

## Exhibit 6

### BLM Discussions Concerning Leaseline Wells

#### Federal / Federal Lease Commingling:

**Hawk B-1 #33** (Federal Contract/Reporting No. NMNM111011)

**Hawk B-1 #43** (Federal Contract/Reporting No. NMNM116237)

**Hawk B-1 #58** (Federal Contract/Reporting No. NMNM118318)

The above listed wells are "Leaseline" wells that share production between two (2) Federal leases, being Federal Lease Nos. NMNM-90161 (uses Sliding Scale Royalty Schedule "D") and NMLC-031741A (uses Sliding Scale Royalty Schedule "C"). A Cooperative Well Agreement ("Agreement"), which has been approved by the Bureau of Land Management and all Working Interest Owners, for each well is currently in place. Each Agreement sets forth the well's production allocation percentages which are used in calculating the Working and Revenue Interest ownership. Because the allocation between two different leases creates diverse ownership between a "Leaseline" well and the "Normal" Hawk B-1 lease wells, Apache is required to set up each "Leaseline" well separately from the "Normal" wells and further report, to the governmental agencies, production from each "Leaseline" well separately. Furthermore, because the "Leaseline" well is "accounted for" separately, it is easy for Apache to calculate the correct royalty due the federal government, using the approved Agreements, regardless of whether or not the Federal leases contain different sliding scales. Currently, for measurement purposes, each well is tested once per month and Apache allocates total monthly production back to each well using said monthly well test. Apache is requesting approval to continue this method of measurement and to continue surface commingling production from each of the "Leaseline" wells with production from the "Normal" wells.

Apache has been in contact with the United States Bureau of Land Management ("BLM") in order to explain, in detail, the process in which Apache produces, measures (on-lease), commingles and sells production for the Hawk B-1 Lease. The BLM has requested production information to re-evaluate Apache's allocation methods in light of potential changes in federal commingling policies under amendments to Onshore Order No. 5 expected sometime in 2013.

**Exhibit 6**  
**BLM Discussions Concerning Leaseline Wells**

**Federal / Fee Lease Commingling:**

**Hawk B-1 #37** (Federal Contract/Reporting No. NMNM111013)

**Hawk B-1 #41** (Federal Contract/Reporting No. NMNM111015)

The above listed wells are "Leaseline" wells that share production between a Federal lease, being Federal Lease No. NMNM-90161, and a Fee lease. A Cooperative Well Agreement ("Agreement"), which has been approved by the United States Bureau of Land Management ("BLM") and all Working Interest Owners, for each well is currently in place. Each Agreement sets forth the well's production allocation percentages which are used in calculating the Working and Revenue Interest ownership. Because the allocation between two different leases creates diverse ownership between a "Leaseline" well and the "Normal" Hawk B-1 lease wells, Apache is required to set up each "Leaseline" well separately from the "Normal" wells and further report, to the governmental agencies, production from each "Leaseline" well separately. Furthermore, because the "Leaseline" well is "accounted for" separately, it is easy for Apache to calculate the correct royalty due the federal government and fee interest owners using the approved Agreements. Currently, for measurement purposes, each well is tested once per month and Apache allocates total monthly production back to each well using said monthly well test. Apache is requesting approval to continue this method of measurement and to continue surface commingling production from each of the "Leaseline" wells with production from the "Normal" wells.

Apache has been in contact with the BLM in order to explain, in detail, the process in which Apache produces, measures (on-lease), commingles and sells production for the Hawk B-1 Lease. The BLM has requested production information to re-evaluate Apache's allocation methods in light of potential changes in federal commingling policies under amendments to Onshore Order No. 5 expected sometime in 2013.

## Exhibit 6

### BLM Discussions Concerning Leaseline Wells

#### Federal / State Lease Commingling:

##### Hawk B-1 #35 (Federal Contract/Reporting No. NMNM111012)

The above listed well is a "Leaseline" well that shares production between a Federal lease, being Federal Lease No. NMNM-90161, and a State of New Mexico lease. A Cooperative Well Agreement, which has been approved by the United States Bureau of Land Management ("BLM") and all Working Interest Owners, is currently in place for the subject well. Further, a Communitization Agreement, which has been approved by the State of New Mexico and all Record Title Interest Owners, is also in place for said well. Both agreements set forth the well's production allocation percentages which are used in calculating the Working and Revenue Interest ownership. Because the allocation between two different leases creates diverse ownership between a "Leaseline" well and the "Normal" Hawk B-1 lease wells, Apache is required to set up each "Leaseline" well separately from the "Normal" wells and further report, to the governmental agencies, production from each "Leaseline" well separately. Furthermore, because the "Leaseline" well is "accounted for" separately, it is easy for Apache to calculate the correct royalty due the federal government, as well as royalty due the fee interest owners, using the approved agreements. Currently, for measurement purposes, each well is tested once per month and Apache allocates total monthly production back to each well using said monthly well test. Apache is requesting approval to continue this method of measurement and to continue surface commingling production from each of the "Leaseline" wells with production from the "Normal" wells.

Apache has been in contact with the BLM in order to explain, in detail, the process in which Apache produces, measures (on-lease), commingles and sells production for the Hawk B-1 Lease. The BLM has requested production information to re-evaluate Apache's allocation methods in light of potential changes in federal commingling policies under amendments to Onshore Order No. 5 expected sometime in 2013.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019



In reply refer to:  
NMNM111011  
3105.1 (06300)

JAN 16 2004

Re: Cooperative Well Agreement  
Hawk B-1 #33 Well  
Sec.9 - 21S-37E NMPM  
Lea County, New Mexico

RECEIVED

JAN 20 2004

TULSA  
LAND DEPT.

Apache Corporation  
Attn: Cindy McGee  
Two Warren Place - Suite 1500  
6120 South Yale  
Tulsa, OK 74136-4224

Dear Ms. McGee:

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #33 well located 2630' FNL & 1250' FWL, Sec.9, T. 21 S., R. 37 E., Lea County, NM. The Cooperative Well Agreement has been assigned contract No. NMNM111011

Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as following:

Lease NMNM 90161	72.69%
Lease NMLC 031741A	27.31%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions please call Mary Lou Ormseth at (505) 627-0258 or Armando Lopez at (505) 627-0248.

Sincerely Yours

Larry D. Bray  
Assistant Field Manager,  
Lands and Minerals

Enclosure:

1 - Cooperative Well Agreement

NM, NM 111011

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 33 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of December, 2003, between BP AMERICA PRODUCTION COMPANY, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), CHEVRON U.S.A. INC., whose address is 15 Smith Road, Midland TX 79705 ("Chevron") and APACHE CORPORATION, whose address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

WHEREAS, Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. **Hawk B-1 Lease -**  
Lessor: The United States of America NM 90161  
Lessee: Estate of Wilbur C. Hawk  
Date: March 1, 1958  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
Township 21 South, Range 37 East, N.M.P.M.  
Section 9: N/2SW/4, SE/4NW/4
  
2. **Hawk A Lease -**  
Lessor: The United State of America LC 031741 (a)  
Lessee: Estate of Wilbur C. Hawk  
Date: January 1, 1958  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
Township 21 South, Range 37 East, N.M.P.M.  
Section 9: SW/4NW/4

WHEREAS, the Parties each own undivided operating rights in and to the Hawk A Lease, and the Hawk B-1 Lease; and

WHEREAS, the Parties desire to drill and complete the Hawk B-1 # 33 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons at a non-standard location encroaching on the lease line between the N/2SW/4, SE/4NW/4 and SW/4SW/4 of Section 9 as described below; and

WHEREAS, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 # 33 Well as described herein below.

NOW THEREFORE, the Parties hereby agree as follows:

1. **DESIGNATION AND RESPONSIBILITIES OF OPERATOR**

A. Apache is designated as operator ("Operator") of the Hawk B-1 # 33 Well for the purposes of this Agreement.

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

**Hawk B-1 # 33 Well:**

SURFACE LOCATION: 2630' FNL & 1250' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"). Solely for purposes of drilling and operating the Hawk B-1 # 33 Well, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the Hawk B-1 # 33 Well as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer to title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above, shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	50.00%
BP .....	25.00%
Chevron .....	25.00%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

**2. TERM OF AGREEMENT**

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results

there from, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties, and shall salvage all equipment in and on the well for the account of the Party(ies) that initially paid for said equipment. The termination of this Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before June 30, 2004, then this Agreement shall immediately terminate and shall have no further force and effect.

