (2) Fee Lease HBP 3/20/1947	Roy G. Sr. & Opal Barton Rev. Tr. 0.56641% June D. Speight 3.12500% Jon F. Coll 0.17576% Charles H. Coll 0.17577% James N. Coll 0.17578% J. Hiram Moore Trust 0.17578% Allie M. Lee Trust 0.49804% Trubee Buford 0.00977% Illene Gulick Living Trust 0.03906% Habel Trust Dtd. 11/15/84 0.13020% Lynn Lawrence 0.00977% Stacia Ann Lemaster 0.00976% Richard Grant Lemaster	Apache Corporation 100.00%		Apache Corporation 100.00%
----	--	----	---	--	-------------------------------	--	-------------------------------

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				0.00977%			
	Margaret C. Lemaster			0.00977%			
	Medora M Lemaster			0.11719%			
	Robin G. Lemaster			0.00977%			
	Cindy Macias			0.00976%			
	National Finance Credit Corp.			0.13021%			
	Sue Sanders			0.00976%			
	Edith A. schmidt			0.13021%			
	Gerald R. Sharp			0.13021%			
	Francis R. Reeves			0.78124%			
	Bruce Reeves			0.39063%			
	Virginia Deeanalta Mills			1.56250%			
	Lynn Reeves			0.39062%			
	Ethan A. Walker III			1.56250%			
	The Black Trust			0.13021%			
	Shriners Hospitals for Children			0.16602%			
	Mary Ann Fauble			0.78125%			
	John Morris Plumlee			0.78125%			
	BMCN Partnership LP			0.13021%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
TOTALS: Tract 10 ----- 40.0 net acres or 1.92% of Unit (surface) area				Max Coll II 0.10547% Sally Rodgers 0.07032% <u>Total - 12.500%</u>			
11	T21S-R37E, NMPM Section 12: <u>SW/4 SE/4</u> (Fields)	40	Fee Lease HBP 3/19/47 (16) Fee Lease HBP 3/20/1947 Fee Lease HBP 3/22/47 (3) Fee Lease HBP 3/24/47 (3) Fee Lease	Roy G. Sr. & Opal Barton Rev. Tr. 1.81641% June D. Speight 3.12500% Jon F. Coll 0.17579% Charles H. Coll 0.17577% James N. Coll 0.17577% J. Hiram Moore Trust 0.17578%	Apache Corporation 55.2867% New Mexico Western Minerals Inc. 5.00000% Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Anne S. Johnson 0.104100%		Apache Corporation 78.2814% Earl Malone MD 0.416700% Baynard W. Malone, Trustee of The Andersen-Malone Trust 0.416700% Anne S. Johnson 0.104100% Rosser E. Schwarz 0.104100% Charles F. Malone, F.
			HBP 3/26/47 (3)	Trubee Buford 0.00977% Allie M. Lee Trust 0.49804% Illene Gulick Living Trust 0.03906% Habel Trust dbd 11/15/84 0.02604% Lynn Lawrence 0.00976%	Rosser E. Schwarz 0.104100% Charles F. Malone, F. Trustee of the Charles Malone Living Trust 0.416700%		Trustee of the Charles Malone Living Trust 0.416700% Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust 0.625000% David H. Arrington 0.156200%
				Stacia Ann Lemaster 0.00976% Richard Grant Lemaster 0.00977%	0.625000% Gilbert J. Eaton 0.416700% David H. Arrington		Mary J. McWhorter 0.156200% Brent W. McWhorter or Ruth A. McWhorter,

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
	Margaret C. Lemaster			0.156200%	Trustee of the		
	0.00977%			James E. Coppedge	McWhorter Family Trust		
	Medora M. Lemaster			0.078100%			
	0.11719%			Mary J. McWhorter			dated 2/24/89 0.156200%
	Robin G. Lemaster			0.156200%			Maura Smyrl Jennings 2.500000%
	0.00977%			Michael H. Moore			P. L. Lawrence, Jr. Estate 5.000000%
	Cindy Macias			0.312500%			
	0.00976%			Edith Coppedge Wheeler			
	National Finance Credit Corp.			0.156200%			Duce D. Bivins 2.916700%
	0.13021%			Ann Dennard Allison			
	Sue Sanders			0.156200%			Cal Farley Boy's Ranch 8.750000%
	0.00976%			Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89			Total - 100.00%
	0.02604%						
	Gerald R. Sharp						
	0.02604%						
	The Black Trust						
	0.13022%			Maura Smyrl Jennings			
	Max Coll II			2.500000%			
	0.10547%			Tate Byrne Jennings			
	Shriners Hospitals for Children			2.500000%			
	0.16602%			P. L. Lawrence, Jr. Estate			
	BMCM Partnership LP			5.000000%			
	0.13021%			Joyce Ann Bivins Bellan			
	Sally Rodgers			2.916700%			
	0.07032%			Duce D. Bivins			
	Wayman Weldon						
	Holmes			2.916700%			
	0.273430%			June S. Brown			
	Kenneth Noel						
	Headley			0.486100%			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
				0.937500%	Kay Parker Adkins		
				Frank H. Huits	0.486100%		
				0.234370%	Sara Brown Marshall		
				Davis E. Coppedge	0.486100%		
				0.014640%	Cal Farley Boy's Ranch		
				New Mexico Western	8.750000%		
				Minerals Inc.	James M. Fields,		
				0.17578%	Patricia D. Lee and		
				Gilbert J. Eaton	Priscilla A. Gilmore		
				0.078131%	Trustees of The Fields		
				June S. Brown	Trust		
				0.091140%	10.000000%		
				Kay Parker Adkins	Total - 100.00%		
				0.091140%			
				Sara Brown Marshall			
				0.091140%			
				Joyce Ann Bivins			
				Belian			
				Michael H. Moore			
				0.058593%			
				Edith Coppedge			
				Wheeler			
				0.029287%			
				Ann Dennard Allison			
				0.029287%			
				James E. Coppedge			
				0.014643%			
				James M. Fields,			
				Patricia D. Lee and			
				Priscilla A. Gilmore			
				Fields			
				Trust			

TOTALS: Tract 11 ----- 40.0 net acres or 1.92% of Unit (surface) area

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
12	T21S-R37E, NMPM Section 14: W/2 NE/4 (Smith)	80	Fee Lease HBP 4/7/1947 Fee Lease HBP 3/17/1947 Fee Lease HBP 3/19/1947 Fee Lease HBP 3/21/1947	Jack Markham 0.19531% John Redfern III 0.06510% Joy M. Winn 0.78125% Fairway Oil and Gas Company 0.19531% J. R. Cone, et ux 0.39063% Allie M. Lee Trust 2.34375% Waikiki Partners LP 0.06511% Montgomery Petroleum Inc. 0.04883% Ronald O. Holman 0.01628% Charles D. Sands 0.39063%	Apache Corporation 100.00%	Texaco Exploration and Production 4.10%	Apache Corporation 100.00%
				Estate of R. H. Fulton 0.19531%			
				CCTC Ltd. Successor Trustee FBO 0.78125% M. H. McGrail Testamentary Trust 1.56250% Benischek Properties LLC 0.78125% Shriners Hospitals for Children 0.78125% Smith-Todd Properties Ltd. Co.			

