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OIL CONSERVATION DIVISION

COOPERATIVE DEVELOPMENT AGREEMENT
NORTHEAST DRINKARD FIELD
LEA COUNTY, NEW MEXICO

THIS AGREEMENT is entered into this 16th day of June, 2003, by and between the following parties:

APACHE CORPORATION, a Delaware corporation, as Operator of the Northeast Drinkard Unit (more particularly described below), herein called "Apache", whose mailing address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136

and

APACHE CORPORATION, a Delaware corporation, as Operator of the Southland Royalty Company Lease (more particularly described below), whose mailing address is Two Warren Place, Suite 1500, 6120 South Yale Avenue, Tulsa, Oklahoma 74136

(Each party sometimes hereinafter referred to as "Party" or collectively as the "Parties".)

WITNESSETH THAT:

WHEREAS Apache is Operator of the following oil and gas properties in Lea County, New Mexico:

1. The Northeast Drinkard Unit – created by Unit Agreement dated May 1, 1987, recorded in Book 489, page 69 of the Deed of Records of Lea County, New Mexico; and

2. The Southland Royalty Company, et al, Leases – covering the following-described land in Lea County, New Mexico:
Township 21 South, Range 37 East, N.M.P.M.
Section 4: SE/4 SW/4, NE/4 SE/4, S/2 SE/4
Section 9: NE/4

(The above properties are collectively herein called the "Properties".)

WHEREAS the Parties, in their respective capacities as Operators of the Properties, desire to provide for the drilling and operation of certain lease line producing wells on or near the common boundaries of their respective leases described above so as to promote the recovery of additional oil and gas reserves from the Blinebry/Tubb/Drinkard Formations underlying the regions near their common lease boundaries and to protect the correlative rights of the various owners in the oil and gas reserves underlying said lands.

WHEREAS insofar as this Agreement applies to production from the Blinebry/Tubb/Drinkard Formations, the Parties agree the Blinebry/Tubb/Drinkard Formations shall cover that continuous stratigraphic sub-surface portion of the Properties, as defined in the Unit Agreement for the Northeast Drinkard Unit as the "Unitized Formation."

NOW, THEREFORE, IN CONSIDERATION of the premises and the mutual promises and agreements herein contained, the Parties agree as follows:

Section 1. Producers

In an effort to protect the correlative rights of all Parties and to promote the optimum recovery of hydrocarbons from the Blinebry/Tubb/Drinkard Formations under the Properties, the Parties hereby agree Two (2) lease line wells will be drilled and completed as Blinebry/Tubb/Drinkard Formation producers at the following approximate locations in Section 10:

NEDU # 418 – 1250' FNL & 150' FWL Section 10, T-21-S, R-37-E, NMPM
NEDU # 419 – 150' FNL & 160' FWL Section 10, T-21-S, R-37-E, NMPM

(each of such wells being hereinafter referred to as a "Well" or collectively as the "Wells").

Each of the above Wells is located near a common lease boundary, and Apache, as Operator of the Northeast Drinkard Unit, and Apache, as Operator of the Southland Royalty Company Lease, agree to the following with regard to each Well:

a. Wells NEDU #418 and #419 shall be located on the Northeast Drinkard Unit and shall be operated by Apache, as Operator of the Northeast Drinkard Unit, subject to the terms of this Agreement

b. The Parties agree to assist and cooperate with each other in their efforts to drill and operate their respective Wells and associated facilities. Upon written request, each agrees to execute any and all waivers necessary to obtain regulatory approval for the drilling and operating of the subject Wells.

c. The cost of drilling, testing, completing, equipping and operating the Wells shall be borne by the Parties in the percentages shown below:

Well #	Apache, as Operator of the Northeast Drinkard Unit	Apache, as Operator of the Southland Royalty Company Lease
418	68%	32%
419	70%	30%

d. The Parties agree all oil, gas and other minerals produced from the Wells shall be allocated to the various leases set forth below in the percentage shown to the right of each lease name.

Well #418 –	
Northeast Drinkard Unit	68%
Southland Royalty Company Lease	32%
	100%
Well #419 –	
Northeast Drinkard Unit	70%
Southland Royalty Company Lease	30%
	100%

The Parties, in their respective capacities as Operators, shall take in kind and/or separately market the share of production from each Well which is allocated to its lease(s) as shown above and shall be responsible for the distribution of production proceeds to the various owners (working, royalty, and overriding royalty, etc.) under their respective lease(s). 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 hereto as Exhibit "B" and incorporated herein for the aforesaid purposes.