### 3. NON-PARTNERSHIP ELECTION

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Operator is 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 State or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the date required by Federal Regulations 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### 4. TRANSFER OF INTEREST

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk A Lease and/or the Hawk B-1 Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### 5. CLAIMS AND LAWSUITS

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon delegation of such authority by the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

6. TAKING PRODUCTION IN KIND

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

7. PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk A Lease .....	27.31%
Hawk B-1 Lease .....	72.69%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk A Lease and/or the Hawk B-1 Lease, based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk A Lease and the Hawk B-1 Lease.

8. MEASUREMENT

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Rob Johnston  
Title: Central Region Vice President,  
Exploration & Development

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Robert C Hagens  
Title: Attorney-in-Fact  
New  
D20  
[Signature]

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

8. MEASUREMENT

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

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B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

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This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President,  
Exploration & Development

CHEVRON U.S.A. INC.

By: [Signature]  
Printed Name: Charles D. Frisbie  
Title: Attorney-in-Fact

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

8. MEASUREMENT

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

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B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Rob Johnston  
Title: Central Region Vice President, Exploration & Development

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

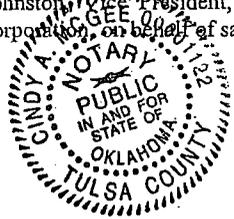
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: ASSISTANT FIELD MANAGER LANDS AND MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

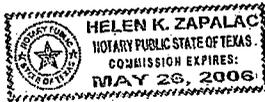
This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnston, ~~Vice President~~ President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Cindy A. McGee  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8<sup>th</sup> day of JANUARY, 2004, by Robert C. Hygens, ATTORNEY IN FACT of BP America Production Company, a Delaware corporation, on behalf of said corporation.



Helen K. Zapalac  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_\_, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

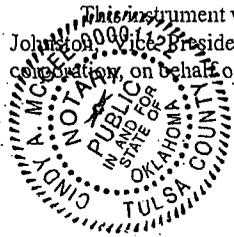
STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_\_, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnson, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Cindy A. McCreary  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2004, by Charles D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



David W. Thompson  
Notary Public, State of Texas

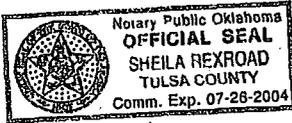
STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
                                          §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 11th day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
                                          §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
                                          §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 10 day of Jan, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                          §  
COUNTY OF ~~LEA~~ Chavez §

This instrument was acknowledged before me this 16 day of Jan, 2004, by Larry D. Bray, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

[Signature]  
Notary Public, State of New Mexico

HAWK  
(N1114021)

**AMENDMENT TO COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 33 Well)**

THIS AGREEMENT, made and entered into this 25<sup>th</sup> day of October, 2004, by and between the undersigned parties hereto:

WITNESSETH, THAT

WHEREAS, parties hereto or their predecessors in interest have heretofore entered into a certain Cooperative Well Agreement described as follows:

Cooperative Well Agreement dated 1<sup>st</sup> day of December, 2003 between Apache Corporation, as Operator, and BP America Production Company and Chevron U.S.A. INC, Non-Operators covering the N/2SW/4, SE/4NW/4 (Hawk B-1 Lease) and the SW/4NW/4 (Hawk A Lease) all in Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

and,

WHEREAS, the undersigned Parties each own undivided operating rights in and to the Hawk A Lease, and the Hawk B-1 Lease and the oil and gas leasehold estate in the lands affected thereby, and do hereby desire to amend said agreement so as to provide for development of Grayburg and San Andres production as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed that the Cooperative Well Agreement referred to above and any amendments thereof or supplemental agreements pertaining thereto, are hereby amended by deleting therefrom the following, to wit:

**I. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

**Hawk B-1 # 33 Well:**

SURFACE LOCATION: 2,630' FNL & 1250' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: ..... 50.00%  
BP ..... 25.00%  
Chevron ..... 25.00%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

and substituting therefore the following provisions:

**I. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

**Hawk B-1 # 33 Well:**

SURFACE LOCATION:	2,630' FNL & 1250' FWL, Sec. 9, T21S-R37E, Lea County, New Mexico,
Planned Total Depth:	4,350 feet, but in no event below the base of The San Andres Formation plus one hundred (100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	50.00%
BP .....	25.00%
Chevron .....	25.00%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual completion and/or commingling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

Except as herein provided, the Cooperative Well Agreement referred to above shall remain in full force and effect in accordance with its terms and provisions.

THIS AGREEMENT shall be effective as of the date of Grayburg and San Andres first production from the Cooperative Well, and shall be binding as to each party executing the same, its successors or assigns, and it may be executed in separate counterparts with like effect as if all parties had executed the same instrument, which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the effective date first above written

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
00015619

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

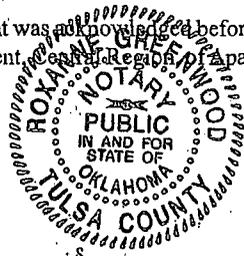
BUREAU OF LAND MANAGEMENT

By: C. D. Frisbie  
Printed Name: C. D. Frisbie  
Title: Attorney-in-Fact

By: [Signature] JAN 04 2005  
Printed Name: LARRY D. BRAY  
Title: BLM LANDS & MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
00015619

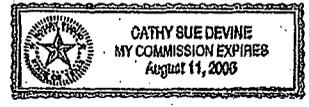
STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of December, 2004, by C. D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico, 88201-2019



In reply refer to:  
NMNM111012  
3105.1 (06300)

Re: Cooperative Well Agreement  
Hawk B-1 #35 Well  
Sec.9 - 21S-37E NMPM  
Lea County, New Mexico

JAN 18 2004

RECEIVED

JAN 20 2004

TULSA  
LAND DEPT.

Apache Corporation  
Attn: Cindy McGee  
Two Warren Place - Suite 1500  
6120 South Yale  
Tulsa, OK 74136-4224

Dear Ms. McGee:

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #35 well located 160' FSL & 1310' FEL, Sec.9, T. 21 S., R. 37 E., Lea County, NM. The Cooperative Well Agreement has been assigned contract No. NMNM111012.

Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as following:

Lease NMNM 90161	56.56%
State Lease	43.44%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions please call Mary Lou Ormseth at (505) 627-0258 or Armando Lopez at (505) 627-0248.

Sincerely Yours,

Larry D. Bray  
Assistant Field Manager,  
Lands and Minerals

Enclosure:  
1 - Cooperative Well Agreement

NM 900111012

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 35 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of December, 2003, between BP AMERICA PRODUCTION COMPANY, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), CHEVRON U.S.A. INC., whose address is 15 Smith Road, Midland TX 79705 ("Chevron") and APACHE CORPORATION, whose address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

WHEREAS, Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. Hawk B-1 Lease -  
Lessor: The United States of America NM 90161  
Lessee: Estate of Wilbur C. Hawk  
Date: March 1, 1958  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
Township 21 South, Range 37 East, N.M.P.M.  
Section 9: S/2SE/4
  
2. Leonard Lease -  
Lessor: State of New Mexico NM B-1732-1  
Lessee: Gypsy Oil Company  
Date: February 28, 1933  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
Township 21 South, Range 37 East, N.M.P.M.  
Section 16: N/2NE/4

WHEREAS, the Parties each own undivided operating rights in and to the Hawk B-1 Lease;  
and

WHEREAS, Chevron has 100% of the operating rights in and to the Leonard Lease; and

WHEREAS, the Parties desire to drill and complete the Hawk B-1 # 35 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons at a non-standard location encroaching on the lease line between Sections 9 and 16 as described below; and

WHEREAS, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 # 35 Well as described herein below.