TRACT NO.	DESCRIPTION OF LAND LEASE NAME	NUMBER OF ACRES	SERIAL NO. EXPIRATION AND DATE OF LEASE(S)	BASIC ROYALTY OWNERSHIP AND PERCENTAGE(S)	CURRENT OWNER(S) OF RECORD TITLE AND PERCENTAGE(S)	OVERRIDING ROYALTY OWNER AND PERCENTAGE(S)	WORKING INTEREST OWNERS(S) AND PERCENTAGE(S)
-----------	-----------------------------------	--------------------	--	---	---	---	---

0.78125%
Pur Resources LP
3.12500%
Total - 12.500%

TOTALS: Tract 12 ----- 80.0 net acres or 3.84 % of Unit (surface) area

13	T21S-R37E, NM/PM Section 13: <u>N/2 NW/4; NW/4 NE/4</u> (Gulf Bunin)	120	Fee Lease HBP 10/14/1944	N. B. Bunin Properties 12.50%	Apache Corporation 100.00%	Chevron USA Inc. 5.47% Daniel L. Veirs 0.50%	Apache Corporation 100.00%
----	---	-----	--------------------------------	-------------------------------------	-------------------------------	--	-------------------------------

TOTALS: Tract 14 ----- 120.0 net acres or 5.77 % of Unit (surface) area

Total Fee Lands	=	440
Total Federal Lands	=	<u>1640</u>
TOTAL UNIT		2080

EXHIBIT "B-2"
Attached to and made a part of that certain
Unit Operating Agreement dated January 1, 2005,
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
<u>FEDERAL LANDS</u>			
1A (Blinebry Formation)	Elliott Industries Ltd. Elliott-Hall Company McElvain T H Oil & Gas	20% 20% 60%	1.0369% 1.0369% 1.0369%
			0.00207 0.00207 0.00622
Total		100%	0.010369
1A (Tubb & Drinkard Formation)	T.H. McElvain Oil & Gas Elliott Industries Limited Partnership Elliott-Hall Company Limited Partnership Tierra Exploration, Inc. Watson Truck & Supply, Inc. Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship Frank A. Glispin K. D. McPeters Triple H. Resources, Inc.	51.16% 17.05% 17.05% 9.03% 2.10% 1.45% 0.9030% 0.3612% 0.9030%	0.0481% 0.0481% 0.0481% 0.0481% 0.0481% 0.0481% 0.0481% 0.0481% 0.0481%
			0.000246 0.000082 0.000000 0.000082 0.000000 0.000043 0.000010 0.000007 0.000004 0.000002 0.000004
Total		100%	0.000481
1B (Blinebry Formation)	Elliott Industries Ltd. Elliott-Hall Company McElvain T H Oil & Gas	20% 20% 60%	0.9909% 0.9909% 0.9909%
			0.001982 0.001982 0.005945
Total		100%	0.009909

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
1B	T.H. McElvain Oil & Gas	47.70%	0.000229
(Tubb & Drinkard Formation)	Elliott Industries Limited Partnership	15.90%	0.000076
	Elliott-Hall Company Limited Partnership	15.90%	0.000000
	Tierra Exploration, Inc.	12.50%	0.000076
	Watson Truck & Supply, Inc.	3.00%	0.000000
	Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship	2.00%	0.000060
	Frank A. Glispin	1.2500%	0.000010
	K. D. McPeters	0.5000%	0.000006
	Triple H. Resources, Inc.	1.2500%	0.000002
			0.000006
	Total	100%	0.000481
1C	Elliott Industries Ltd.	20%	0.005352
	Elliott-Hall Company	20%	0.005352
	McElvain T H Oil & Gas	60%	0.016056
	Total	100%	0.026760
1D	Elliott Industries Ltd.	20%	0.002649
(Blinebry Formation)	Elliott-Hall Company	20%	0.002649
	McElvain T H Oil & Gas	60%	0.007946
	Total	100%	0.013244
1D	T.H. McElvain Oil & Gas	47.70%	0.000229
(Tubb & Drinkard Formation)	Elliott Industries Limited Partnership	15.90%	0.000076
	Elliott-Hall Company Limited Partnership	15.90%	0.000000
	Tierra Exploration, Inc.	12.50%	0.000076
	Watson Truck & Supply, Inc.	3.00%	0.000000
			0.000060
			0.000014

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
-----------	------------------------	------------------------------	--

	Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship	2.00%	0.0481%	0.000010
	Frank A. Glispin	1.2500%	0.0481%	0.000006
	K. D. McPeters	0.5000%	0.0481%	0.000002
	Triple H. Resources, Inc.	1.2500%	0.0481%	0.000006
	Total	100%		0.000481

2	Apache Corporation	100%	3.4809%	0.034809
	Total	100%		0.034809

3	Elliott Industries Ltd.	20%	4.2742%	0.008548
	Elliott-Hall Company	20%	4.2742%	0.008548
	McElvain T H Oil & Gas	60%	4.2742%	0.025645
	Total	100%		0.042742

4	Elliott Industries Ltd.	20%	2.0279%	0.004056
	Elliott-Hall Company	20%	2.0279%	0.004056
	McElvain T H Oil & Gas	60%	2.0279%	0.012167
	Total	100%		0.020279

4	Exxon Co. USA	100%	0.0962%	0.092600
	(Tubb & Drinkard Formation)	100%		0.000962

5A	Apache Corporation	50%	32.1724%	0.160862
	BP America Production Co.	25%	32.1724%	0.080431
	Chevron USA Inc	25%	32.1724%	0.080431
	Total	100%		0.321724

5B	Apache Corporation	50.00%	1.5199%	0.007600
	(Blinbry BP America Production Co.	25.00%	1.5199%	0.003800

WORKING INTEREST

TRACT NO.	WORKING INTEREST OWNER	IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
-----------	------------------------	----------	--

& Tubb Formation)	Chevron USA Inc	25.00%	1.5199%		0.003800
Total		100.00%			0.015199

5B (Drinkard Formation)	Apache Corporation Lettunich Oil Company	93.75% 6.25%	2.9342% 2.9342%		0.027508 0.001834
Total		100.00%			0.029342

5C	Apache Corporation (Blinebry)	100%	21.2751%		0.212751
Total		100%			0.212751

5C	Apache Corporation Chevron USA Inc (Tub, Drinkard)	75% 25%	4.0045% 4.0045%		0.030034 0.010011
Total		100%			0.040045

FEE LANDS

6	Apache Corporation J. L. Reynolds & Jessie M. Reynolds	99.375% 0.6250%	2.0049% 2.0049%		0.019924 0.000125
Total		100.00%			0.020049