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(s), 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.

It is further agreed the Operator of each Well may commingle production from that Well with production from other Blinebry/Tubb/Drinkard producing wells. In such event, it is agreed monthly oil production from all Blinebry/Tubb/Drinkard wells producing into a common lease storage facility shall be allocated to such wells based on 24 hour well test(s) run on each well producing into the lease storage facility. Such well tests shall be conducted on each well at least once per month. If more than one valid test is taken per month, then the several test rates shall be averaged.

A valid test is defined as a well test where the measured rates follow reasonably expected values. Abnormal readings shall not be used in well potential average until verification of proper operation of well pumping equipment and metering facilities has been made, indicating that the test is representative of actual production. Each Operator bears responsibility for making determination of well test validity for use in computing well potentials on the Wells it operates, but records of all tests, those deemed valid and invalid, shall be kept for review by the non-operator.

The monthly allocation of production from a common storage facility shall be calculated using the following formula:

$$\text{Well Allocation} = \frac{\text{Well Potential}}{\text{Battery Potential}} \times \text{Battery production}$$

Well Potential = Test for well x days on production

Battery Potential = Sum of Well Potentials for all wells producing into lease storage facility

Battery Production = Actual monthly production produced into lease storage facility from all lease wells connected to a common lease storage facility.

All oil or gas produced from the Wells shall be measured in accordance with the metering practices accepted by the New Mexico Oil Conservation Commission (or any other applicable governmental body with jurisdiction) for commingled production. The method used shall be checked for accuracy at least once every month. All gas separated from oil shall be metered or determined from well test before delivery to the gas purchaser. Each Party operating a Well shall give the other Party at least seven days' notice before conducting any test on the metering system used to measure production from any such Well and the non-operating Party has the right to witness any such test(s).

e. The Parties agree to furnish the other with a copy of the drilling and completion program for each Well it is required to drill and operate pursuant to this Agreement and shall attempt to gain the concurrence of the other prior to the actual drilling of any Well.

Section 2. Royalty Administration

a. Operator shall account for and administer the royalty interests in the Northeast Drinkard Unit in accordance with the terms of the Unit Agreement and individual leases covering and including same, and hold Non-Operator harmless and free from all liability, claims damages and losses of any kind and nature whatsoever arising therefrom.

b. Operator shall account for and administer the royalty interests in the Southland Royalty Lease in accordance with the terms of the Lease and individual leases covering and including same, and hold Non-Operator harmless and free from all liability, claims damages and losses of any kind and nature whatsoever arising therefrom

Section 3. Other Coop Operations

a. The Parties agree to exchange monthly production data concerning all wells from which production is being commingled with production from the Wells. The Parties also agree to exchange injection data (rates, volumes, pressures, and profile surveys) for each injection well located off-set to: (1) a Well; and (2) any producing well from which production is being commingled with production from a Well. Both parties shall at all reasonable times have access to the lands subject to this Agreement to inspect, review, and audit all pertinent books, records, and accounts in connection with the drilling and operation of the Wells.

b. As to each Well drilled pursuant to this Agreement wherein the Parties agree to share the costs of drilling, completing, equipping, and operating or to share production from such Well, the designated operator agrees to furnish the other Party with the following Well information:

- Daily Drilling Reports on the progress of the Well which shall include drilling depth, information on all tests including character, thickness, and name of any formation penetrated, shows of oil, gas or water, and detailed reports on all drillstem tests.
- One (1) copy of all forms furnished to any governmental authority
- Two (2) copies of all electrical logging surveys Two (2) copies of any well logs run on the Well
- One (1) copy of the Plugging Record, if any.

Section 4. Initial and Subsequent Operations

a. The Parties hereby agree to use their best efforts to drill, test, complete, and equip all the Wells so that production can begin on or before October 1, 2003, in all the above described Wells. In this regard, the Parties hereby grant and authorize the designated operator of the Wells to commence drilling operations on such Wells and to charge the joint account in the proportions herein provided, with the costs of such operations.

b. After the Wells have been drilled and completed, Apache, as Operator of the NEDU Wells # 418 and # 419, agrees it shall not initiate any work estimated to cost or make any expenditure in excess of $50,000 relating to a jointly owned Well without the prior written consent of the other Party.

