

**APPLICATION OF APACHE CORPORATION  
FOR APPROVAL OF A WATERFLOOD PROJECT  
AND QUALIFICATION OF THE PROJECT AREA  
FOR THE RECOVERED OIL TAX RATE PURSUANT  
TO THE ENHANCED OIL RECOVERY ACT  
LEA COUNTY, NEW MEXICO.**

BEFORE THE  
OIL CONSERVATION DIVISION  
Case # 13503 & 13504 Exhibit No. —  
Submitted By: **14**  
**Apache Corporation**  
Hearing Date: June 16, 2005


**CERTIFICATE OF MAILING  
AND  
COMPLIANCE WITH ORDER R-8054**

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in these matters and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on May 10, 2005, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced cases, at least twenty days prior to the hearing of this case set for June 2, 2005 to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

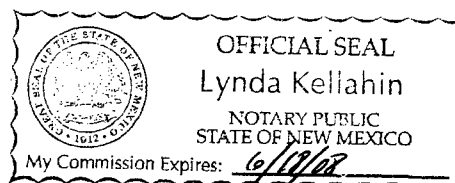
W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 26th day of May 2005, by W. Thomas Kellahin.

Kellahin.



Lynda Kellahin, Notary Public  
My Commission Expires: June 18, 2008



**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 12, 2005

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

TO: NOTICE OF THE HEARING OF THE FOLLOWING  
NEW MEXICO OIL CONSERVATION DIVISION CASE:

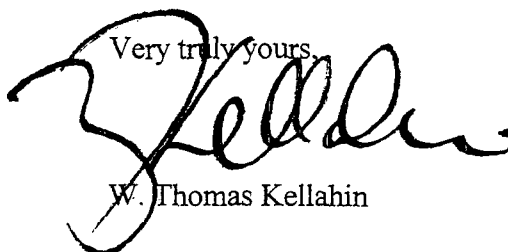
**Re:   *Application of Apache Corporation for  
Approval of its East Blinebry-Drinkard Unit Waterflood Project  
and to qualify this project for the recovered oil tax rate,  
Lea County, New Mexico  
(East Blinebry-Drinkard Unit)***

Dear Interest Owner:

I am assisting with Apache Corporation's efforts to obtain approval from the New Mexico Oil Conversation Division ("Division") for its proposed East Blinebry-Drinkard Waterflood Project including an application for statutory unit and an application for the associated waterflood. As part of that approval process, I am required to send this notice to all interest owners. You are not required to attend this hearing, but failure to appear at the hearing and become a party of record will preclude you from challenging the matter at a later date. This referenced application will be heard by a Division Examiner on a docket scheduled to start at 8:15 am on June 2, 2005. The hearing will be held at the Division hearing room located in the Pinon Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87502 (phone 505-472-3458).

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, May 27, 2005, with a copy delivered to the undersigned. This statement must include: the names of the parties and attorneys; a concise statement of your position in this case; the names of all witnesses you will call to testify at the hearing, the approximate time you will need to present your case and identification of any procedural matters that area to be resolve prior to the hearing. If you have any questions please call Mario Moreno, Apache Corporation (918) 491-4963.

Very truly yours,



W. Thomas Kellahin

OLD WELL NAMES					CONVERTED		Tract	Surface Owners
LEASE NAME	WELL #	LOCATION	FOOTAGE	TYPE	INJ VOLUMES			
1 ELLIOTT B	1	1 21S 37E	2970 FSL, 330 FWL	OIL	429		1C	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
2 ELLIOTT-MONTEREY	5	1 21S 37E	660 FSL, 810 FWL	OIL	641		3	State of New Mexico
3 LOCKHART B 11	4	11 21S 37E	330 FNL, 1650 FWL	OIL	392		5A	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
4 LOCKHART B 11	6	11 21S 37E	330 FNL, 330 FEL	OIL	250		5A	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
5 LOCKHART B 11	8	11 21S 37E	660 FSL, 1980 FEL	OIL	870		5A	James Allan & Lucille Bryant 8204 Indigo Court NE Albuquerque, NM 87122
6 LOCKHART B 11	9	11 21S 37E	660 FNL, 330 FEL	OIL	528		5A	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
7 LOCKHART B 11	11	11 21S 37E	1980 FSL, 330 FEL	OIL	717		5A	James Allan & Lucille Bryant 8204 Indigo Court NE Albuquerque, NM 87122
8 LOCKHART B 11	14	11 21S 37E	1650 FNL, 1650 FEL	OIL	661		5A	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
9 LOCKHART B 11	17	11 21S 37E	1980 FNL, 1980 FEL	OIL	393		5A	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
10 LOCKHART B 11 E	1	11 21S 37E	2310 FNL, 660 FWL	OIL	817		5B	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
11 LOCKHART B 12	4	12 21S 37E	1650 FNL, 660 FWL	OIL	60		5C	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
12 LOCKHART B 12	6	12 21S 37E	330 FNL, 1980 FWL	OIL	486		5C	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
13 LOCKHART B 12	11	12 21S 37E	1980 FNL, 660 FWL	OIL-SI	250		5C	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
14 LOCKHART B 13 A	2	13 21S 37E	1980 FNL, 660 FWL	OIL	346		5C	Eva Mae Tousiant, et al Box 115 Eunice, NM 88231
15 LOCKHART B-14 A	3	14 21S 37E	660 FNL, 330 FEL	OIL	519		5C	James Allan & Lucille Bryant 8204 Indigo Court NE Albuquerque, NM 87122
16 CHESHER	2	12 21S 37E	660 FSL, 660 FWL	OIL-TA	436		9	William F. McNeill, et al P.O. Box 339 Bridger, MT 59014
17 GULF BUNIN	2	13 21S 37E	660 FNL, 1650 FWL	OIL	529		13	N.B. Bunin Properties P.O. Box 65 Lincoln City, OR 97367
					8324			
<b>Incremental Oil = 3.4 MMBO</b>								

**Operators****Well**

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XTO Energy, Inc. (Formerly Cross Timbers)  
810 Houston St.  
Fort Worth, TX 76102  
Attn: Land Dept.