7	Apache Corporation Earl Malone MD Baynard W. Malone, Trustee of the Andersen-Malone Trust Charles F. Malone , Trustee of the Charles F. Malone Living Trust Anne S. Johnson Rosser E. Schwarz Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust Brent W. McWhorter or Ruth A.	75.8051% 0.4167% 0.4167% 0.4167% 0.4167% 0.1041% 0.1041% 0.6250% 0.1562%	0.9930% 0.9930% 0.9930% 0.9930% 0.9930% 0.9930% 0.9930% 0.9930% 0.9930%		0.007527 0.000041 0.000041 0.000041 0.000041 0.000010 0.000010 0.000062 0.000016
---	--	--	---	--	--

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST IN TRACT	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
-----------	------------------------	------------------------------	--

8	McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89	0.1562%	0.9930%	0.000016
	David H. Arrington	0.1562%	0.9930%	0.000016
	Mary J. McWhorter	2.5000%	0.9930%	0.000248
	Maura Smyrl Jennings	5.0000%	0.9930%	0.000497
	P. L. Lawrence, Jr. Estate	2.9167%	0.9930%	0.000290
	Duce D. Bivins	8.7500%	0.9930%	0.000869
	Cal Farley Boy's Ranch	0.2083%	0.9930%	0.000021
	Lawrence Dale Long	0.0417%	0.9930%	0.000004
	Kenneth Long	0.0417%	0.9930%	0.000004
	Donald Long	0.0417%	0.9930%	0.000004
	Marsha Cockrell	0.2778%	0.9930%	0.000028
	Mary Frances Reeder, Life Estate	0.2778%	0.9930%	0.000028
	Ann Elizabeth Romer	0.1587%	0.9930%	0.000016
	Ora Lee Jones, Life Estate	0.3704%	0.9930%	0.000037
	The Lane Family Trust	0.3704%	0.9930%	0.000037
	Freda M. Long	0.0397%	0.9930%	0.000004
	Ruby Rodgers	0.3704%	0.9930%	0.000037
Dolly E. Brand	0.1587%	0.9930%	0.000016	
Ruth D. Brown, Life Estate	0.1190%	0.9930%	0.000012	
Donna Rodgers Collins				
Total	100.00%		0.009930	

9	Apache Corporation	99.375%	1.2230%	0.012154
	J. L. Reynolds & Jessie M. Reynolds	0.6250%	1.2230%	0.000076
	Total	100%		0.012230

9	Apache Corporation	78.2814%	1.6254%	0.012724
	Earl Malone MD	0.4167%	1.6254%	0.000068
	David H. Arrington	0.1562%	1.6254%	0.000025
	Charles F. Malone, Trustee of the Charles Malone Living Trust	0.4167%	1.6254%	0.000068
	Malone Living Trust			
	Anne S. Johnson	0.1041%	1.6254%	0.000017
	Rosser E. Schwarz	0.1041%	1.6254%	0.000017
	Baynard W. Malone, Trustee of the	0.6250%	1.6254%	0.000102

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST		TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
		IN TRACT		
	Ross Malone Testamentary Trust			
	Baynard W. Malone, Trustee of the	0.4167%	1.6254%	0.000068
	Andersen-Malone Trust			
	Mary J. McWhorter	0.1562%	1.6254%	0.000025
	Maura Smyrl Jennings	2.5000%	1.6254%	0.000406
	Brent W. McWhorter or Ruth A.	0.1562%	1.6254%	0.000025
	McWhorter, Trustee of the McWhorter			
	Family Trust dated 2/24/89			
	P. L. Lawrence, Jr. Estate	5.0000%	1.6254%	0.000813
	Duce D. Bivins	2.9167%	1.6254%	0.000474
	Cal Farley Boy's Ranch	8.7500%	1.6254%	0.001422
	Total	100%		0.016254
10	Apache Corporation	100%	1.0620%	0.010620
	Total	100.00%		0.010620
11	Apache Corporation	78.2814%	0.6366%	0.004983
	Earl Malone MD	0.4167%	0.6366%	0.000027
	Baynard W. Malone, Trustee of the	0.4167%	0.6366%	0.000027
	Andersen-Malone Trust			
	Anne S. Johnson	0.1041%	0.6366%	0.000007
	Rosser E. Schwarz	0.1041%	0.6366%	0.000007
	Charles F. Malone, Trustee of the	0.4167%	0.6366%	0.000027
	Charles Malone Living Trust			
	Baynard W. Malone, Trustee of the	0.6250%	0.6366%	0.000040
	Ross Malone Testamentary Trust			
	David H. Arringohn	0.1562%	0.6366%	0.000010
	Mary J. McWhorter	0.1562%	0.6366%	0.000010
	Brent W. McWhorter or Ruth A.	0.1562%	0.6366%	0.000010
	McWhorter, Trustee of the McWhorter			
	Family Trust dated 2/24/89			
	Maura Smyrl Jennings	2.5000%	0.6366%	0.000159
	P. L. Lawrence, Jr. Estate	5.0000%	0.6366%	0.000318
	Duce D. Bivins	2.9167%	0.6366%	0.000186
	Cal Farley Boy's Ranch	8.7500%	0.6366%	0.000557
	Total	100.00%		0.006366

TRACT NO.	WORKING INTEREST OWNER	WORKING INTEREST		TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
		IN TRACT		
12	Apache Corporation	100%	8.9886%	0.089886
Total		100.00%		0.089886
13	Chevron USA Inc	100%	5.5087%	0.055087
Total		100%		0.055087
FEDERAL LANDS		TOTAL		0.779578
FEE LANDS		TOTAL		0.220422
TOTAL FEDERAL & FEE LANDS				1.000000

EXHIBIT "B-3"

Attached to and made a part of that certain
Unit Operating Agreement dated January 1, 2005
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

TRACT NO.	SERIAL NUMBER	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
FEDERAL LANDS		
1A	LC-065525 (Blinebry Formation)	0.010369
1A	LC-065525	0.000481
1B	LC-065525 (Blinebry Formation)	0.009909
1B	LC-065525 (Tubb & Drinkard Formation)	0.000481
1C	LC-065525	0.02676
1D	LC-065525 (Blinebry Formation)	0.013244
1D	LC-065525 (Tubb & Drinkard Formation)	0.000481
2	LC-065525-A	0.034809
3	LC-065525-B	0.042742
4	LC-065455 (Blinebry Formation)	0.020279
4	LC-065455 (Tubb & Drinkard Formation)	0.000962
5A	LC-032096-B	0.321724
5B	LC-032096-B (Blinebry & Tubb Formation)	0.015199
5B	LC-032096-B (Drinkard Formation)	0.029342
5C	LC-032096-B (Blinebry)	0.212751
5C	LC-032096-B (tub, drinkard)	0.040045
	FEDERAL LANDS	0.779578