Section 5. COPAS Accounting Procedures

The costs of drilling, testing, completing, equipping and operating all Wells subject to this Agreement shall be charged to the Parties in proportion to their respective interests in each such Well as set forth hereinabove and in accordance with the COPAS - Accounting Procedures Form attached hereto as Exhibit A.

Section 6. Insurance

At all times while operations are conducted hereunder by either Party, such Operator shall either qualify as self-insured under applicable federal and state laws or maintain in force for the protection of all Parties hereto the following insurance coverage:

- Workers' Compensation Insurance to cover full liability under the Workers' Compensation Law of 1993 and any other applicable law.

- Employers' Liability Insurance with a limit of $1,000,000 each occurrence.

All insurance purchased or carried for the Parties by either Party shall, to the extent possible, provide for waiver of insurers' rights of subrogation against all Parties. No insurance, other than that described above, shall be carried for the benefit of the Parties. Each Party individually may acquire insurance as it deems prudent to protect itself against any uninsured/self-insured losses or exposures; provided, however, such insurance shall contain a waiver of insurers' rights of subrogation against all other Parties to the monetary extent the Party so insured is obligated under this Agreement to bear its share of losses. Upon request, the Parties shall cause a certificate of the insurance obtained hereunder for the joint account to be delivered to the requesting Party. Such certificate shall describe the coverage obtained, list the Parties insured thereunder, and provide a minimum of 30 days' notice to all non-operating Parties prior to cancellation or material changes.

For the protection of the Parties, the Parties shall require contractors performing work on their respective operated Wells to obtain and maintain all insurance and bonds as may be required by any applicable law, regulation, rules or contract and any other insurance they deem prudent to require. To the extent possible, any indemnities the Parties are able to obtain from contractors shall also be for the benefit of other Party hereto.

Section 7. Term of Agreement

This Agreement shall remain in full force and effect so long as any of the Wells continue 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 that additional ninety day period, one or more of the Parties to this Agreement engages in re-working one of the Wells, this Agreement shall continue in force until those operations have been completed and, if production results therefrom, this Agreement shall continue in force as provided herein. Upon cessation of the production of oil or gas from a Well, the Operator of that Well shall plug and abandon the 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 as provided herein and shall salvage all equipment in and on the Well(s) for the Joint Account. The termination of this Agreement shall not relieve any Party from any liability which has accrued hereunder prior to the date of termination, including, but not limited to, costs of plugging, abandoning and site restoration.

Section 8. Transfer of Interest

If any instrument purporting to effectuate the sale, assignment, or transfer of any interest hereto in or to the property upon which the said Cooperative Well is to be or is drilled does not expressly provide that such sale, assignment or transfer is made and accepted subject to this Cooperative Well Agreement, the purported sale, assignment or transfer of any such interest shall be void.

Section 9. Notices

Any notices required to be given hereunder shall be deemed to have been given when such notice in writing shall have been deposited in the United States mail, postage prepaid and addressed to the Parties at the following addresses:

Apache Corporation, as Operator of
the Northeast Drinkard Unit

Two Warren Place, Suite 1500
6120 South Yale Avenue
Tulsa, OK 74136
Attn: Mario R. Moreno, Jr.
FAX No.: (918) 491-4854

Apache Corporation, as Operator of
the Southland Royalty Company Lease

Two Warren Place, Suite 1500
6120 South Yale Avenue
Tulsa, OK 74136
Attn: Mario R. Moreno, Jr.
FAX No.: (918) 491-4854

Each Party shall make its best effort to provide the other Party with an immediate report (within 48 hours) of all pollution/environmental incidents which occur on the Properties operated by that Party and which are required to be reported to any governmental authority.

Section 10. Force Majeure

In the event that any Party hereto is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, other than the obligation to make payments of amounts due hereunder, upon such Party's giving notice and reasonably full particulars of such force majeure in writing or by telegraph to the other Party or Parties hereto within a reasonable time after the occurrence of the cause relied upon, the obligations of the Party giving said notice, insofar as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period; and the cause of the force majeure so far as possible shall be remedied with all reasonable dispatch.

The term "force majeure" as employed herein shall mean an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, blockade, riot, lightning, fire, storm, flood, governmental restraint, involuntary failure of water supply and any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension.