NOW THEREFORE, the Parties hereby agree as follows:

1. DESIGNATION AND RESPONSIBILITIES OF OPERATOR

A. Apache is designated as operator ("Operator") of the Hawk B-1 # 35 Well for the purposes of this Agreement.

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

Hawk B-1 # 35 Well:

SURFACE LOCATION: 160' FSL & 1310' FEL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"). Solely for purposes of drilling and operating the Hawk B-1 # 35 Well, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the Hawk B-1 # 35 Well as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer of title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above, shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	28.28%
BP .....	14.14%
Chevron .....	57.58%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

2. TERM OF AGREEMENT

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results, there from, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties; and shall salvage all equipment in and on the

well for the account of the Party(ies) that initially paid for said equipment. The termination of this Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before June 30, 2004, then this Agreement shall immediately terminate and shall have no further force and effect.

### 3. NON-PARTNERSHIP ELECTION

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Operator is 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 State 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 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### 4. TRANSFER OF INTEREST

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk B-1 Lease and/or the Leonard Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### 5. CLAIMS AND LAWSUITS

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon delegation of such authority by the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

6. TAKING PRODUCTION IN KIND

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

7. PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk B-1 Lease .....	56.56%
Leonard Lease .....	43.44%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk B-1 Lease, and/or the Leonard Lease based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk B-1 Lease, and the Leonard Lease.

8. MEASUREMENT

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the State of New Mexico

and the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management, and a Communitization Agreement covering production from the Cooperative Well has been approved by the Commissioner of Public Lands of the State of New Mexico.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President, Exploration & Development

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Robert C. HAGENS  
Title: ATTORNEY-IN-FACT

*JAW  
RLO*

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

and the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

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This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

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B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties

11. PRE-COMMENCEMENT APPROVALS

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This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Rob Johnston  
Title: Central Region Vice President, Exploration & Development

CHEVRON U.S.A. INC.

By: [Signature]  
Printed Name: Charles D. Fairbie  
Title: Attorney-in-Fact

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

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A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management, and a Communitization Agreement covering production from the Cooperative Well has been approved by the Commissioner of Public Lands of the State of New Mexico.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President  
Exploration & Development

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: ASSISTANT FIELD MANAGER LANDS AND MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

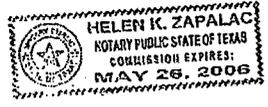


This instrument was acknowledged before me this 11<sup>th</sup> day of December, 2003, by Rob  
Robert C. Hagens, President, Exploration, Central Region, of Apache Corporation, a Delaware  
corporation, on behalf of said corporation.

Cindy A. McGee  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8<sup>th</sup> day of JANUARY, 2004, by  
ROBERT C. HAGENS, Attorney-in-Fact of BP America Production  
Company, a Delaware corporation, on behalf of said corporation.



Helen K. Zapalac  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 200\_\_\_, by  
\_\_\_\_\_, of Chevron U.S.A. Inc., a  
Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

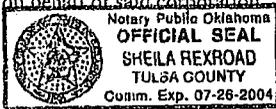
STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 200\_\_\_,  
by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on  
behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
                                          §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 16th day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

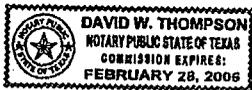
STATE OF TEXAS §  
                                          §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
                                          §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2004, by Charles D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



David W. Thompson  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                          §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
                                          §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 14th day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
                                          §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
                                          §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                          §  
COUNTY OF LEA Chavez §

This instrument was acknowledged before me this 16 day of Jan, 2004, by Larry D. Davis, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

[Signature]  
Notary Public, State of New Mexico

**AMENDMENT TO COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 35 Well)**

THIS AGREEMENT, made and entered into this 25<sup>th</sup> day of October, 2004, by and between the undersigned parties hereto:

WITNESSETH, THAT

WHEREAS, parties hereto or their predecessors in interest have heretofore entered into a certain Cooperative Well Agreement described as follows:

Cooperative Well Agreement dated 1<sup>st</sup> day of December, 2003 between Apache Corporation, as Operator, and BP America Production Company and Chevron U.S.A. INC, Non-Operators covering the S/2 SE/4 (Hawk B-1 Lease) in Section 9, Township 21 South, Range 37 East, N.M.P.M. and the N/2 NE/4 (Leonard Lease) in Section 16, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

and,

WHEREAS, the undersigned Parties each own undivided operating rights in and to the Hawk B-1 Lease, and the Leonard Lease and the oil and gas leasehold estate in the lands affected thereby, and do hereby desire to amend said agreement so as to provide for development of Grayburg and San Andres production as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed that the Cooperative Well Agreement referred to above and any amendments thereof or supplemental agreements pertaining thereto, are hereby amended by deleting therefrom the following, to wit:

**I. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

**Hawk B-1 # 35 Well:**

SURFACE LOCATION:	160' FSL & 1,310' FEL, Sec. 9, T21S-R37E, Lea County, New Mexico;
Planned Total Depth:	4,150 feet, but in no event below the base of The Grayburg Formation plus one hundred (100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	28.28%
BP .....	14.14%
Chevron .....	57.58%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail

and substituting therefore the following provisions:

**I. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

**Hawk B-1 # 35 Well:**

SURFACE LOCATION: 160' FSL & 1,310' FEL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,350 feet but in no event below the base of  
The San Andres Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	28.28%
BP .....	14.14%
Chevron .....	57.58%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual completion and/or commingling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management, and a Communitization Agreement covering production from the Cooperative Well has been approved by the Commissioner of Public Lands of the State of New Mexico.

Except as herein provided, the Cooperative Well Agreement referred to above shall remain in full force and effect in accordance with its terms and provisions.

THIS AGREEMENT shall be effective as of the date of Grayburg and San Andres first production from the Cooperative Well, and shall be binding as to each party executing the same, its successors or assigns, and it may be executed in separate counterparts with like effect as if all parties had executed the same instrument, which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the effective date first above written

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Edmund M. Sierra  
Title: Attorney-in-Fact

MAR  
200

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

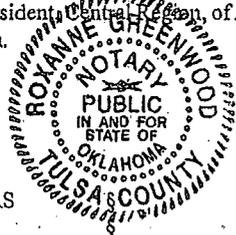
BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: BLM LANDS & MINERALS

JAN 04 2005

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

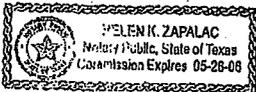
This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
600 15619

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 18 day of Nov, 2004, by Edmund M. Sierra, Attorney-In-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

APACHE CORPORATION

By: \_\_\_\_\_  
Rob Johnston  
Vice President  
Central Region

*HR*

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

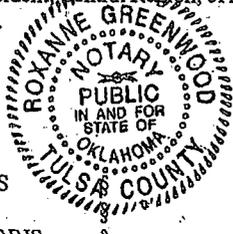
By: C.D. Frisbie  
Printed Name: C.D. Frisbie  
Title: Attorney-in-Fact

BUREAU OF LAND MANAGEMENT

By: Larry D. Bivay JAN 04 2005  
Printed Name: LARRY D. BIVAY  
Title: BLM LANDS & MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, ~~Central Region~~, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Roxanne Greenwood  
Notary Public, State of Oklahoma  
00015619

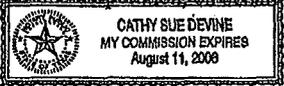
STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of December, 2004, by C.D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a ~~Pennsylvania corporation~~ on behalf of said corporation.



Cathy Sue Devine  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019



In reply refer to:  
NMNM111013  
3105.1 (06300)

JAN 16 2004

Re: Cooperative Well Agreement  
Hawk B-1 #37 Well  
Sec.9 - 21S-37E NMPM  
Lea County, New Mexico

RECEIVED

JAN 20 2004

TULSA  
LAND DEPT.

Apache Corporation  
Attn: Cindy McGee  
Two Warren Place - Suite 1500  
6120 South Yale  
Tulsa, OK 74136-4224

Dear Ms. McGee:

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #37 well located 2590' FSL & 1310' FEL, Sec.9, T. 21 S., R. 37 E., Lea County, NM. The Cooperative Well Agreement has been assigned contract No. NMNM111013.

Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as following:

Lease NMNM 90161	64.32%
Fee Lease	35.68%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions please call Mary Lou Ormseth at (505) 627-0258 or Armando Lopez at (505) 627-0248.

