

March 4, 2008

ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS  
(See Attached Address List)

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17 & 21, T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections ~~4, 8, 9, 16, 17, and 21~~ (totaling ~~2,480.00~~ acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry and Drinkard reservoirs. It is proposed that Apache be the Operator of this Unit since Apache operates approximately 90% of the wells included within the boundaries of the proposed unit. This portion of the field should perform in an analogous manner to the offsetting Central Drinkard, Northeast Drinkard and Warren waterflood units. As a result, Apache invites you to join with your royalty and/or overriding royalty interest in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

Geologic study indicates the productive intervals, though compartmentalized, are laterally continuous enough to waterflood. Production performance indicates the reservoir to be currently acting under a solution gas drive mechanism. The proposed unit area has cumulative primary production of 13.4 MMBO from the Blinebry, Tubb and Drinkard formations. Remaining primary production is 2.1 MMBO, yielding ultimate primary recovery of 15.5 MMBO.

Recoverable secondary reserves are estimated to be 6.2 MMBO, or 40% of the proposed primary recovery utilizing the existing well spacing to develop ~~80-acre-five-spot-injection~~ patterns. The total capital costs for this project are estimated to be \$10,447,000.00 and as a royalty or overriding royalty interest owner, you will not be responsible for paying any of this initial capital expenditure. This cost will be borne by the working interest owners of the tracts included within the boundaries of the proposed waterflood unit.

Economic evaluation indicates this waterflood project will yield a 67% rate of return, net present after tax value of \$77 MM and a development cost of less than \$2/barrel. The majority of the wellbores are still active and can be converted to injection without extensive well work.

As a result of the aforementioned, enclosed for your review and further handling are the Unit Agreement for the West Blinebry-Drinkard Unit which has been executed on behalf of Apache Corporation. Exhibits A, B-1, B-2, B-3, and C are found at the end of the Unit Agreement. Exhibit "A" shows the proposed boundary for the unitized area. Exhibit "B-1" describes each tract and its respective working, royalty and overriding royalty ownerships, Exhibit "B-2" gives working interest owner Unit participation of each tract, Exhibit "B-3" describes lease and tract participation factor and Exhibit "C" identifies the Unitized Formation.

Oil Conservation Division  
Case No. 10A  
Exhibit No. 10A

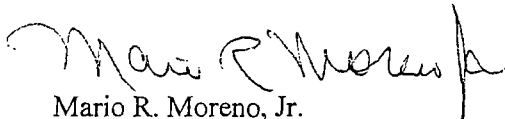
Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache has received preliminary approval from the Bureau of Land Management (**majority royalty owner**) for Apache's proposed unit boundary and tract participation formula of said Unit by letter dated February 28, 2008. Further, Apache also has obtained the required 75% working interest owner and majority royalty interest owner approval needed to proceed forward in filing for statutory unitization for this project with the New Mexico Oil Conversation Division. Once the Division renders its Order and Approval of Apache's West Blinebry-Drinkard Unit, all royalty and overriding royalty interest owners who have not ratified the Unit Agreement will be considered Forced Pooled pursuant to Section 29 of the Unit agreement. Apache's target date for initiating injection operations in this unit is set for the 4<sup>th</sup> Qtr 2008.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Larry Phillips at (432) 682-9162, Mario Moreno (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions, or ~~Kevin Mayes (Reservoir Engineer) (918) 491-4972~~ for any Technical questions, otherwise **please execute four (4) original Ratification and Joinder signature pages to the Unit Agreement, have properly notarized, and return same to Larry Phillips in the enclosed self addressed envelope provided for your convience within the next fifteen (15) days.**

Thank you for your immediate attention in this matter and we look forward to your support in facilitating the implementation of this project.

Yours truly,

APACHE CORPORATION



Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Unit Agreement  
Unit Agreement Ratifications  
BLM Preliminary Approval Letter  
Return Envelope

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WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