TRACT NO.	SERIAL NUMBER	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
<u>FEE LANDS</u>		
6	Fee Lease	0.020049
7	Fee Lease	0.00993
8	Fee Lease	0.01223
9	Fee Lease	0.016254
10	Fee Lease	0.01062
11	Fee Lease	0.006366
12	Fee Lease	0.089886
13	Fee Lease	0.055087
	FEE LANDS	0.22042
	TOTAL FEDERAL & FEE LANDS	1.00000

EXHIBIT "C"

Attached to and made a part of that certain
Unit Operating Agreement dated January 1, 2005,
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
7	Ann Elizabeth Romer	0.2778%	0.9930%	0.000028
	TOTAL			0.000028
7 9 11	Anne S. Johnson		0.1041% 0.1041% 0.1041%	0.000010 0.000017 0.000007
	TOTAL			0.00003
2 6 7 8 9 10 11 12 5A 5B 5C 5C	Apache Corporation		100% 99.375% 75.8051% 99.375% 78.2814% 100% 78.2814% 100% 50% 50.00% 93.75% 100% 75%	0.034809 0.019924 0.007527 0.012154 0.012724 0.010620 0.004983 0.089886 0.160862 0.007600 0.027508 0.212751 0.030034
	TOTAL			0.631381
7 9 11	Baynard W. Malone, Trustee of the Andersen-Malone Trust		0.6250% 0.6250% 0.4167%	0.000062 0.000102 0.000027
	TOTAL			0.000190

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
7 9 11	Baynard W. Malone, Trustee of the Ross Malone Testamentary Trust		0.4167% 0.4167% 0.6250%	0.000041 0.000068 0.000040
	TOTAL			0.000149
5A 5B	BP America Production Co.	Blinebry/Tubb	25% 25.00%	0.080431 0.003800
	TOTAL			0.084231
7 9 11	Brent W. McWhorter or Ruth A. McWhorter, Trustee of the McWhorter Family Trust dated 2/24/89		0.1562% 0.1562% 0.1562%	0.000016 0.000025 0.000010
	TOTAL			0.000051
7 9 11	Cal Farley Boy's Ranch		8.7500% 8.7500% 8.7500%	0.000869 0.001422 0.000557
	TOTAL			0.002848
7 9 11	Charles F. Malone, Trustee of the Charles F. Malone Living Trust		0.4167% 0.4167% 0.4167%	0.000041 0.000068 0.000027
	TOTAL			0.000136
13 5A 5B	Chevron USA Inc	Blinebry/Tubb	100% 25% 25.00%	0.055087 0.080431 0.003800

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
5C	TOTAL	Blinebry/Tubb	25%	0.010011 0.149329
1A 1B 1D	Christopher R. Wilkinson and Christine A. Wilkinson, Joint Tenants with Right of Survivorship	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	1.45% 2.00% 2.00%	0.000007 0.000010 0.000010
	TOTAL			0.000026
7 9 11	David H. Arrington		0.1562% 0.1562% 0.1562%	0.000016 0.000025 0.000010
	TOTAL			0.000051
7	Dolly E. Brand		0.3704%	0.000037
	TOTAL			0.000037
7	Donald Long		0.0417%	0.000004
	TOTAL			0.000004
7	Donna Rodgers Collins		0.1190%	0.000012
	TOTAL			0.000012
7 9 11	Duce D. Bivins		2.9167% 2.9167% 2.9167%	0.000290 0.000474 0.000186
	TOTAL			0.000949
7 9 11	Earl Malone MD		0.4167% 0.4167% 0.4167%	0.000041 0.000068 0.000027

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
	TOTAL			0.000136
1A 1B 1D 3 4 1A 1B 1C 1D	Elliott Industries Limited Partnership	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard Blinebry Blinebry Blinebry Blinebry Blinebry	17.05% 15.90% 15.90% 20% 20% 20% 20% 20%	0.000082 0.000076 0.000076 0.008548 0.004056 0.00207 0.001982 0.005352 0.002649
	TOTAL			0.024896
3 4 1A 1B 1C 1D 1A 1B 1D	Elliott-Hall Company Limited Partnership	Blinebry Blinebry Blinebry Blinebry Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	20% 20% 20% 20% 17.05% 15.90% 15.90%	0.008548 0.004056 0.00207 0.001982 0.005352 0.002649 0.000082 0.000076 0.000076
	TOTAL			0.024896
4	Exxon Co. USA	Tubb & Drinkard	100%	0.092600
	TOTAL			0.000962
1A 1B 1D	Frank A. Glispin	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	0.9030% 1.2500% 1.2500%	0.000004 0.000006 0.000006
	TOTAL			0.000016
7	Freda M. Long		0.3704%	0.000037

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
	TOTAL			0.000037
6 8	J. L. Reynolds & Jessie M. Reynolds		0.6250% 0.6250%	0.000125 0.000076
	TOTAL			0.000202
1A 1B 1D	K. D. McPeters	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	0.3612% 0.5000% 0.5000%	0.000002 0.000002 0.000002
	TOTAL			0.000007
7	Kenneth Long		0.0417%	0.000004
	TOTAL			0.000004
7	Lawrence Dale Long		0.2083%	0.000021
	TOTAL			0.000021
5B	Lettunich Oil Company	Drinkard	6.25%	0.001834
	TOTAL			0.001834
7	Marsha Cockrell		0.0417%	0.000004
	TOTAL			0.000004
7	Mary Frances Reeder, Life Estate		0.2778%	0.000028
	TOTAL			0.000028
7 9 11	Mary J. McWhorter		0.1562% 0.1562% 0.1562%	0.000016 0.000025 0.000010
	TOTAL			0.000051

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
7 9 11	Maura Smyrl Jennings		2.5000% 2.5000% 2.5000%	0.000248 0.000406 0.000159
	TOTAL			0.000814
3 4 1A 1B 1C 1D 1A 1B 1D	McElvain, T H Oil & Gas	Blinebry Blinebry Blinebry Blinebry Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	60% 60% 60% 60% 60% 51.16% 47.70% 47.70%	0.025645 0.012167 0.00622 0.005945 0.016056 0.007946 0.000246 0.000229 0.000229
	TOTAL			0.074687
7	Ora Lee Jones, Life Estate		0.1587%	0.000016
	TOTAL			0.000016
7 9 11	P. L. Lawrence, Jr. Estate		5.0000% 5.0000% 5.0000%	0.000497 0.000813 0.000318
	TOTAL			0.001628
7 9 11	Rosser E. Schwarz		0.1041% 0.1041% 0.1041%	0.000010 0.000017 0.000007
	TOTAL			0.000034
7	Ruby Rodgers		0.0397%	0.000004
	TOTAL			0.000004
7	Ruth D. Brown, Life Estate		0.1587%	0.000016