The settlement of strikes, lockouts, and other labor difficulties shall be entirely within the discretion of the Party having the difficulty. The above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or other labor difficulties by acceding to the demands of opponents therein when such course is inadvisable in the discretion of the Party having the difficulty.

Section 11. Liabilities of the Parties

The rights, duties, obligations, and liabilities of the Parties hereto shall be several, and not joint or collective, and nothing herein contained shall ever be construed as creating a partnership of any kind, joint venture, association or a trust, or as imposing upon any or all of the Parties hereto a partnership duty, obligation, or liability. Each Party hereto shall be individually responsible only for its obligations. The Parties agree that no special or fiduciary relationship exists between them.

Each of the Parties, with respect to the Wells each operates, shall conduct all operations in a good and workmanlike manner as would a reasonably prudent operator under the same or similar circumstances. Each shall freely consult with the other and keep it informed of all matters the operator, in the exercise of its best judgment, considers important. Each shall make all decisions concerning the Wells it operates. Each in its role as operator of a Well shall not be liable to the other for damages unless those damages result from its gross negligence or willful misconduct.

Each Party shall be responsible for paying all costs for claims and damages which are caused or arise due to each Party's own gross negligence or willful misconduct with regard to the Wells operated by such Party.

Each Party hereby elects to be excluded from the application of Sub-chapter "K" of Chapter 1 of Subtitle "A" of the Internal Revenue Code of 1986, insofar as such Sub-chapter or any portion thereof relates to the operations covered by this Agreement. Each Party as Operator is hereby authorized and directed to execute on behalf of each of the Parties hereto such additional or further evidence of such election as may be required by regulations issued under such Sub-chapter "K", or should said regulations require each Party to execute such further evidence, each Party agrees to execute such evidence or to join in the execution thereof.

Section 12. Binding Agreement

The terms and provisions hereof shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives and assigns. The Parties agree that, if either assigns its rights and obligations under this Agreement, it shall remain primarily liable to the other for fulfillment of the obligations of this Agreement.

Each Party agrees to separately attempt to secure the ratification of this Agreement by the required percentage of the co-leasehold owners in their respective leases subject to this Agreement. If the requisite percentage of co-leasehold owners in either Party's leases do not approve this Agreement, then this Agreement shall have no force or effect and be void.

Section 13. Liabilities

Each party hereto agrees to indemnify, defend, protect and hold harmless the other party hereto from and against any claims, demands, losses and/or liabilities (hereinafter, collectively, "liabilities"), by or due the royalty owners of the other party hereto or due its own royalty owners, for the lands referenced herein, that arise from its operations pursuant to the provisions of this agreement; excepting, however, liabilities which arise from the gross negligence or willful misconduct or breach of any provision herein by the other party hereto. "Party" shall include one's officers or employees. Such indemnities shall include, without limitation, attorneys' fees, court cost, and litigation expenses. Each party furthermore releases the other party hereto from any liabilities for damage to the releasing party's interest in and to the releasing party's land described herein, arising from the operations contemplated by the agreement, provided such operations are conducted in accordance with the terms and conditions of same and such damage is not the result of gross negligence or willful misconduct of such other party.

This instrument may be executed in any number of counterparts, each of which shall be considered and original for all purposes.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date first above written.

APACHE CORPORATION, as Operator of the Northeast Drinkard Unit

By:_____
Printed Name: Rob Johnston
Title: Central Region Vice President, Exploration

By:_____
Charles L. Cobb

MARATHON OIL COMPANY

By:_____
Printed Name:_____
Title:_____

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By:_____
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name:_____
Title:_____

By:_____
Jeff S. Manuppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By: Marjorie Cone Kastman
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name:_____
Title:_____

By:_____
Jeff S. Manuppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By:_____
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name: Robert L. Brusenhan III
Title: MANAGER

By:_____
Jeff S. Manuppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By:_____
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name:_____
Title:_____

X By: Jeff S. Maruppelli
Jeff S. Maruppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

OCEAN ENERGY INC.

By:_____
Printed Name:_____
Title:_____

By:_____
Katherine A. Keck

FIDELITY EXPLORATION & PRODUCTION CO.