SYSTEM REAL ESTATE  
200 TECHNOLOGY WAY, SUITE 2079  
COLLEGE STATION, TX 77845-3424  
ATTN: MELODY MEYER

WILBUR C HIGLEY JR  
PO BOX 12019  
AUSTIN, TX 78711-2019

WILLIAM RAY PROCTOR  
1209 S COUNTY ROAD WEST  
ODESSA, TX 79763

DARLA CLAYTON  
5302 91" ST.  
LUBBOCK, TX 79424

JAN CLARK  
1311 N. CR 1600  
LUBBOCK, TX 79415

6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136

CORPORATION

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 4, 2008

Ms. Darla Claton  
5302 91<sup>st</sup> Street  
Lubbock, TX 79424

Ms. Jan Clark  
1311 N CR 1600  
Lubbock, TX 79415

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17, & 21 , T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry/Tubb/Drinkard reservoirs. As an active operator in this area, Apache Corporation will be the Operator of this Unit since Apache operates approximately 69% of the wells included within the boundaries of the proposed unit. This field is nearing depletion and without unitization and waterflooding, most of the wells will be abandoned in the near future. As a result, as a royalty and overriding royalty interest owner, Apache invites you to participate in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

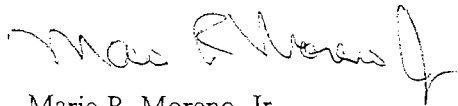
You have recently received information pertaining to Apache's waterflood unit proposal i.e. Unit Agreement and Ratifications of the Unit Agreement. In accordance with the information provided to us by Ms. Clayton on the death of Ms. Fay Collins Dunavant, please find enclosed a revised Exhibit B-1 to the Unit Agreement previously provided to you. This Exhibit B-1 reflects the following changes to Tracts 11 and 12 where Ms. Fay Collins Dunavant owned a .078125% royalty interest. These two (2) tracts have been changed to reflect Ms. Jan Clark with .0390625% royalty interest and Ms. Darla Clark with a .0390625% royalty interest.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache currently has a hearing date set for May 15, 2008 with the New Mexico Oil Conversation Division for final approval by the Division of Apache's proposed waterflood unit.

Page 2 – West Blinbry Drinkard Unit  
April 4, 2008

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Mario Moreno at (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions or Kevin Mayes (Reservoir Engineer) at (918) 491-4972 for any Technical questions, otherwise **please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement previously sent to you, have properly notarized**, and return same to the undersigned as soon as reasonably possible. We look forward to your support in facilitating the implementation of this project.

APACHE CORPORATION

A handwritten signature in dark ink, appearing to read "Mario R. Moreno, Jr.", with a stylized flourish at the end.

Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Exhibit B-1

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 8, 2008

Ms. Diane P. Tipton  
1505 W. Cuthbert Street  
Midland, Texas 79701

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17, & 21 , T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry/Tubb/Drinkard reservoirs. As an active operator in this area, Apache Corporation will be the Operator of this Unit since Apache operates approximately 69% of the wells included within the boundaries of the proposed unit. This field is nearing depletion and without unitization and waterflooding, most of the wells will be abandoned in the near future. As a result, as a royalty and overriding royalty interest owner, Apache invites you to participate in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

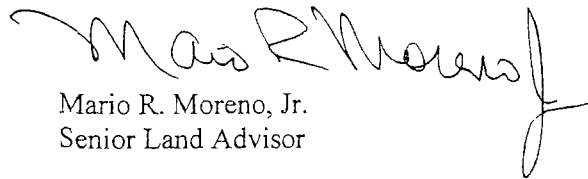
You have recently received information pertaining to Apache's waterflood unit proposal i.e. Unit Agreement and Ratifications of the Unit Agreement. In accordance with my most recent conversation with Mr. Dan Veirs, he has indicated that you should be credited with one-half of his interest shown on Tracts on Tracts 13B, 14A, and 14B of the Exhibit B-1 previously sent to you. As a result, please find enclosed a revised Exhibit B-1 to the Unit Agreement previously provided to you. This Exhibit B-1 reflects the following changes to Tracts 13B, 14A, and 14B where Dan Veirs either owned a royalty interest or overriding royalty interest. These three (3) tracts have been changed to reflect Diane Patrick Tipton with the following interests: Tract 13B .031250%, Tract 14A .560000% overriding royalty interest, and Tract 14B .031250% royalty interest.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache currently has a hearing date set for May 15, 2008 with the New Mexico Oil Conversation Division for final approval by the Division of Apache's proposed waterflood unit.

Page 2 – West Blinbry Drinkard Unit  
April 8, 2008

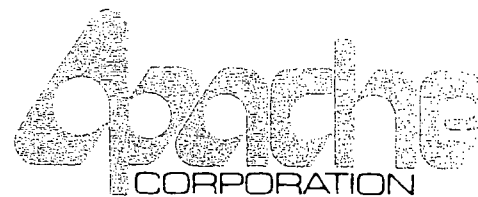
Should you have any questions pertaining to Apache's proposed project, please feel free to contact Mario Moreno at (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions or Kevin Mayes (Reservoir Engineer) at (918) 491-4972 for any Technical questions, otherwise **please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement previously sent to you, have properly notarized,** and return same to the undersigned as soon as reasonably possible. We look forward to your support in facilitating the implementation of this project.

