

Exhibit 7
Summary of Monthly Allocation Method

Each day, two wells are tested for a 24-hour period through one of two test separators that measure oil, water, and gas production. Oil is metered and then sent through the heater treater prior to storage in one of the two 500 BBL storage tanks. Periodically, the oil is then sold through the LACT meter at the battery. Water is metered and then sent to one of two 500 BBL water tanks prior to pumping to disposal. Gas is metered through a meter run with an orifice plate prior to flowing through one of two gas sales meters.

All other wells (that are not in test on that day) are directed through the pool line to the free water knock out and the heater treater in order to separate the oil and gas for sales, and water for disposal.

Oil and gas production volumes are then allocated back to each individual well based on the well tests that were recorded each month in proportion to the monthly oil and gas sales that were attributed to the Hawk B-1 battery.

Apache's monthly allocation method has resulted in an accurate measurement that protects all interest owners including the federal royalty.

A requirement that each well be separately metered will result in premature abandonment and loss of federal royalty.