TRACT NO.	WORKING INTEREST OWNER	FORMATIONS	TRACT PARTICIPATION	TRACT OIL AND GAS PARTICIPATIONS (BY TRACTS)
	TOTAL			0.000016
7	The Lane Family Trust		0.3704 %	0.000037
	TOTAL			0.00004
1A 1B 1D	Tierra Exploration, Inc.	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	9.03% 12.50% 12.50%	0.000043 0.000060 0.000060
	TOTAL			0.00016
1A 1B 1D	Triple H. Resources, Inc.	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	0.9030% 1.2500% 1.2500%	0.000004 0.000006 0.000006
	TOTAL			0.000016
1A 1B 1D	Watson Truck & Supply, Inc.	Tubb & Drinkard Tubb & Drinkard Tubb & Drinkard	2.10% 3.00% 3.00%	0.000010 0.000014 0.000014
	TOTAL			0.000039
	TOTAL			1.000000

EXHIBIT

" D "

Attached to and made a part of that certain Unit Operating Agreement dated the 1st day of
January 2005, for the East Blinebry Drinkard Unit, located in Lea County, New Mexico

ACCOUNTING PROCEDURE JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the Parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

A. Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation within fifteen (15) days after receipt of the billing or by the first day of the month for which the advance is required, whichever is later. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

B. Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the prime rate in effect at Manhattan Bank, N.Y.** on the first day of the month in which delinquency occurs plus 1% or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

**New York, NY

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

- A. A Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct a joint audit in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator. The audits shall not be conducted more than once each year without prior approval of Operator, except upon the resignation or removal of the Operator, and shall be made at the expense of those Non-Operators approving such audit.
- B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. Approval By Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Ecological and Environmental

Costs incurred for the benefit of the Joint Property as a result of governmental or regulatory requirements to satisfy environmental considerations applicable to the Joint Operations. Such costs may include surveys of an ecological or archaeological nature and pollution control procedures as required by applicable laws and regulations.

2. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

3. Labor

- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
- (2) Salaries of First Level Supervisors in the field.
- (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.
- (4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

4. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II shall be Operator's actual cost not to exceed the percent most recently recommended by the Council of Petroleum Accountants Societies.

5. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

6. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store where like material is normally available or railway receiving point nearest the Joint Property unless agreed to by the Parties.

- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store where like material is normally available, or railway receiving point nearest the Joint Property unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is \$400 or less excluding accessorial charges. The \$400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

7. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 10 of Section II and Paragraph i, ii, and iii, of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

8. Equipment and Facilities Furnished By Operator

- A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed ten percent (10%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.
- B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

10. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgements and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

11. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties. If the ad valorem taxes are based in whole or in part upon separate valuations of each party's working interest, then notwithstanding anything to the contrary herein, charges to the Joint Account shall be made and paid by the Parties hereto in accordance with the tax value generated by each party's working interest.

12. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Worker's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

13. Abandonment and Reclamation

Costs incurred for abandonment of the Joint Property, including costs required by governmental or other regulatory authority.

14. Communications

Cost of acquiring, leasing, installing, operating, repairing and maintaining communication systems, including radio and microwave facilities directly serving the Joint Property. In the event communication facilities/systems serving the Joint Property are Operator owned, charges to the Joint Account shall be made as provided in Paragraph 8 of this Section II.

15. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III and which is of direct benefit to the Joint Property and is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

- i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or
() Percentage Basis, Paragraph 1B

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 3A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

- ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property:

() shall be covered by the overhead rates, or
(X) shall not be covered by the overhead rates.

- iii. The salaries, wages and Personal Expenses of Technical Employees and/or costs of professional consultant services and contract services of technical personnel either temporarily or permanently assigned to and directly employed in the operation of the Joint Property:

() shall be covered by the overhead rates, or
(X) shall not be covered by the overhead rates.

A. Overhead - Fixed Rate Basis

- (1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$ 4,800
(Prorated for less than a full month)

Producing Well Rate \$ 480

- (2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

- (1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.
- (2) Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive work days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig or other units used in workover, commence through date of rig or other unit release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive calendar days.

(b) Producing Well Rates

- (1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.
 - (2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.
 - (3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.
 - (4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.
 - (5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.
- (3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

- (1) Operator shall charge the Joint Account at the following rates:

(a) Development

_____ Percent (_____ %) of the cost of development of the Joint Property exclusive of costs provided under Paragraph 10 of Section II and all salvage credits.

(b) Operating

_____ Percent (_____ %) of the cost of operating the Joint Property exclusive of costs provided under Paragraphs 2 and 10 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, re-drilling, deepening, or any remedial operations on any or all wells involving the use of drilling rig and crew capable of drilling to the producing interval on the Joint Property; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as operating.

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for overhead based on the following rates for any Major Construction project in excess of \$ _____:

- A. _____ 5 _____ % of first \$100,000 or total cost if less, plus
- B. _____ 3 _____ % of costs in excess of \$100,000 but less than \$1,000,000, plus
- C. _____ 2 _____ % of costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells and artificial lift equipment shall be excluded.

3. Catastrophe Overhead

To compensate Operator for overhead costs incurred in the event of expenditures resulting from a single occurrence due to oil spill, blowout, explosion, fire, storm, hurricane, or other catastrophes as agreed to by the Parties, which are necessary to restore the Joint Property to the equivalent condition that existed prior to the event causing the expenditures, Operator shall either negotiate a rate prior to charging the Joint Account or shall charge the Joint Account for overhead based on the following rates:

- A. _____ 5 _____ % of total costs through \$100,000; plus
- B. _____ 3 _____ % of total costs in excess of \$100,000 but less than \$1,000,000; plus
- C. _____ 2 _____ % of total costs in excess of \$1,000,000.

Expenditures subject to the overheads above will not be reduced by insurance recoveries, and no other overhead provisions of this Section III shall apply.

4. Amendment of Rates

The overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all Material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and/or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reasons, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following basis exclusive of cash discounts:

A. New Material (Condition A)

(1) Tubular Goods Other than Line Pipe

- (a) Tubular goods, sized 2½ inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.
- (b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.
- (c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.
- (d) Macaroni tubing (size less than 2½ inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

(2) Line Pipe

- (a) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
- (b) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.
- (c) Line pipe 24 inch OD and over and ¾ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.
- (d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.
- (4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2 A (1) and (2).

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

At seventy-five percent (75%) of current new price, as determined by Paragraph A.

(2) Material used on and moved from the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as new Material or
- (b) At sixty-five percent (65%) of current new price, as determined by Paragraph A, if Material was originally charged to the Joint Account as used Material.

(3) Material not used on and moved from the Joint Property

At seventy-five percent (75%) of current new price as determined by Paragraph A.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph A. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

Material, excluding junk, no longer suitable for its original purpose, but usable for some other purpose shall be priced on a basis commensurate with its use. Operator may dispose of Condition D Material under procedures normally used by Operator without prior approval of Non-Operators.