APACHE CORPORATION



Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Exhibit B-1



Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 11, 2008

ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS  
(See Attached Address List)

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17 & 21; T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry and Drinkard reservoirs. It is proposed that Apache be the Operator of this Unit since Apache operates approximately 90% of the wells included within the boundaries of the proposed unit. This portion of the field should perform in an analogous manner to the offsetting Central Drinkard, Northeast Drinkard and Warren waterflood units. As a result, Apache invites you to join with your royalty and/or overriding royalty interest in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

As a Royalty and/or Overriding Royalty Interest Owner, you recently received Apache's package of information pertaining to its proposal to form the subject waterflood unit. Included was the Unit Agreement along with four (4) Unit Ratifications to the Unit Agreement covering the West Blinebry-Drinkard Unit. To date Apache has not received your executed Unit Ratification instruments.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache has received preliminary approval from the Bureau of Land Management and the State of New Mexico (**majority royalty owners**) for Apache's proposed unit boundary and tract participation formula of said Unit. Further, please be advised that Apache has obtained the required 75% working interest owner and royalty/overriding royalty interest owner approval needed to proceed forward in filing for statutory unitization for this project with the New Mexico Oil Conversation Division. The hearing date for the Division to hear Apache's proposal to unitize is set for May 15, 2008. Once the Division renders its Order and Approval of Apache's West Blinebry-Drinkard Unit, all royalty and overriding royalty interest owners who have not ratified the Unit Agreement will be considered Forced Pooled pursuant to Section 29 of the Unit agreement. Apache's target date for initiating injection operations in this unit is set for the 4<sup>th</sup> Qtr 2008.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact, Mario Moreno (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions, or Kevin Mayes (Reservoir Engineer) (918) 491-4972 for any Technical questions, otherwise please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement, have properly notarized, and return same to the undersigned in the

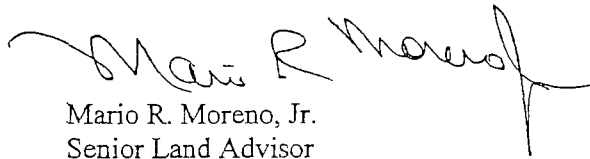
Page 2- West Blinbry-Drinkard Unit  
April 11, 2008

previously sent self addressed envelope provided for your convience as soon as reasonably possible.

Thank you for your immediate attention in this matter and we look forward to your support in facilitating the implementation of this project.

Yours truly,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Mario R. Moreno, Jr.", with a stylized flourish at the end.