Sincerely Yours,

Larry D. Bray  
Assistant Field Manager,  
Lands and Minerals

Enclosure:  
1 - Cooperative Well Agreement

NM 111013

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 #37 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of December, 2003, between BP AMERICA PRODUCTION COMPANY, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), CHEVRON U.S.A. INC., whose address is 15 Smith Road, Midland TX 79705 ("Chevron") and APACHE CORPORATION, whose address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

WHEREAS, Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. Hawk B-1 Lease -

Lessor: The United States of America NM 90161

Lessee: Estate of Wilbur C. Hawk

Date: March 1, 1958

Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

Township 21 South, Range 37 East, N.M.P.M.

Section 9: N/2SE/4

2. Southland Royalty "A" Lease -

Lessor: Southland Royalty Company, et al

Lessee: Stanolind Oil & Gas CO.

Date: September 22, 1942

Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

Township 21 South, Range 37 East, N.M.P.M.

Section 9: S/2NE/4

WHEREAS, Apache has 100% of the operating rights in and to the Southland Royalty "A" Lease; and

and WHEREAS, the Parties each own undivided operating rights in and to the Hawk B-1 Lease;

WHEREAS, the Parties desire to drill and complete the Hawk B-1 #37 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons at a non-standard location encroaching on the lease line between S/2NE/4 and N/2SE/4 of Section 9 as described below; and

WHEREAS, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 #37 Well as described hereinbelow.

NOW THEREFORE, the Parties hereby agree as follows:

1. DESIGNATION AND RESPONSIBILITIES OF OPERATOR

A. Apache is designated as operator ("Operator") of the Hawk B-1 #37 Well for the purposes of this Agreement:

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

Hawk B-1 #37 Well:

SURFACE LOCATION: 2,590' FSL & 1,310' FEL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"). Solely for purposes of drilling and operating the Hawk B-1 #37 Well, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the Hawk B-1 #37 Well as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer to title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above, shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production there from will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	67.8400%
BP .....	16.0800%
Chevron .....	16.0800%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

2. TERM OF AGREEMENT

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results there from, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties, and shall salvage all equipment in and on the well for the account of the Party(ies) that initially paid for said equipment. The termination of this

Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before June 30, 2004, then this Agreement shall immediately terminate and shall have no further force and effect.

### 3. NON-PARTNERSHIP ELECTION

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Operator is 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 State 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 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### 4. TRANSFER OF INTEREST

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk B-1 Lease, and/or the Southland Royalty "A" Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### 5. CLAIMS AND LAWSUITS

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon delegation of such authority by the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

6. TAKING PRODUCTION IN KIND

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

7. PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk B-1 Lease .....	64.32%
Southland Royalty "A" Lease .....	35.68%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk B-1 Lease and/or the Southland Royalty "A" Lease based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk B-1 Lease and the Southland Royalty "A" Lease.

8. MEASUREMENT

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the State of New Mexico and Bureau of Land Management. The method used shall be checked for accuracy at least once

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President  
Exploration & Development

By: [Signature]  
Printed Name: Robert C. Hagen  
Title: Attorney-in-Fact  
*DO NOT SIGN*

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

61 37

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President, Exploration & Development

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: Charles D. Frisbie  
Title: Attorney-in-Fact

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Rob Johnston  
Title: Central Region Vice President, Exploration & Development

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: ASSISTANT FIELD MANAGER LANDS AND MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Cindy A. McInerney  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 24 day of JANUARY, 2004, by Robert C. Hagens, Attorney-in-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



Helen K. Zapalac  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

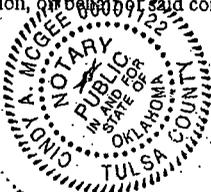
STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Cindy A. McGehee  
Notary Public, State of Oklahoma

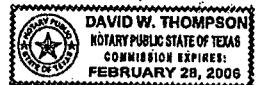
STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2004, by Charles D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



David W. Thompson  
Notary Public, State of Texas

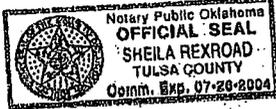
STATE OF NEW MEXICO §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_; Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
                                  §  
COUNTY OF TULSA     §

This instrument was acknowledged before me this 16th day of December, 2003, by Rob Johnston, Vice President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND  §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                  §  
COUNTY OF LEA Chuv §

This instrument was acknowledged before me this 16 day of Jan, 2004, by Leann D. Tracy, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

Leann D. Tracy  
Notary Public, State of New Mexico

HARE  
(Nm 4021)

**AMENDMENT TO COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 #37 Well)**

THIS AGREEMENT, made and entered into this 25<sup>th</sup> day of October, 2004, by and between the undersigned parties hereto:

WITNESSETH, THAT

WHEREAS, parties hereto or their predecessors in interest have heretofore entered into a certain Cooperative Well Agreement described as follows:

Cooperative Well Agreement dated 1<sup>st</sup> day of December, 2003 between Apache Corporation, as Operator, and BP America Production Company and Chevron U.S.A. INC, Non-Operators covering the N/2 SE/4 (Hawk B-1 Lease) and S/2 NE/4 (Southland Royalty "A" Lease) all in Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

and,

WHEREAS, the undersigned Parties each own undivided operating rights in and to the Hawk B-1 Lease, the Southland Royalty "A" Lease and the oil and gas leasehold estate in the lands affected thereby; and do hereby desire to amend said agreement so as to provide for development of Grayburg and San Andres production as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed that the Cooperative Well Agreement referred to above and any amendments thereof or supplemental agreements pertaining thereto, are hereby amended by deleting therefrom the following, to wit:

**1. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

**Hawk B-1 #37 Well:**

SURFACE LOCATION: 2,590' FSL & 1,310' FEL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: ..... 67.8400%  
BP ..... 16.0800%  
Chevron ..... 16.0800%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

and substituting therefore the following provisions:

**1. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

Hawk B-1 #37 Well:

SURFACE LOCATION: 2,590' FSL & 1,310' FEL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,350 feet, but in no event below the base of  
The San Andres Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	67.8400%
BP .....	16.0800%
Chevron .....	16.0800%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual completion and/or commingling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

Except as herein provided, the Cooperative Well Agreement referred to above shall remain in full force and effect in accordance with its terms and provisions.

THIS AGREEMENT shall be effective as of the date of Grayburg and San Andres first production from the Cooperative Well, and shall be binding as to each party executing the same, its successors or assigns, and it may be executed in separate counterparts with like effect as if all parties had executed the same instrument, which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the effective date first above written

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

*Mk*

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Roxanne Greenwood  
Notary Public, State of Oklahoma  
00015619

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

MA

BP AMERICA PRODUCTION COMPANY

By: [Signature] <sup>MBS</sup> <sub>PLS</sub>  
Printed Name: Edmund M. Sierra  
Title: Attorney-in-Fact

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: [Signature] JAN 04 2005  
Printed Name: LARRY D. BRAY  
Title: BLM LANDS & MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

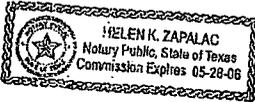
This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
60015619

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 18 day of Nov, 2004, by Edmund M. Sierra, Attorney-in-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 2004, by \_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

*M.H.*

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

By: C. D. Frisbie  
Printed Name: C. D. Frisbie  
Title: Attorney-in-Fact

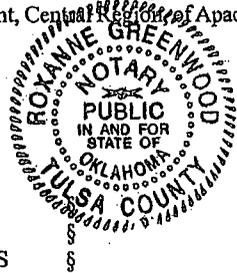
BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: BPM LANDS & MINERALS

JAN 04 2005

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
00015619

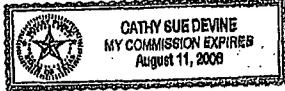
STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of December, 2004, by C. D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019



In reply refer to:  
NMNM111015  
3105.1 (06300)

JAN 16 2004

Re: Cooperative Well Agreement  
Hawk B-1 #41 Well  
Sec. 9 - 21S-37E NMPM  
Lea County, New Mexico

RECEIVED

JAN 20 2004

TULSA  
LAND DEPT.

Apache Corporation  
Attn: Cindy McGee  
Two Warren Place - Suite 1500  
6120 South Yale  
Tulsa, OK 74136-4224

Dear Ms. McGee:

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #41 well located 2590' FSL & 2630' FWL, Sec. 9, T. 21 S., R. 37 E., Lea County, NM. The Cooperative Well Agreement has been assigned contract No. NMNM111015.

Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as following:

Lease NMNM 90161	80.05%
Fee Lease	19.95%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions please call Mary Lou Ormseth at (505) 627-0258 or Armando Lopez at (505) 627-0248.