- (a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.
- (b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

(3) Condition E

Junk shall be priced at prevailing prices. Operator may dispose of Condition E Material under procedures normally utilized by Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and/or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

- (1) Loading or unloading costs may be charged to the Joint Account at the rate of twenty-five cents (25¢) per hundred weight on all tubular goods movements, in lieu of actual loading or unloading costs sustained at the stocking point. The above rate shall be adjusted as of the first day of April each year following January 1, 1985 by the same percentage increase or decrease used to adjust overhead rates in Section III, Paragraph 1.A(3). Each year, the rate calculated shall be rounded to the nearest cent and shall be the rate in effect until the first day of April next year. Such rate shall be published each year by the Council of Petroleum Accountants Societies.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished By Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Adjustments to the Joint Account resulting from the reconciliation of a physical inventory shall be made within six months following the taking of the inventory. Inventory adjustments shall be made by Operator to the Joint Account for overages and shortages, but, Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special inventories may be taken whenever there is any sale, change of interest, or change of Operator in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory. In cases involving a change of Operator, all Parties shall be governed by such inventory.

4. Expense of Conducting Inventories

- A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.
- B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

EXHIBIT "E"

ATTACHED TO AND MADE A PART OF UNIT OPERATING AGREEMENT, EAST BLINEBRY-DRINKARD UNIT, LEA COUNTY, NEW MEXICO, DATED JANUARY 1, 2005.

INSURANCE AND CLAIMS

1. UNIT OPERATOR shall, at all times while conducting operations hereunder, comply with all applicable Workers' Compensation and Occupational Disease Laws and carry all Employer's Liability and other insurance required by the laws of New Mexico, provided, however, that UNIT OPERATOR may be a self-insurer for liability under said compensation laws in which event the only charge that shall be made to the joint account shall be an amount equivalent to the premium which would have been paid had such insurance been obtained.
2. No other insurance shall be carried by UNIT OPERATOR for the joint account unless agreed to by the Working Interest Owners in accordance with the voting procedure set forth in Article 4 of the Unit Operating Agreement
3. Each Working Interest Owner may procure such insurances with respect to the co-owned properties and operations as it deems necessary to protect itself against claims and damages, and all insurance policies shall provide that underwriters and insurance carriers of such Working Interest Owner shall waive any right of subrogation against UNIT OPERATOR and other Working Interest Owners.

EXHIBIT "F"

Attached to and made a part of that certain Unit Operating Agreement dated
January 1, 2005, for the East Blinebry-Drinkard Unit,
Located in Lea County, New Mexico

GAS BALANCING AGREEMENT

INTENT OF THIS GAS BALANCING AGREEMENT

The parties to this gas balancing agreement (GBA) intend to provide a method of balancing gas production from the lease(s) or unit when a party does not take its proportionate share of production.

Pursuant to the above Operating Agreement, each party shall have the right, but not the obligation to take in kind and/or separately dispose of its proportionate share of the gas produced from the above stipulated lease or unit and shall make a good faith effort to dispose its share of gas as currently produced. In the event any party hereto fails, or is unable, to take in kind and/or market its share of the gas as produced for any reason, the terms of this GBA shall automatically become effective, and shall superseded any relevant contrary terms in the Operating Agreement (unless otherwise noted herein).

The terms "party" and "parties" shall be considered to imply either the singular or plural form of the word as applicable according to the context.

OVER/UNDER PRODUCTION

During any period or periods when any party hereto fails, or is unable, to take in kind and/or market, for any reason, its share of gas as produced, the other party shall be entitled, but not required, to produce each month the maximum amount of gas production permitted by the appropriate governmental authority having jurisdiction and deliver to their purchasers all gas production not taken by the under produced party. Each party failing to take or market its full share of the gas as produced shall be considered under produced by a quantity of gas equal to its share of the gas produced, less such party's share of the gas taken or sold, vented, lost, or used in the lease or unit operations. Those parties which are capable of taking and/or marketing quantities of gas allocable to an underproduced party, in the absence of any other agreement between them, shall each take a share of the gas attributed to the underproduced party in the direct proportion that its interest bears to the total interest of all parties taking underproduced gas and shall be considered to be overproduced. All gas taken and marketed by a party in accordance with the terms of the GBA, regardless of whether such party is underproduced or overproduced, shall be regarded as gas taken for its own account with title thereto being in such party, whether such gas is attributable to such party's working interest share of production, to overproduction, or to makeup of underproduction.

ACCOUNTING FOR IMABALANCE

The Operator will maintain appropriate accounting on a monthly and cumulative basis of the quantities and categories of gas each party is entitled to receive and the quantities and categories of gas taken and/or marketed by each of the parties. For the sole purpose of implementing the terms of this GBA and adjusting gas imbalances which may occur, each party disposing of gas from the lease(s) or unit in any month, to the extent required, shall furnish or cause to be furnished to the Operator by the last day of each calendar month a statement showing the total volume of gas sold by such party or taken in kind for its own account during the preceding calendar month (the "report period"). Within ninety (90) days after the end of each report period, the Operator shall furnish each party a statement showing the status of the overproduced and underproduced accounts of all parties. Each party to this GBA agrees that it will not utilize any information obtained hereunder for any purpose other than implementing the terms of this agreement.

GAS MAKEUP

Any party underproduced shall endeavor to bring its taking of gas of that category into balance. A reasonable length of time after written notice to the Operator, any party may begin taking and/or delivering to its purchaser(s) its full share of gas produced. In addition, to allow for the recovery and makeup of underproduced gas and to balance the gas account between the parties in accordance with their respective interests, the underproduced party shall be entitled to take an additional share of gas ("make-up gas"). A reasonable length of time after written notice to the Operator, the underproduced party shall be entitled to take up to an additional twenty-five percent (25%) of the monthly quantity of that category of gas attributable to the overproduced party; however in no event shall the make-up gas entitlement of a party exceed one hundred percent of that party's regular working interest entitlement of production. If more than one underproduced party is entitled to take additional gas, they shall divide the make-up gas in proportion to their respective underproduced accounts. The first gas made up shall be assumed to be the first gas produced.

It is specifically agreed that no underproduced party will be allowed to take make-up gas during the months of November, December January, or February ("the Winter Period"); provided, however, gas make-up will be allowed during the Winter Period only if the underproduced party has taken at least ninety percent (90%) of the make-up gas to which it was entitled during the six consecutive months immediately prior to the Winter Period.

CESSATION OF PRODUCTION

If upon termination of gas production an imbalance exists between the parties, a monetary settlement of the imbalance between the parties shall be made within a reasonable length of time after production permanently ceases. The amount of the monetary settlement will be limited to the proceeds actually received by the overproduced party at the time of overproduction. Any monetary settlement between the parties shall be made net of any royalties, production taxes, and severance taxes previously paid on the overproduction by the overproduced and severance taxes previously paid on the overproduction by the overproduced

party, and also net of any outstanding amounts related to the lease(s) or unit(s) which are owed by the underproduced party to the overproduced party. If the overproduced party did not sell its gas, but otherwise utilized such gas in its own operations, such gas will be valued in the same manner used for royalty and severance tax purposes when produced.