Mario R. Moreno, Jr.  
Senior Land Advisor

## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

ANN E PERKINS  
803 JUNIPERO SERRA  
STOCKTON, CA 95210

BOYS & GIRLS CLUBS OF AMERICA  
SVP FINANCIAL SERVICES  
1275 PEACHTREE ST NE  
ATLANTA, GA 30309-3506

CECILE MARIE DREESSEN  
PO BOX 1696  
POULSBORO, WA 98370

CHARLES R HAWK  
6466 262ND RD  
EFFINGHAM, KS 66023-4186

CHOSEN PEOPLE MINISTRIES INC  
1300 CROSS BEAM DR  
CHARLOTTE, NC 28217

DAVID MCINTOSH  
PO BOX 12019  
AUSTIN, TX 78711-2019

DIANA J SOLARSKI  
6320 KALE DR  
AMARILLO, TX 79109

DIANE PATRICK TIPTON  
1505 W CUTHBERT AVE  
MIDLAND, TX 79701

DION LOWE  
2306 CYPRESS PT W  
AUSTIN, TX 78746

EDWARD T DREESSEN JR  
PO BOX 830  
PALO CEDRO, CA 96073

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

FAIRWAY OIL & GAS COMPANY  
P.O. BOX 845  
SPARTA, NM 07871

FOREST HOME INC  
C/O DAVID CARLSON CFO  
40000 VALLEY OF THE FALLS  
FOREST FALLS, CA 92339

GERALD DALE HIGLEY  
13521 GREEN CEDAR LN  
OKLAHOMA CITY, OK 73131

GUNSMOKE ENERGY COMPANY  
6608 BRYANT TRVIN RD  
FORT WORTH, TX 76135

HIEN THI NGO NGUYEN  
13109 RUSSET LEAF LN  
SAN DIEGO, CA 92129

JAMES C UNDERWOOD  
303 E 400  
MULLINVILLE, KS 67109

KATHERINE A KECK  
1801 AVE OF THE STARS STE 446  
LOS ANGELES, CA 90067-5906

KATHRYN ANN PRICE  
1148 BRIARCLIFF  
WICHITA, KS 67207

KAY LOWE ATCHESON  
3513 105 TH ST  
LUBBOCK, TX 79423

KELLY LOWE READ  
207 COTTONWOOD  
LEVELLAND, TX 79336

NEW MEXICO BOYS & GIRLS RANCHES  
INC  
6209 HENDRIX NE  
ALBUQUERQUE, NM 87110

NM O&G LTD  
JIM CONE GENERAL PARTNER  
PO BOX 10217  
LUBBOCK, TX 79408

R JANE EPPES  
BOX 962  
FLIPPIN, AR 72634

ROBERT KNIGHT  
C/O J ROBERT SHINE POA  
PO BOX 1407  
NEW ALBANY, IN 47151-1407

ROBERT T HARTLEY  
P O BOX 1024  
CLOVIS, NM 88102-1024

ROBERTA BUCKELEW  
2510 W WATER ST  
YUMA, AZ 85364

RONNY P LOWE  
P O BOX 1381  
WOLFFORTH, TX 79382

SABINE ROYALTY TRUST  
BANK OF AMERICA NA ESCROW AGENT  
LBX 840887  
DALLAS, TX 75284-0887

SALLY RODGERS  
152B ARROYO HONDO ROAD  
SANTA FE, NM 87508



## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

SHANA LOWE CONINE  
5605 EQUESTRAIN COURT  
GRANBURY, TX 76049

SHRINERS HOSPITALS FOR CHILDREN C/O  
THE NORTHERN TRUST BK OF TX  
PO BOX 226270  
DALLAS, TX 75222-6270

STANLEY WHITE  
3789 CHAPALA  
YUMA, AZ 85365

TEDDY L HARTLEY  
PO BOX 845  
CLOVIS, NM 88102-0845

THE BISHOP WHIPPLE SCHOOLS  
ADDRESS UNKNOWN  
UNKNOWN, DE 99999-9999

UNIVERSITY OF NEW MEXICO REGENTS  
C/O DIRECTOR OF REAL ESTATE  
1712 LAS LOMAS NE  
ALBUQUERQUE, NM 87131

WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

WILBUR C HIGLEY JR  
PO BOX 12019  
AUSTIN, TX 78711-2019

A L CONE PARTNERSHIP  
P O BOX 3457  
LUBBOCK, TX 79452

ALLISON SONGER  
6523 SANTA FE AVENUE  
DALLAS, TX 75223

AUVENSHINE CHILDRENS TEST. TRUST  
PO BOX 507  
DRIPPING SPRINGS, TX 78620

B P AMERICA PRODUCTION CO  
501 WESTLAKE PARK BLVD.  
HOUSTON, TX 77079  
ATTN: CHARLIE HILL

BARBARA STOCK  
18742 WOOD GLEN LN  
HOUSTON, TX 77084

BILLIE JUNE GILMORE  
C/O DIANA L SHEFIELD  
3603 HANCOCK ST  
AMARILLO, TX 79109-4138

CONOCOPHILLIPS COMPANY  
600 N. DAIRY ASHFORD, 3WL-14066  
HOUSTON, TX 77079  
ATTN: TOM SCARBROUGH