Sincerely Yours,

Larry D. Bray  
Assistant Field Manager,  
Lands and Minerals

Enclosure:  
1 - Cooperative Well Agreement

NW 111111115

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 #41 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of December, 2003, between BP AMERICA PRODUCTION COMPANY, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), CHEVRON U.S.A. INC., whose address is 15 Smith Road, Midland TX 79705 ("Chevron") and APACHE CORPORATION, whose address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

WHEREAS Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. **Hawk B-1 Lease -**

Lessor: The United States of America NM 90161

Lessee: Estate of Wilbur C. Hawk

Date: March 1, 1958

Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

Township 21 South, Range 37 East, N.M.P.M.

Section 9: SE/4NW/4, NE/4SW/4, NW/4 SE/4

2. **Southland Royalty "A" Lease -**

Lessor: Southland Royalty Company, et al

Lessee: Stanolind Oil & Gas CO.

Date: September 22, 1942

Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

Township 21 South, Range 37 East, N.M.P.M.

Section 9: SW/4 NE/4

WHEREAS, Apache has 100% of the operating rights in and to the Southland Royalty "A" Lease; and

WHEREAS, the Parties each own undivided operating rights in and to the Hawk B-1 Lease; and

WHEREAS, the Parties desire to drill and complete the Hawk B-1 #41 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons at a non-standard location encroaching on the lease line between SE/4NW/4, NE/4SW/4, NW/4SW/4 and SW/4NE/4 of Section 9 as described below; and

WHEREAS, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 #41 Well as described hereinbelow.

NOW THEREFORE, the Parties hereby agree as follows:

1. **DESIGNATION AND RESPONSIBILITIES OF OPERATOR**

A. Apache is designated as operator ("Operator") of the Hawk B-1 #41 Well for the purposes of this Agreement.

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

Hawk B-1 #41 Well:

SURFACE LOCATION: 2,590' FSL & 2,630' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"). Solely for purposes of drilling and operating the Hawk B-1 #41 Well, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the Hawk B-1 #41 Well as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer of title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above, shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	59.9750%
BP .....	20.0125%
Chevron .....	20.0125%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

2. TERM OF AGREEMENT

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results therefrom, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties, and shall salvage all equipment in and on the

well for the account of the Party(ies) that initially paid for said equipment. The termination of this Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before June 30, 2004, then this Agreement shall immediately terminate and shall have no further force and effect.

### 3. NON-PARTNERSHIP ELECTION

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Operator is 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 State or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the date required by Federal Regulations 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### 4. TRANSFER OF INTEREST

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk B-1 Lease, and/or the Southland Royalty "A" Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### 5. CLAIMS AND LAWSUITS

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon delegation of such authority by the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

**6. TAKING PRODUCTION IN KIND**

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

**7. PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION**

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk B-1 Lease .....	80.05%
Southland Royalty "A" Lease.....	19.95%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk B-1 Lease and/or the Southland Royalty "A" Lease based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk B-1 Lease and the Southland Royalty "A" Lease.

**8. MEASUREMENT**

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the State of New Mexico and Bureau of Land Management. The method used shall be checked for accuracy at least once

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President  
Exploration & Development

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Robert C. Hagenis  
Title: Attorney-in-Fact

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Handwritten initials/signature*

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

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This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written.

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Bob Johnston  
Title: Central Region Vice President, Exploration & Development

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: Charles D. Frisbie  
Title: A. Royce - in - Fact

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

every month. All gas separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Chris Johnston  
Title: Central Region Vice President,  
Exploration & Development

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

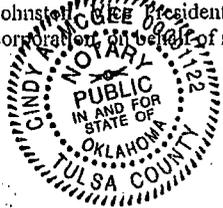
BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: ASSISTANT FIELD MANAGER LANDS AND MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

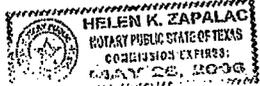
This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnston, President, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Cindy A. McDevitt  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of JANUARY, 2004, by Robert C. Hansen, Attorney-in-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



Helen K. Zapalac  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 16 day of December, 2003, by Rob Johnston, ~~Vice President~~, Exploration, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



Candy A. McKeel  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 200\_\_\_, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF MIDLAND §

This instrument was acknowledged before me this 5th day of January, 2004, by Charles D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



David W. Thompson  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA Chaves §

This instrument was acknowledged before me this 16 day of Jan, 2004, by Larry D. Bray, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

[Signature]  
Notary Public, State of New Mexico

HAR-  
(NM 4021)

**AMENDMENT TO COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 41 Well)**

THIS AGREEMENT, made and entered into this 25<sup>th</sup> day of October, 2004, by and between the undersigned parties hereto:

**WITNESSETH, THAT**

WHEREAS, parties hereto or their predecessors in interest have heretofore entered into a certain Cooperative Well Agreement described as follows:

Cooperative Well Agreement dated 1<sup>st</sup> day of December, 2003 between Apache Corporation, as Operator, and BP America Production Company and Chevron U.S.A. INC, Non-Operators covering the SE/4 NW/4, NE/4 SW/4, NW/4 SE/4 (Hawk B-1 Lease) and the SW/4 NE/4 (Southland Royalty "A" Lease) all in Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

and,

WHEREAS, the undersigned Parties each own undivided operating rights in and to the Hawk B-1 Lease, and the Southland Royalty "A" Lease and the oil and gas leasehold estate in the lands affected thereby, and do hereby desire to amend said agreement so as to provide for development of Grayburg and San Andres production as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed that the Cooperative Well Agreement referred to above and any amendments thereof or supplemental agreements pertaining thereto, are hereby amended by deleting therefrom the following, to wit:

**1. DESIGNATION AND RESPONSIBILITY OF OPERATOR**

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the Grayburg Formation as follows:

**Hawk B-1 # 41 Well:**

**SURFACE LOCATION:** 2,590' FSL & 2,630' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
**Planned Total Depth:** 4,150 feet, but in no event below the base of  
The Grayburg Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the Grayburg formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	59.9750%
BP .....	20.0125%
Chevron .....	20.0125%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

and substituting therefore the following provisions:

1. DESIGNATION AND RESPONSIBILITY OF OPERATOR

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or Gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

Hawk B-1 # 41 Well:

SURFACE LOCATION: 2,590' FSL & 2,630' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
Planned Total Depth: 4,350 feet, but in no event below the base of  
The San Andres Formation plus one hundred  
(100) feet for operational purposes only.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	59.9750%
BP .....	20.0125%
Chevron .....	20.0125%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual completion and/or commingling operations for the Cooperative Well until this Agreement has been approved by the Authorized Officer of the Bureau of Land Management.

Except as herein provided, the Cooperative Well Agreement referred to above shall remain in full force and effect in accordance with its terms and provisions.

THIS AGREEMENT shall be effective as of the date of Grayburg and San Andres first production from the Cooperative Well, and shall be binding as to each party executing the same, its successors or assigns, and it may be executed in separate counterparts with like effect as if all parties had executed the same instrument, which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the effective date first above written

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

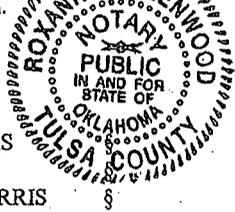
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF OKLAHOMA §  
                                          §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
00015619

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
                                          §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                          §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

MW

BP AMERICA PRODUCTION COMPANY

By: [Signature]  
Printed Name: Edmund M. Sierra  
Title: Attorney-in-Fact

MSB  
B20

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

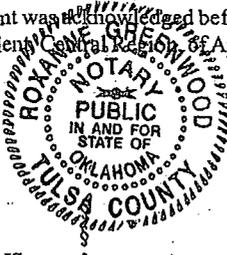
BUREAU OF LAND MANAGEMENT

By: [Signature]  
Printed Name: LARRY D. BRAY  
Title: BLM LANDS & MINERALS

JAN 04 2005

STATE OF OKLAHOMA §  
COUNTY OF TULSA §

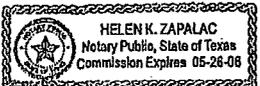
This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
00015619

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 18 day of Nov, 2004, by Edmund M. Sierra, Attorney-in-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

APACHE CORPORATION

By: [Signature]  
Rob Johnston  
Vice President  
Central Region

*MW*

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

By: C.D. Frisbie  
Printed Name: C.D. Frisbie  
Title: Attorney-in-Fact

BUREAU OF LAND MANAGEMENT

By: [Signature] JAN 07 2005  
Printed Name: LARRY D. BRAY  
Title: BLM LANDS & MINERALS

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 1st day of November, 2004, by Rob Johnston, Vice President, Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Oklahoma  
000151019

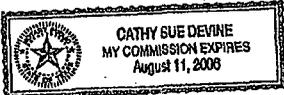
STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 8th day of December, 2004, by C.D. Frisbie, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



[Signature]  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



United States Department of the Interior

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

IN REPLY REFER  
NM-116237  
3105.2 NM (513)

MAY 18 2006

RECEIVED

MAY 23 2006

Apache Corporation  
Attn: Michelle Hanson  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136-4224

TULSA  
LAND DEPT.