ROYALTY SETTLEMENT

At all times while gas is produced from the Contract Area, each party producing or taking gas as provided herein shall pay or cause to be paid any and all royalties due on such gas in accordance with the Operating Agreement and any overriding royalties borne by all parties; provided, however, if Operator is not a taking party, it shall have the right to request and receive evidence of payment of all royalties. The party not taking its share of gas shall have no obligation for payments of royalties on its share of gas not taken by such party, but shall be fully responsible for any other burdens affecting its share of gas and shall indemnify and hold each other party harmless from all claims relating thereto. As used in this paragraph, the phrase "royalties due on such gas in accordance with the Operating Agreement" shall not be limited as provided in Article III.B., but shall include all royalties as provided in each such oil and gas lease as contributed by any party not taking its share of gas.

DELIVERABILITY TESTS

Nothing herein shall be construed to deny any party the right, from time to time, upon reasonable advance notice in writing to the operator, to produce and take or deliver to its purchaser the full well stream for a reasonable period to meet the deliverability test required by its purchaser.

TAXES

Except where provision is made to the contrary in the Operating Agreement, each party shall pay, or cause to be paid, all production and severance taxes due and payable on its full share of gas production, as if each party were taking or delivering to a purchaser its full share of production.

LIQUID HYDROCARBONS

All parties hereto shall share in and own the liquid hydrocarbons recovered from all gas by primary separation equipment prior to processing in a gas plant in accordance with their respective interests, as specified in the above Operating Agreement, whether or not such parties are actually producing and marketing at such time.

LEASE OPERATING COST

Nothing herein shall change or affect each party's obligation to pay its proportionate share of all costs and liabilities incurred in operations, as its share thereof is set forth in the above described Operating Agreement.

TERM

This agreement shall remain in force and effect as long as the Operating Agreement is in effect and thereafter until the gas balance accounts between the parties are settled in full and shall accrue to the benefit and be binding upon the parties hereto, their successors, representatives, and assigns.

EXHIBIT "G"

TO UNIT OPERATING AGREEMENT
EAST BLINEBRY-DRINKARD UNIT
LEA COUNTY, NEW MEXICO

INDEMNITY AGREEMENT

WHEREAS, Section 14 (c) of the agreement "Unit Agreement, East Blinebry-Drinkard Unit, Lea County, New Mexico", dated as of October 1, 2002, provides that under certain circumstances and conditions therein stated a Tract that fails to qualify for inclusion in the Unit Area of the Unit may be included if the requisite Working Interest Owners in the Tract as specified in said Section request the inclusion of the Tract in the Unit Area and execute and deliver, or obligate themselves to execute and deliver, an indemnity agreement; and

WHEREAS, Tract _____, described in the Unit Agreement is such a Tract; and

WHEREAS, the undersigned are owners of Working Interest in such Tract who have become parties to the Unit Agreement and the Unit Operating Agreement and desire the inclusion of the Tract in the Unit Area of the Unit.

NOW, THEREFORE, in consideration of and conditioned upon said Tract's meeting the other requirements of the aforesaid Section of the Unit Agreement and its inclusion in the Unit Area of the Unit, the undersigned hereby request the inclusion of the above Tract in the Unit Area and agree, together with other owners of working interest in the Tract, who execute and deliver, or who obligate themselves to execute and deliver, like indemnity agreements, to indemnify and hold harmless all other Working Interest Owners in the Unit Area, against all claims and demands required by said Section to be the subject of such indemnity. Any liability arising hereunder shall be borne by the undersigned and other Working Interest Owners in the Tract who are committed to like indemnity agreements, in the proportion that the Working Interest of each in the Tract bears to the total Working Interest therein of all the owners of Working Interest in the Tract committed to such indemnity agreements.

This indemnity shall become void with respect to all claims and demands based upon occurrences subsequent to the time when one hundred percent (100%) of the Working Interest in the Tract becomes committed to the Unit Agreement.

This agreement shall be binding upon and shall inure to the benefit of the heirs, devisees, legal representatives, successors, and assigns of the respective parties initially bound or benefited by the provisions hereof.

IN WITNESS WHEREOF, each of the undersigned has executed this instrument on the day and date evidenced by his certificate of acknowledgement hereof.

CORPORATE ACKNOWLEDGEMENT

STATE OF _____)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2002 by
_____,
_____,
a _____ corporation, on behalf of said corporation.

My Commission Expires _____

Notary Public in and for said county
and state.

Notary Public (print name)

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF _____)
) SS
COUNTY OF _____)

This instrument was acknowledged before me on _____, 2002 by
_____.

My Commission Expires _____

Notary Public in and for said county
and state.

Notary Public (print name)

EXHIBIT "H"

Attached to and made a part of that certain Unit Operating Agreement dated
January 1, 2005, for the East Blinebry-Drinkard Unit,
Located in Lea County, New Mexico

CERTIFICATE OF COMPLIANCE

Unless this Agreement is exempted by law, rule, regulation or order, Unit Operator shall comply with the following clauses contained in the Code of Federal regulations (including any revision or redesignation hereof), which are incorporated herein by reference with the same force and effect as if they were given in full text.

<u>№ AND FAR SOURCE</u>	<u>TITLE AND DATE</u>
48 CFR §52.219-08 FAR 19.708(a)	Utilization of Small Business Concerns and Small Disadvantages Business Concerns (Jun 1985)
48 CFR §52.219-13 FAR 19.902	Utilization of Women-Owned Small Businesses (Aug 1986)
48 CFR §52.220-03 FAR 20.302(a)	Utilization of Labor Surplus Area Concerns (Apr 1984)
48 CFR §52.222-21 FAR 22.810(a)(1)	Certification of Nonsegregated Facilities (Apr 1984)
48 CFR §52.222-25 FAR 22.810(d)	Affirmative Action Compliance (Apr 1984)
48 CFR §52.222-26 FAR 22.810(e)	Equal Opportunity (Apr 1984)
48 CFR §52.222-35 FAR 22.1308	Affirmative Action for Special Disabled and Vietnam Era Veterans (Apr 1984)
48 CFR §52.222-36 FAR 22.1408	Affirmative Action for Handicapped Workers (Apr 1984)
48 CFR §52.223-02 FAR 23.105(b)	Clean Air and Water (Apr 1984)
48 CFR §52.223-03 FAR 23.303	Hazardous Material Identification and Material Safety Data (Aug 1987)
48 CFR §52.223-06 FAR 23.505(c)	Drug-Free Workplace (Mar 1989)
48 CFR §22-804.1	Affirmative Action Programs
48 CFR §52.220-4 FAR 20.302(b)	Labor Surplus Area Subcontracting Program (Apr 1984)

48 CFR §52.219-9
FAR 19.708(b)

Small Business and Small Disadvantaged Business Subcontracting Plan
(Aug 1989)