CANDY CHRISTMAS  
PO BOX 771272  
OCALA, FL 34477-1272

CATHERINE ROACH TRUST  
C/O JPMORGAN CHASE BANK NA  
PO BOX 99084  
FORT WORTH, TX 76199-0084

CATHIE MCCOWN  
P O BOX 658  
DRIPPING SPRINGS, TX 78620-0658

DANIEL W CODER  
24920 E. Roxbury Place  
Aurora, CO 80016 PKT RE-MAILED 4/7

Darla Clayton  
5302 91<sup>st</sup> St.  
Lubbock, TX 79424

DIANE PATRICK TIPTON  
1505 W CUTHBERT AVE  
MIDLAND, TX 79701

DEVON ENERGY PRODUCTION CO LP  
PO BOX 843559  
DALLAS, TX 75284-3559

DR RICHARD B LANGER  
PO BOX 166  
KUALAPUU MOLOKA, HI 96757

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

FAIRWAY OIL & GAS COMPANY  
P.O. BOX 845  
SPARTA, NM 07871

GENE L DUKE & CLEBBIE F DUKE  
1813 GILLHAM DR  
BROWNFIELD, TX 79316-6013

HELEN JANE CHRISTMAS BARBY  
P O BOX 425  
OKARCHE, OK 73762

HELEN R GENTRY  
7059 DAWSON RD #96  
CINCINNATI, OH 45243-2554

HERD PARTNERS LTD  
P O BOX 130  
MIDLAND, TX 79702-0130

HINKLE INVESTMENT CO  
P O BOX 967  
KING CITY, CA 93930-2967

## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

JESSICA GRANT FRIDAY  
3750 ROSEMEAD PKWY STE 2218  
DALLAS, TX 75287

JOANN P KRUCKEBERG  
6320 BROOKVIEW AVE  
EDINA, MN 55424

JOHN REDFERN III  
P O BOX 50890  
MIDLAND, TX 79710

JONES-DAUBE MINERAL COMPANY  
BOX 1169  
DUNCAN, OK 73534

JOSHUA SONGER  
312 FRANKFORD AVENUE #216  
LUBBOCK, TX 79416

JULIA BENHAM TESTAMENTARY TRST  
ALLEN W VILLEMARETTE TRUSTEE  
6765 CORPORATE BLVD UNIT 6307  
BATON ROUGE, LA 70809

JUNE D SPEIGHT  
C/O F J DANGLADE PROPERTIES  
PO DRAWER 1687  
LOVINGTON, NM 88260-1687

SUE SAUNDERS GRAHAM  
P O BOX 987  
ROSWELL, NM 88202-0987

KATHERINE LYNNE MEIER  
5630 ANN ARBOR DR  
BOKEELIA, FL 33922

SOUTHWESTERN BAPTIST  
THEOLOGICAL SEMINARY  
1601 ELM ST STE 1700  
DALLAS, TX 75201-4741

RANDY LEE CONE  
PO BOX 552  
JAY, OK 74346

KENNETH G CONE TRUSTEE  
KATHERINE SHAPER POA  
P O BOX 11310  
MIDLAND, TX 79702

KERRY PORTER  
HC 73 BOX 41-1  
HARTSHORNE, OK 74547

LORRAINE S BLACK TRUST  
B ROBERT K BLACK TRUSTEE  
6608 N WESTERN #262  
OKLAHOMA CITY, OK 73116

MARJORIE JEAN NAGLE  
5322 JUDALON LANE  
HOUSTON, TX 77056-7221

MICHELLE SONGER SPENCE  
709 FOREST RIDGE  
GARLAND, TX 75042

MILWARD KENT MILLER  
204 RIVERHILL BLVD  
KERRVILLE, TX 78028

RALPH J PRESTON  
6201 NEWCASTLE DR  
BELLAIRE, TX 77401-3813

NOBLE E FLENNIKEN  
4132 KILLION DRIVE  
DALLAS, TX 75229-6227

OPAL DENSON  
CHARLES R FULKS POA  
PO BOX 829  
SNYDER, TX 79550-0829

POGO PRODUCING COMPANY  
700 MILAM STE 3100  
HOUSTON, TX 77002

TEXACAL OIL AND GAS INC  
4299 MACARTHUR BLVD 207  
NEWPORT BEACH, CA 92660

TEXAS TECHNOLOGICAL UNIVERSITY  
P O BOX 45025  
LUBBOCK, TX 79409-5025

THE LONG TRUSTS  
P O BOX 1336  
KILGORE, TX 75662

THE NATIONAL REGULATORY PROPERTY  
MANAGEMENT DIVISION  
53 W 11TH AVE  
COLUMBUS, OH 43201

THE TOLES COMPANY  
P O BOX 1300  
ROSWELL, NM 88202-1300

TOM CONE CHILDRENS TRUST UW OF  
KATHLEEN CONE  
C/O BANK OF OKLA SUCC TRUSTEE  
PO BOX 1588  
TULSA, OK 74101-1588

TOM R CONE  
P O BOX 778  
JAY, OK 74346-0778

WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

WEST TEXAS STATE UNIVERSITY  
A&M SYSTEM BUILDING SUITE 3000  
200 TECHNOLOGY WAY  
COLLEGE STATION, TX 77845-3424