Re: Cooperative Well Agreement  
Hawk B-1 #43  
NW/4 of Section 9, T. 21 S., R. 37 E.,  
Lea County, New Mexico

Dear Ms Hanson,

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #43 well located in the 1330' FNL, 1495' FWL, Section 9, T. 21 S., R. 37 E., NMPM, Lea County, New Mexico. This agreement has been assigned Contract No. NMNM-116237.

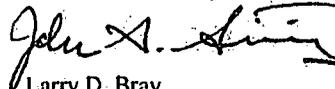
Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as follows:

Lease NMNM 90161	74.44%
Lease NMLC 031741A	25.56%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions, please contact Alexis C. Swoboda at (505) 627-0228 or the Division of Lands and Minerals at (505) 627-0272.

Sincerely,

  
Larry D. Bray  
Assistant Field Manager  
Lands and Minerals

1 Enclosure:  
1 - Cooperative Well Agreement

Swoboda: 5/18/2006

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 43 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of May, 2006, between **BP AMERICA PRODUCTION COMPANY**, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), **CHEVRON U.S.A. INC.**, whose address is 11111 S Wilcrest, Houston, TX 77099 ("Chevron") and **APACHE CORPORATION**, whose address is 6120 South Yale Avenue, Suite 1500, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

**WHEREAS**, Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. **Hawk B-1 Lease -**

**Lessor:** The United States of America NM 90161

**Lessee:** Estate of Wilbur C. Hawk

**Date:** March 1, 1958

**Description:** Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

**Township 21 South, Range 37 East, N.M.P.M.**

**Section 9: SW/4NE/4NW/4, NW/4SE/4NW/4**

2. **Hawk A Lease -**

**Lessor:** The United States of America NM 031741 (a)

**Lessee:** Estate of Wilbur C. Hawk

**Date:** January 1, 1958

**Description:** Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:

**Township 21 South, Range 37 East, N.M.P.M.**

**Section 9: SE/4NW/4NW/4, NE/4SW/4NW/4**

**WHEREAS**, the Parties each own undivided operating rights in and to the Hawk B-1, and Hawk A Leases, and

**WHEREAS**, the Parties desire to drill and complete the Hawk B-1 # 43 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons insofar as it covers the Grayburg and San Andres formations at a non-standard location encroaching on the lease line between the Hawk B-1 and Hawk A Leases in NW/4 of Section 9, as described below; and

**WHEREAS**, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 # 43 Well as described herein below:

**NOW THEREFORE**, the Parties hereby agree as follows:

1. **DESIGNATION AND RESPONSIBILITIES OF OPERATOR**

A. Apache is designated as operator ("Operator") of the Hawk B-1 # 43 Well for the purposes of this Agreement.

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

**Hawk B-1 # 43 Well:**

**SURFACE LOCATION:** 1330' FNL & 1495' FWL, Sec. 9, T21S-R37E,  
Lea County, New Mexico,  
**Planned Total Depth:** 4,400 feet, but in no event below the base of  
The San Andres Formation plus one hundred  
(100) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"), specifically including, but not limited to, the insurance and indemnification provisions of that Agreement. Solely for purposes of drilling and operating the **Hawk B-1 # 43 Well**, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the **Hawk B-1 # 43 Well** as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer of title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	50.00%
BP .....	25.00%
Chevron .....	25.00%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

**2. TERM OF AGREEMENT**

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results there from, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties, and shall salvage all equipment in and on the

well for the account of the Party(ies) that initially paid for said equipment. The termination of this Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before April 1, 2007, then this Agreement shall immediately terminate and shall have no further force and effect.

### **3. NON-PARTNERSHIP ELECTION**

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Apache is 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 State or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the date required by Federal Regulations 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### **4. TRANSFER OF INTEREST**

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk B-1 Lease or the Hawk A Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### **5. CLAIMS AND LAWSUITS**

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon the written consent of the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so, provided that the settlement limitations set forth in paragraph 5B shall apply, inclusive of costs and attorney fees incurred by Operator. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

**6. TAKING PRODUCTION IN KIND**

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

**7. PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION**

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk B-1 Lease .....	74.44%
Hawk A Lease .....	25.56%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk B-1 Lease and the Hawk A Lease based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk B-1 Lease and the Hawk A Lease.

**8. MEASUREMENT**

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas

separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. **TITLE**

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. **NOTICES**

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. **PRE-COMMENCEMENT APPROVALS**

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement, and the operations contemplated hereunder, has been approved by the Authorized Officers of the Bureau of Land Management, and the New Mexico Oil Conversation Division. Operator shall be solely responsible for obtaining such approvals. All costs, expenses, and fees associated with obtaining such approvals shall be billed and accounted for pursuant to 1.C. of this Agreement.

12. No director, employee, or agent of either party will give to or receive from any director, employee, or agent of the other party any commission, fee, rebate, gift, or entertainment of significant cost or value in connection with this Agreement. During the term of this Agreement and for 2 years, thereafter, any mutually agreeable representatives authorized by either party may audit the applicable records of the other party solely for the purpose of determining whether there has been compliance with this paragraph. The provisions of this paragraph will survive termination of this Agreement.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: John Swain  
Printed Name: John Swain  
Title: Attorney-in-Fact

By: E.M. Sierra  
Printed Name: E.M. Sierra  
Title: Attorney-in-Fact

*hw*

*EAB JB*

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

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APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: John Swain  
Printed Name: John Swain  
Title: Attorney-In-Fact

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*MS*

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: D.A. Bielak  
Printed Name: D.A. Bielak  
Title: ATTORNEY-IN-FACT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

By: John Swain  
Printed Name: John Swain  
Title: Attorney-In-Fact

*MS*

BP AMERICA PRODUCTION COMPANY

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

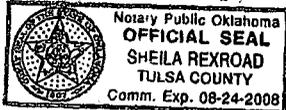
BUREAU OF LAND MANAGEMENT

NMNH 116237

By: John S. Simola  
Printed Name: John S. Simola  
Title: Acting Assistant Field Mgr.

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 13<sup>th</sup> day of June, 2006, by John Swain, as Attorney-In-Fact, on behalf of Apache Corporation, a Delaware corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 17<sup>th</sup> day of July, 2006, by E.M. Sierra, Attorney-In-Fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.



Christie M. Smith  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

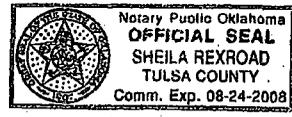
STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
                                          §  
COUNTY OF TULSA §

This instrument was acknowledged before me this 13th day of June, 2006, by John Swain, as Attorney-In-Fact, on behalf of Apache Corporation, a Delaware corporation.



Sheila Rexroad  
Notary Public, State of Oklahoma

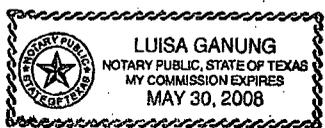
STATE OF TEXAS §  
                                          §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
                                          §  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 19th day of June, 2006, by D.A. Brell, Attorney in Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.



Luisa Ganung  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
                                          §  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

\_\_\_\_\_  
Notary Public, State of New Mexico



United States Department of the Interior

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

RECEIVED

MAY 16 2007

TULSA  
LAND DEPT.