EXHIBIT "I"
Attached to and made a part of that
certain Unit Operating Agreement, dated January 1, 2005,
EAST BLINEBRY-DRINKARD UNIT AREA
Apache Corporation, as Unit Operator,
Lea County, New Mexico

<u>Tract</u>	<u>Operator</u>	<u>Lease Name</u>	<u>Well #</u>	<u>Location</u>	<u>Well Spot</u>
1A	MCELVAIN OIL & GAS PROPERTIES, INC.	ELLIOTT B FEDERAL	4	1 21S 37E	3630 FNL, 330 FWL
1B	MCELVAIN OIL & GAS PROPERTIES, INC.	ELLIOTT B FEDERAL	5	1 21S 37E	4620 FSL, 1650 FWL
1C	MCELVAIN OIL & GAS PROPERTIES, INC.	ELLIOTT B FEDERAL	1	1 21S 37E	2970 FSL, 330 FWL
		ELLIOTT B FEDERAL	3	1 21S 37E	660 FSL, 2310 FEL
1D	MCELVAIN OIL & GAS PROPERTIES, INC.	ELLIOTT B FEDERAL	2	1 21S 37E	2970 FSL, 1650 FWL
		COOGAN FEDERAL	2	1 21S 37E	4195 FNL, 2310 FWL
2	APACHE CORPORATION	ELLIOTT FEDERAL	1	1 21S 37E	1650 FSL, 330 FWL
		ELLIOTT FEDERAL	2	1 21S 37E	1980 FSL, 1980 FWL
3	MCELVAIN OIL & GAS PROPERTIES, INC.	ELLIOTT MONTEREY FEDERAL	5	1 21S 37E	660 FSL, 810 FWL
		ELLIOTT MONTEREY FEDERAL	6	1 21S 37E	660 FSL, 1980 FWL
		ELLIOTT MONTEREY FEDERAL	7	1 21S 37E	990 FSL, 2480 FWL
4	MCELVAIN OIL & GAS PROPERTIES, INC.	H T FEDERAL	1	1 21S 37E	1980 FSL, 1980 FEL
		H T FEDERAL	2	1 21S 37E	3100 FSL, 1980 FEL
5A	APACHE CORPORATION	LOCKHART B 11	2	11 21S 37E	330 FNL, 330 FWL
		LOCKHART B 11	4	11 21S 37E	330 FNL, 1650 FWL
		LOCKHART B 11	5	11 21S 37E	330 FNL, 1650 FEL
		LOCKHART B 11	6	11 21S 37E	330 FNL, 330 FEL
		LOCKHART B 11	7	11 21S 37E	330 FNL, 480 FEL
		LOCKHART B 11	8	11 21S 37E	660 FSL, 1980 FEL
		LOCKHART B 11	9	11 21S 37E	660 FNL, 330 FEL
		LOCKHART B 11	10	11 21S 37E	1980 FNL, 330 FEL
		LOCKHART B 11	11	11 21S 37E	1980 FSL, 330 FEL
		LOCKHART B 11	12	11 21S 37E	660 FNL, 1980 FEL
		LOCKHART B 11	13	11 21S 37E	660 FSL, 330 FEL
		LOCKHART B 11	14	11 21S 37E	1650 FNL, 1650 FEL
		LOCKHART B 11	15	11 21S 37E	2310 FSL, 1650 FEL
		LOCKHART B 11	16	11 21S 37E	1980 FNL, 1980 FWL
		LOCKHART B 11	17	11 21S 37E	1980 FNL, 1980 FEL
5B	APACHE CORPORATION	LOCKHART B 11	1	11 21S 37E	2310 FNL, 330 FWL
5C	APACHE CORPORATION	LOCKHART B 12	1	12 21S 37E	330 FNL, 660 FWL
		LOCKHART B 12	3	12 21S 37E	990 FNL, 1650 FWL
		LOCKHART B 12	4	12 21S 37E	1650 FNL, 660 FWL
		LOCKHART B 12	6	12 21S 37E	330 FNL, 1980 FWL
		LOCKHART B 12	7	12 21S 37E	330 FNL, 330 FWL
		LOCKHART B 12	8	12 21S 37E	1980 FNL, 1980 FWL
		LOCKHART B 12	9	12 21S 37E	1980 FNL, 2310 FEL
		LOCKHART B 12	10	12 21S 37E	660 FNL, 2310 FEL
		LOCKHART B 12	11	12 21S 37E	1980 FNL, 660 FWL
		LOCKHART B 13 A	1	13 21S 37E	660 FSL, 660 FWL
		LOCKHART B 13 A	2	13 21S 37E	1980 FNL, 660 FWL
		LOCKHART B 13 A	3	13 21S 37E	1980 FNL, 1980 FWL
		LOCKHART B 13 A	4	13 21S 37E	1980 FSL, 1980 FWL
		LOCKHART B 13 A	5	13 21S 37E	660 FSL, 1980 FWL
		LOCKHART B 13 A	6	13 21S 37E	1980 FNL, 1980 FEL
		LOCKHART B 13 A	7	13 21S 37E	1980 FSL, 1980 FEL
		LOCKHART B 13 A	8	13 21S 37E	1980 FSL, 660 FWL
		LOCKHART B 13 A	9	13 21S 37E	660 FSL, 2100 FWL
		LOCKHART B-14 A	1	14 21S 37E	1980 FNL, 660 FEL
		LOCKHART B-14 A	2	14 21S 37E	660 FSL, 660 FEL
		LOCKHART B-14 A	3	14 21S 37E	660 FNL, 330 FEL
		LOCKHART B-14 A	4	14 21S 37E	1980 FSL, 330 FEL
6	APACHE CORPORATION	COLL	2	12 21S 37E	1980 FSL, 660 FWL
7	APACHE CORPORATION	CHESHER	1	12 21S 37E	1980 FSL, 1980 FWL
8	APACHE CORPORATION	COLL	1	12 21S 37E	2310 FSL, 1650 FEL
9	APACHE CORPORATION	CHESHER	2	12 21S 37E	660 FSL, 660 FWL

<u>Tract</u>	<u>Operator</u>	<u>Lease Name</u>	<u>Well #</u>	<u>Location</u>	<u>Well Spot</u>
10	APACHE CORPORATION	PLUMLEE	1	12 21S 37E	660 FSL, 1980 FWL
11	APACHE CORPORATION	FIELDS	1	12 21S 37E	660 FSL, 2310 FEL
12	APACHE CORPORATION	SMITH	2	14 21S 37E	660 FNL, 1980 FEL
		SMITH	3	14 21S 37E	1980 FNL, 1650 FEL
13	APACHE CORPORATION	GULF BUNIN	2	13 21S 37E	660 FNL, 1650 FWL
		GULF BUNIN	3	13 21S 37E	660 FNL, 2310 FEL
		GULF BUNIN	4	13 21S 37E	660 FNL, 860 FWL