By:_____
Printed Name:_____
Title:_____

APACHE CORPORATION, as Operator of the Southland Royalty Company Lease

By:_____
Printed Name: Rob Johnston
Title: Central Region Vice President, Exploration

STATE OF Oklahoma)
)
COUNTY OF Tulsa)

This instrument was acknowledged before me this 26th day of June, 2003, by Rob Johnston Central Region V.P. Exploration of **Apache Corporation**, a Delaware corporation, on behalf of said corporation.

Notary Public Oklahoma
OFFICIAL SEAL
SHEILA REXROAD
TULSA COUNTY
Comm. Exp. 07-28-2004

Sheila Rexroad
Notary Public, State of Oklahoma

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Charles L. Cobb**, on behalf of said individual.

_____
Notary Public, State of _____

OCEAN ENERGY INC.

By:_____
Printed Name:_____
Title:_____

By:_____
Katherine A. Keck

FIDELITY EXPLORATION & PRODUCTION CO.

By:_____
Printed Name: JEFF LANG
Title: ASSET TEAM MANAGER

APACHE CORPORATION, as Operator of the Southland Royalty Company Lease

By:_____
Printed Name: Rob Johnston
Title: Central Region Vice President, Exploration

STATE OF Oklahoma)
)
COUNTY OF Tulsa)

This instrument was acknowledged before me this 24th day of June, 2003, by Rob Johnston Central Region V.P. Exploration of Apache Corporation, a Delaware corporation, on behalf of said corporation.

Notary Public Oklahoma
OFFICIAL SEAL
SHEILA REXROAD
TULSA COUNTY
Comm. Exp. 07-22-2004

Sheila Rexroad
Notary Public, State of Oklahoma

STATE OF_____)
)
COUNTY OF_____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by Charles L. Cobb, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Marathon Oil Company**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **John H. Hendrix Corporation**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **JoAnn Garrison**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Owen McWhorter**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Lavena Howard**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ramb Ventures LLC**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF Texas)
)
COUNTY OF Lubbock)

The foregoing instrument was acknowledged before me on this 8th day of July, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

BRENDA B. BOLES
Notary Public, State of Texas
My Commission Expires
02-03-2007

Brenda B. Boles
Notary Public, State of Texas

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ramb Ventures LLC**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

X STATE OF Colorado)
)
COUNTY OF Arapahoe)

This instrument was acknowledged before me this 14th day of July, 2003, by Robert L. Brusenhan ~~Manager~~ of **Ramb Ventures LLC**, a ~~a Colorado corporation~~ liability company, on behalf of said ~~corporation~~ Company

BELINDA J. OLIVER NOTARY PUBLIC STATE OF COLORADO

Belinda J Oliver
Notary Public, State of Colorado
My Commission Expires 3-22-2004

_____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ramb Ventures LLC**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF Texas)
)
COUNTY OF Brown)

The foregoing instrument was acknowledged before me on this 8 day of July, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

CARMEN TELLEZ
Notary Public, State of Texas
My Commission expires
June 5, 2006

_____
Notary Public, State of Texas

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Merit Energy.**

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Exxon Company USA,** on behalf of said company.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ocean Energy Inc.**

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Katherine A. Keck**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Fidelity Exploration & Production Company**, on behalf of said company.

_____
Notary Public, State of _____

STATE OF Colorado)
City +)
COUNTY OF Denver)

This instrument was acknowledged before me this 22nd day of July, 2003, by Jeff Stein, Asst Treas. Mgr of Fidelity Exploration & Production Company, on behalf of said company.

Laurie Harley
Notary Public, State of Colorado

LAURIE HARLEY NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/18/2003

EXHIBIT "A"

Attached to and made a part of that certain Cooperative Development Agreement dated June 16, 2003, by and between Apache Corporation, as Operator of the Northeast Drinkard Unit, and Apache Corporation as Operator of Southland Royalty Lease.

ACCOUNTING PROCEDURE
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.
"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.
"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.
"Operator" shall mean the party designated to conduct the Joint Operations.
"Non-Operators" shall mean the Parties to this agreement other than the Operator.
"Parties" shall mean Operator and Non-Operators.
"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and/or contract labor directly employed on the Joint Property in a field operating capacity.
"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.
"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.
"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.
"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies.

2. Statement and Billings

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

3. Advances and Payments by Non-Operators

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

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

4. Adjustments

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

5. Audits

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

B. The Operator shall reply in writing to an audit report within 180 days after receipt of such report.

6. Approval By Non-Operators

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

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Ecological and Environmental

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

2. Rentals and Royalties

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

3. Labor

A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.