IN REPLY REFER  
NM-118318  
3105.2 NM (513)

MAY 10 2007

Apache Corporation  
Attn: Mario R. Moreno, Jr.  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136-4224

Re: Cooperative Well Agreement  
Hawk B-1 #58  
SE/4 of Section 8, T. 21 S., R. 37 E.  
Lea County, New Mexico

Dear Mr. Moreno,

Enclosed is an approved copy of the Cooperative Well Agreement for the Hawk B-1 #58 well located at 2620' FSL, 1440' FEL, Section 8, T. 21 S., R. 37 E., NMPM, Lea County, New Mexico. This agreement includes all oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres formation. This agreement has been assigned Contract No. NMNM-118318.

Production and royalties from the referenced well shall be allocated and reported to the Minerals Management Service (MMS) as follows:

Hawk B-1 Lease NM-90161	52.37%
Hawk A Lease LC-031741A	47.63%
Total	100.000%

Please furnish all interested principals with appropriate evidence of this approval.

If you have any questions, please contact Linda Askwig at (505) 627-0237 or the Division of Lands and Minerals at (505) 627-0272.

Sincerely,

*Larry D. Bray*  
For Larry D. Bray  
Assistant Field Manager  
Lands and Minerals

1 Enclosure:  
1 - Cooperative Well Agreement

**COOPERATIVE WELL AGREEMENT**  
**(for the Hawk B-1 # 58 Well)**

This Cooperative Well Agreement ("Agreement"), is entered into and is effective as of the 1st day of May, 2007, between **BP AMERICA PRODUCTION COMPANY**, whose address is 501 Westlake Park Blvd., Houston, TX 77079 ("BP"), **CHEVRON U.S.A. INC.**, whose address is 11111 S Wilcrest, Houston, TX 77099 ("Chevron") and **APACHE CORPORATION**, whose address is 6120 South Yale Avenue, Suite 1500, Tulsa, Oklahoma 74136 ("Apache"). BP, Chevron, and Apache are sometimes hereafter referred to individually as "Party" and collectively as "Parties".

**WITNESSETH:**

**WHEREAS**, Apache is Operator of the following oil and gas leases in Lea County, New Mexico (hereinafter sometimes collectively referred to as the "Properties"):

1. **Hawk B-1 Lease -**  
Lessor: The United States of America NM 90161  
Lessee: Estate of Wilbur C. Hawk  
Date: March 1, 1958  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
**Township 21 South, Range 37 East, N.M.P.M.**  
Section 8: NE/4NW/4SE/4, NW/4NE/4SE/4
  
2. **Hawk A Lease -**  
Lessor: The United States of America NM 031741 (a)  
Lessee: Estate of Wilbur C. Hawk  
Date: January 1, 1958  
Description: Insofar and only insofar as same covers the following-described land in Lea County, New Mexico:  
**Township 21 South, Range 37 East, N.M.P.M.**  
Section 8: SE/4SW/4NE/4, SW/4SE/4NE/4

**WHEREAS**, the Parties each own undivided operating rights in and to the Hawk B-1, and Hawk A Leases, and

**WHEREAS**, the Parties desire to drill and complete the Hawk B-1 # 58 Well ("Cooperative Well") for the production of oil, gas and related hydrocarbons insofar as it covers the Grayburg and San Andres formations at a non-standard location encroaching on the lease line between the Hawk B-1 and Hawk A Leases in NW/4 of Section 9, as described below; and

**WHEREAS**, the Parties desire to provide for the sharing of production from and the costs of drilling, completing and operating said Hawk B-1 # 58 Well as described herein below.

NOW THEREFORE, the Parties hereby agree as follows:

1. **DESIGNATION AND RESPONSIBILITIES OF OPERATOR**

A. Apache is designated as operator ("Operator") of the Hawk B-1 # 58 Well for the purposes of this Agreement.

B. Operator shall drill, complete and operate the Cooperative Well for oil and/or gas production from horizons encountered from the surface of the earth down to and including the base of the San Andres Formation as follows:

**Hawk B-1 # 58 Well:**

**SURFACE LOCATION:** 2620' FSL & 1440' FEL, Sec. 8, T21S-R37E,  
Lea County, New Mexico,  
**Planned Total Depth:** 4,200 feet, but in no event below the base of  
The San Andres Formation plus one hundred  
(150) feet for operational purposes only.

Except as otherwise provided in this Agreement, the Parties agree that all operations, and the rights and obligations of the Parties, with respect to the Cooperative Well shall be governed by the terms and conditions of that certain NMFU Operating Agreement dated September 1, 1989, as amended to date (hereinafter referred to as the "NMFU Operating Agreement"), specifically including, but not limited to, the insurance and indemnification provisions of that Agreement. Solely for purposes of drilling and operating the Hawk B-1 # 58 Well, Exhibit A-1 to the NMFU Operating Agreement is amended to cover the Hawk B-1 # 58 Well as provided herein. As between the Parties there is and shall be no cross-assignment or other transfer to title to any interests of the Parties in the Properties as a result of this Agreement. This Agreement is merely a contractual arrangement among the Parties to drill, equip, test, operate and produce the Cooperative Well. BP and Chevron shall, at their sole cost and risk, have access to the Cooperative Well location at all reasonable times to inspect or observe operations and to information pertaining to the development and operation of the Cooperative Well. BP and Chevron shall also have the right to audit Operator's books and records relating thereto in accordance with the applicable provisions of Exhibit "C" - Accounting Procedure, attached to the NMFU Operating Agreement. Operator, upon request, shall furnish BP and Chevron copies of all forms or reports filed with governmental agencies, well logs, tank tables, daily gauge and run tickets and reports of stock on hand at the first of each month, and shall make available to BP and Chevron samples of any cores or cuttings taken from the Cooperative Well. The cost of gathering and furnishing information to BP and Chevron, other than that specified above shall be charged to BP and Chevron.

C. Operator shall establish and maintain a Joint Account for the performance hereof, and shall advance all costs incurred in connection with operating the Cooperative Well and shall charge the Joint Account for all such costs on the basis provided in Exhibit "C" - Accounting Procedure, NMFU Operating Agreement. All charges and credits to the Joint Account for the Cooperative Well shall be borne, and production therefrom will be shared, including but not limited to charges, credits and production associated with recompletions of the Cooperative Well to horizons shallower than the San Andres formation, by the below named Parties in the percentage shown opposite their name as follows:

Apache: .....	50.00%
BP .....	25.00%
Chevron .....	25.00%

All other operations conducted or wells drilled on the lands described above not related to the Cooperative Well, will not be affected by this Agreement.

If any provision of Exhibit "C" - Accounting Procedure is inconsistent with any provision in this Agreement, the provisions of this Agreement shall prevail.

2. **TERM OF AGREEMENT**

This Agreement shall remain in full force and effect so long as such Cooperative Well continues to produce oil or gas or both, and for an additional period of ninety (90) days from cessation of all production; provided, however, if, prior to the expiration of such additional period, the Parties are engaged in drilling or reworking operations to restore production from the Cooperative Well hereunder, this Agreement shall continue in force until such operations have been completed, with no cessation of more than sixty (60) consecutive days, and if production results there from, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas or both, Operator shall plug and abandon the Cooperative Well in accordance with all rules and regulations of all governmental agencies having jurisdiction over the premises at the cost, risk, and expense of the Parties, and shall salvage all equipment in and on the

well for the account of the Party(ies) that initially paid for said equipment. The termination of this Agreement shall not relieve any of the parties from any liability which has accrued hereunder prior to the date of such termination.

Notwithstanding anything to the contrary contained elsewhere in this Agreement, if the actual drilling operations for the Cooperative Well are not commenced on or before January 31, 2008, then this Agreement shall immediately terminate and shall have no further force and effect.

### 3. NON-PARTNERSHIP ELECTION

A. Under no circumstances shall this Agreement be construed as creating a partnership, mining partnership or an association for profit between or among the Parties hereto. The liability of the Parties shall be several and not joint or collective. Each Party shall be liable only for the costs incurred and the risks assumed by each respective Party in connection with the performance of this Agreement.