Dauron

McElvain Oil & Gas Properties, Inc  
1050 17th Street  
Suite 1800  
Denver, CO 80265  
Attn: James Hohenstein

Coogan

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

Wantz

Chevron U.S.A. Inc  
11111 South Wilcrest  
Houston, TX 77099  
Attn: James Baca

Naomi Keenum

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

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

Article Number  
(Transfer from service label) 7004 2890 0001 4493 3374

Domestic Return Receipt  
Form 3811, February 2004

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

Apache  
Blinebry  
June 2, 2005  
5/10/05

☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

William F Mc Neill, et al  
PO Box 339  
Bridger, MT 59014

Article Number  
(Transfer from service label) 7004 2890 0001 4493 3367

Domestic Return Receipt  
Form 3811, February 2004

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

Apache  
Blinebry  
June 2, 2005  
5/10/05

4. Restricted Delivery? (Extra Fee) ☐ Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

James Allan & Lucille Bryant  
8204 Indigo Court NE  
Albuquerque, NM 87122

Article Number  
(Transfer from service label) 7004 2890 0001 4493 3374

Domestic Return Receipt  
Form 3811, February 2004

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

Apache  
Blinebry  
June 2, 2005  
5/10/05

☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes

**SENDER: COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

Eva Mae Tousiant, et al  
Box 115  
Eunice, NM 88231

Article Number  
(Transfer from service label) 7004 2890 0001 4493 3361

Domestic Return Receipt  
Form 3811, February 2004

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Addressee  
C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

Apache  
Blinebry  
June 2, 2005  
5/10/05

☐ Insured Mail ☐ C.O.D.  
4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

McElvain Oil & Gas Properties, Inc  
1050 17th Street  
Denver, Colorado 80265  
Attn: James Hohenstein

1. Article Number  
(Transfer from service label) 7004 2890 0001 4493 3404

2. Domestic Return Receipt  
Form 3811, February 2004

3. Signature ☒ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

5. Signature ☐ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

6. Is delivery address different from item 1? ☐ Yes ☐ No

7. If YES, enter delivery address below:

8. Registered ☐ Return Receipt for Merchandise  
Insured Mail ☐ C.O.D.

9. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

N.B. Bunin Properties  
PO Box 65  
Lincoln City, OR 97367

1. Article Number  
(Transfer from service label) 7004 2890 0001 4493 3398

2. Domestic Return Receipt  
PS Form 3811, February 2004

3. Signature ☒ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

5. Signature ☐ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

6. Is delivery address different from item 1? ☐ Yes ☐ No

7. If YES, enter delivery address below:

8. Registered ☐ Return Receipt for Merchandise  
Insured Mail ☐ C.O.D.

9. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Commissioner of Public Land  
Stae of New Mexico  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

1. Article Number  
(Transfer from service label) 7004 2890 0001 4493 3428

2. Domestic Return Receipt  
Form 3811, February 2004

3. Signature ☒ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

5. Signature ☐ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

6. Is delivery address different from item 1? ☐ Yes ☐ No

7. If YES, enter delivery address below:

8. Registered ☐ Return Receipt for Merchandise  
Insured Mail ☐ C.O.D.

9. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.

Ralph C. Bruton  
3500 Scoma  
Hobbs, NM 88240

1. Article Number  
(Transfer from service label) 7004 2890 0001 4493 3411

2. Domestic Return Receipt  
PS Form 3811, February 2004

3. Signature ☒ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

5. Signature ☐ Agent  
Received by (Printed Name) James Hohenstein  
C. Date of Delivery 5/10/05

6. Is delivery address different from item 1? ☐ Yes ☐ No

7. If YES, enter delivery address below:

8. Registered ☐ Return Receipt for Merchandise  
Insured Mail ☐ C.O.D.

9. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>TM</sup> RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

For Apache  
Blinebry  
June 2, 2005  
5/10/05

(Endorsement Required)  
 Restricted Delivery Fee (Endorsement)  
XTO Energy, Inc  
 Formerly Cross Timbers  
 810 Houston St.  
 Fort Worth, TX 76102  
 Attn: Land Dept.

Total P<sub>t</sub> 7004 2890 0001 4493 3442

Sent To Street, A  
or PO Box  
City, State, ZIP

PS Form 3800, June 2002 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece.

1. Exxon Mobil Corp.  
PO Box 4697  
Houston, TX 77210-4697  
Attn: Dan Barber

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X ☐ Agent ☐ Addressee

B. Received by (Printed Name) CEE C. Date of Delivery MAY 16 2005

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:  
Apache  
Blinebry  
June 2, 2005  
5/10/05

☐ Insured Mail ☐ C.O.D.  
 4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number 7004 2890 0001 4493 3442  
*(Transfer from service label)*

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540