(2) Salaries of First Level Supervisors in the field.

(3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the overhead rates.

(4) Salaries and wages of Technical Employees either temporarily or permanently assigned to and directly employed in the operation of the Joint Property if such charges are excluded from the overhead rates.

B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II. Such costs under this Paragraph 3B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 3A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.

C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 3A and 3B of this Section II.

D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 3A of this Section II.

4. Employee Benefits

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

5. Material

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

6. Transportation

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

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

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

C. In the application of subparagraphs A and B above, the option to equalize or charge actual trucking cost is available when the actual charge is $400 or less excluding accessorial charges. The $400 will be adjusted to the amount most recently recommended by the Council of Petroleum Accountants Societies.

7. Services

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

8. Equipment and Facilities Furnished By Operator

A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on gross investment less accumulated depreciation not to exceed ____ Fifteen ____ percent (15 %) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.

B. In lieu of charges in paragraph 8A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

9. Damages and Losses to Joint Property

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

10. Legal Expense

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

11. Taxes

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

12. Insurance

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

13. Abandonment and Reclamation

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

14. Communications

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

15. Other Expenditures

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

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

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

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

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

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

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

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

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

A. Overhead - Fixed Rate Basis

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

Drilling Well Rate $ 4,500.00
(Prorated for less than a full month)

Producing Well Rate $ 450.00

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

(a) Drilling Well Rate

(1) Charges for drilling wells shall begin on the date the well is spudded and terminate on the date the drilling rig, completion rig, or other units used in completion of the well is released, whichever is later, except that no charge shall be made during suspension of drilling or completion operations for fifteen (15) or more consecutive calendar days.

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

(b) Producing Well Rates

(1) An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month.

(2) Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

(3) An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.

(4) A one-well charge shall be made for the month in which plugging and abandonment operations are completed on any well. This one-well charge shall be made whether or not the well has produced except when drilling well rate applies.

(5) All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

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

(a) Development

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

(b) Operating

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

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

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

2. Overhead - Major Construction

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

A. Five (5) % of first $100,000 or total cost if less, plus

B. Three (3) % of costs in excess of $100,000 but less than $1,000,000, plus

C. Two (2) % of costs in excess of $1,000,000.

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

3. Catastrophe Overhead

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

A. Five (5) % of total costs through $100,000; plus

B. Three (3) % of total costs in excess of $100,000 but less than $1,000,000; plus

C. Two (2) % of total costs in excess of $1,000,000.

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

4. Amendment of Rates

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

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

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

1. Purchases

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

2. Transfers and Dispositions

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

A. New Material (Condition A)

(1) Tubular Goods Other than Line Pipe

(a) Tubular goods, sized 2⅜ inches OD and larger, except line pipe, shall be priced at Eastern mill published carload base prices effective as of date of movement plus transportation cost using the 80,000 pound carload weight basis to the railway receiving point nearest the Joint Property for which published rail rates for tubular goods exist. If the 80,000 pound rail rate is not offered, the 70,000 pound or 90,000 pound rail rate may be used. Freight charges for tubing will be calculated from Lorain, Ohio and casing from Youngstown, Ohio.

(b) For grades which are special to one mill only, prices shall be computed at the mill base of that mill plus transportation cost from that mill to the railway receiving point nearest the Joint Property as provided above in Paragraph 2.A.(1)(a). For transportation cost from points other than Eastern mills, the 30,000 pound Oil Field Haulers Association interstate truck rate shall be used.

(c) Special end finish tubular goods shall be priced at the lowest published out-of-stock price, f.o.b. Houston, Texas, plus transportation cost, using Oil Field Haulers Association interstate 30,000 pound truck rate, to the railway receiving point nearest the Joint Property.

(d) Macaroni tubing (size less than 2⅜ inch OD) shall be priced at the lowest published out-of-stock prices f.o.b. the supplier plus transportation costs, using the Oil Field Haulers Association interstate truck rate per weight of tubing transferred, to the railway receiving point nearest the Joint Property.

(2) Line Pipe

(a) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(b) Line pipe movements (except size 24 inch OD and larger with walls ¾ inch and over) less than 30,000 pounds shall be priced at Eastern mill published carload base prices effective as of date of shipment, plus 20 percent, plus transportation costs based on freight rates as set forth under provisions of tubular goods pricing in Paragraph A.(1)(a) as provided above. Freight charges shall be calculated from Lorain, Ohio.