B. Notwithstanding any provisions herein that the right and liabilities of the Parties hereunder are several and not joint or collective or that this Agreement and the 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 hereby elects to be excluded from the application of all the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Apache is 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 State or the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the date required by Federal Regulations 1.761-2. 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 election made hereby. If any present or future income tax laws of the state or states in which the property covered by this Agreement is located, or any future income tax law of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1986, under which an election similar to that provided by Section 761 of Subchapter K is permitted, each of the parties hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the Parties hereto hereby states that the income derived by it from the operations under this Agreement can be adequately determined without the computation of the partnership taxable income.

### 4. TRANSFER OF INTEREST

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest of a Party in or to the Hawk B-1 Lease or the Hawk A Lease does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Agreement, the purported sale, assignment or transfer of any such interest shall be void.

### 5. CLAIMS AND LAWSUITS

A. If any Party is sued on an alleged cause of action arising out of operations covered by this Agreement, it shall give prompt written notice of the suit to the other party.

B. Operator may settle any single damage claim or suit arising from operations hereunder for any settlement amount not exceeding Thirty-Five Thousand Dollars (\$35,000), provided such payment is in complete settlement of such claim or suit.

C. If the amount required for settlement exceeds the amount hereinabove set out, Operator shall give notice to BP and Chevron of its intent to settle for such higher amount, and if BP and Chevron agree to such higher amount, Operator may settle such claim or suit for such higher amount.

D. If, in Operator's opinion, such claim or suit is not amenable to or susceptible of settlement, Operator may upon the written consent of the Parties hereto supervise the administration of said claim or suit employing Operator's staff attorneys or other attorneys as it may see fit to do so, provided that the settlement limitations set forth in paragraph 5B shall apply, inclusive of costs and attorney fees incurred by Operator. The fees and expenses of settlement and handling such claim or suit shall be charged to the Joint Account, provided no charge shall be made for services performed by the staff attorneys for either Party.

6. **TAKING PRODUCTION IN KIND**

Each Party shall take in kind or separately dispose of its proportionate share of all oil and gas produced from the Cooperative Well, exclusive of production which may be used in development and producing operations and in preparing and treating oil and gas for marketing purposes and production unavoidably lost. Any extra expenditure incurred in the taking in kind or separate disposition by any Party of its proportionate share of the production shall be borne by such Party. Any Party taking its share of production in kind shall be required to pay only for its proportionate share of such part of Operator's surface facilities which it uses. In the event one or more Parties' separate disposition of its share of the gas causes split-stream deliveries to separate pipelines which on a day-to-day basis for any reason are not exactly equal to a Party's respective proportionate share of total gas sales to be allocated to it, the balancing or accounting between the respective accounts of the Parties shall be in accordance with the Gas Balancing Agreement attached to the NMFU Operating Agreement.

In the event any Party shall fail to make the arrangements necessary to take in kind or separately dispose of its proportionate share of the oil produced from the Cooperative Well, Operator shall have the right, subject to the revocation at will by the Party owning it, but not the obligation, to purchase such oil or sell it to others at any time and from time to time, for the account of the non-taking Party at the best price obtainable in the area for such production. Any such purchase or sale by Operator shall be subject always to the right of the owner of the production to exercise at any time its right to take in kind, or separately dispose of, its share of all oil not previously delivered to a purchaser. Any purchase or sale by Operator of any other Party's share of oil shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the particular circumstances, but in no event for a period in excess of one (1) year.

7. **PRODUCTION ALLOCATION AND BURDENS ADMINISTRATION**

All royalties, overriding royalty interests, production payments, or similar lease burdens encumbering the Properties which are created and existing as of the effective date hereof are defined as the Existing Burdens. Solely for the payment of such Existing Burdens, all oil, gas and related hydrocarbons produced from or allocated to the Cooperative Well shall be allocated to the Properties as follows:

Hawk B-1 Lease ..... 52.37%  
Hawk A Lease ..... 47.63%

Each Party shall account for and administer its share of the Existing Burdens attributable to the Hawk B-1 Lease and the Hawk A Lease based on such Party's operating rights in said lease(s) insofar and only insofar as to the formation(s) being produced from the Cooperative Well. Further, each Party shall indemnify and hold harmless each other Parties for the payment of its share of such Existing Burdens.

Acceptance of the payment of such Existing Burdens by the owners thereof shall never be construed as approval or ratification of a pooling, unitization, or communitization of the Hawk B-1 Lease and the Hawk A Lease.

8. **MEASUREMENT**

Subject to the provisions of Paragraph 6, all oil produced from the Cooperative Well will be measured in accordance with the standard metering practice accepted by the Bureau of Land Management. The method used shall be checked for accuracy at least once every month. All gas

separated from such oil shall be metered or determined from well test before delivery to the gas purchaser.

9. TITLE

This Agreement is not intended as a conveyance of any interest whatsoever in real property owned or controlled by the Parties, but is merely a contractual arrangement between the Parties to operate the Cooperative Well and share the production and costs thereof.

10. NOTICES

A. All notices authorized or required by this Agreement, unless otherwise specifically provided, shall be deemed to have been given when it is received by the Party to whom addressed if it is given in writing by Certified Mail, Return Receipt Requested, or telegram, postage or charges prepaid, and addressed to the parties to whom the notice is given at the addresses listed above.

B. Each Party shall have the right to change its address at any time and from time to time by giving written notice thereof to the other Parties.

11. PRE-COMMENCEMENT APPROVALS

Notwithstanding anything to the contrary contained elsewhere in this Agreement, Operator shall not commence actual drilling operations for the Cooperative Well until this Agreement, and the operations contemplated hereunder, has been approved by the Authorized Officers of the Bureau of Land Management, and the New Mexico Oil Conversation Division. Operator shall be solely responsible for obtaining such approvals. All costs, expenses, and fees associated with obtaining such approvals shall be billed and accounted for pursuant to I.C. of this Agreement.

This Agreement is freely assignable and shall extend to and be binding on the successors and assigns of the Parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be considered as an original for all purposes.

IN WITNESS WHEREOF, the parties have caused the execution of this instrument to be effective on the date first above written

APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: John Swain  
Printed Name: John Swain  
Title: Attorney-in-Fact

By: E.M. Sierra  
Printed Name: E.M. Sierra  
Title: Attorney-in-Fact

EGB  
JBT

NW

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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APACHE CORPORATION

BP AMERICA PRODUCTION COMPANY

By: John Swain  
Printed Name: John Swain  
Title: Attorney-in-Fact

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CHEVRON U.S.A. INC.

BUREAU OF LAND MANAGEMENT

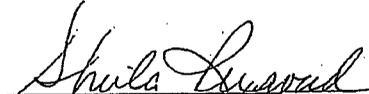
By: C.O. Frieberg  
Printed Name: C.O. Frieberg  
Title: Attorney-in-Fact

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 3 day of May, 2007, by John Swain as Attorney-in-Fact Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.

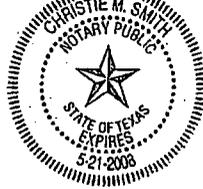
My Commission Expires: 

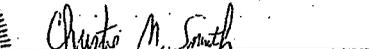
  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 7 day of May, 2007, by E. M. Seitz, At in fact of BP America Production Company, a Delaware corporation, on behalf of said corporation.

My Commission Expires: 5-21-2008



  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 2007, by \_\_\_ of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_ day of \_\_\_, 2007, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

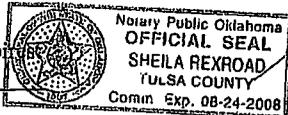
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of New Mexico

STATE OF OKLAHOMA §  
§  
COUNTY OF TULSA §

This instrument was acknowledged before me this 3 day of May, 2007, by John Swain as Attorney-in-Fact Central Region, of Apache Corporation, a Delaware corporation, on behalf of said corporation.

My Commission Expires \_\_\_\_\_



*Sheila Rexroad*  
Notary Public, State of Oklahoma

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_ of BP America Production Company, a Delaware corporation, on behalf of said corporation.

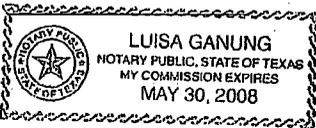
My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me this 7 day of JUNE, 2007, by C.D. FLEISCH, Attorney-in-Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_



*Luisa Ganung*  
Notary Public, State of Texas

STATE OF NEW MEXICO §  
§  
COUNTY OF LEA §

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_, Authorized Officer of the Bureau of Land Management on behalf of the Bureau of Land Management.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of New Mexico