(c) Line pipe 24 inch OD and over and ¾ inch wall and larger shall be priced f.o.b. the point of manufacture at current new published prices plus transportation cost to the railway receiving point nearest the Joint Property.

(d) Line pipe, including fabricated line pipe, drive pipe and conduit not listed on published price lists shall be priced at quoted prices plus freight to the railway receiving point nearest the Joint Property or at prices agreed to by the Parties.

(3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property.

(4) Unused new Material, except tubular goods, moved from the Joint Property shall be priced at the current new price, in effect on date of movement, as listed by a reliable supply store nearest the Joint Property, or point of manufacture, plus transportation costs, if applicable, to the railway receiving point nearest the Joint Property. Unused new tubulars will be priced as provided above in Paragraph 2 A (1) and (2).

B. Good Used Material (Condition B)

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

(1) Material moved to the Joint Property

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

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

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

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

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

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

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

C. Other Used Material

(1) Condition C

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

(2) Condition D

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

(a) Casing, tubing, or drill pipe used as line pipe shall be priced as Grade A and B seamless line pipe of comparable size and weight. Used casing, tubing or drill pipe utilized as line pipe shall be priced at used line pipe prices.

(b) Casing, tubing or drill pipe used as higher pressure service lines than standard line pipe, e.g. power oil lines, shall be priced under normal pricing procedures for casing, tubing, or drill pipe. Upset tubular goods shall be priced on a non upset basis.

(3) Condition E

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

D. Obsolete Material

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

E. Pricing Conditions

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

(2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

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

4. Warranty of Material Furnished By Operator

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

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

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

2. Reconciliation and Adjustment of Inventories

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

3. Special Inventories

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

4. Expense of Conducting Inventories

A. The expense of conducting periodic inventories shall not be charged to the Joint Account unless agreed to by the Parties.

B. The expense of conducting special inventories shall be charged to the Parties requesting such inventories, except inventories required due to change of Operator shall be charged to the Joint Account.

EXHIBIT "B "

Attached to and made a part of that certain Cooperative Development Agreement dated June16, 2003 by and between Apache Corporation , as "Operator" Northeast Drindard Unit and Apache Corporation as Operator of the Southland Royalty Lease

GAS BALANCING AGREEMENT

INTENT

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

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

As long as any gas produced from the lease(s) or unit is subject to the regulations of the Federal Energy Regulatory Commission (FERC), or any successor governmental authority, under any section of the Natural Gas Policy Act of 1978 (NGPA), or other statutory authority which establishes maximum lawful prices for the gas, each party shall receive its allocated share of each pricing category of gas in accordance with its working interest in the lease or unit. It is the intent of this GBA that balancing of gas will be based upon the allocated volumes of each category of gas. This GBA shall apply separately to each pricing category of gas. Any deregulated gas, including gas deregulated in the future, shall be treated as a separate category for purposes of balancing.

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

OVER/UNDER PRODUCTION

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

ACCOUNTING FOR IMBALANCE

The Operator will maintain appropriate accounting on a monthly and cumulative basis of the quantities and categories of gas each party is entitled to receive and the quantities and categories of gas taken and/or marketed by each of the parties. For the sole purpose of implementing the terms of this GBA and adjusting gas imbalances which may occur, each party disposing of gas from the lease(s) or unit in any month, to the extent required, shall furnish or cause to be furnished to the Operator by the last day of each calendar month a statement showing the total volume of gas sold by such party or taken in kind for its own account during the preceding calendar month (the "report period"). Within sixty (60) days after the end of each report period, the Operator shall furnish each party a statement showing the status of the overproduced and underproduced accounts of all parties. All gas volumes under this paragraph will be identified by the appropriate category under the NGPA or any other law or regulation in effect including deregulated gas, as appropriate. Each party to this GBA agrees that it will not utilize any information obtained hereunder for any purpose other than implementing the terms of this agreement.

GAS MAKEUP

Any party underproduced as to a given category of gas shall endeavor to bring its taking of gas of that category into balance. A reasonable length of time after written notice to the Operator, any party may begin taking and/or delivering to its purchaser(s) its full share of each category of gas produced. In addition, to allow for the recovery and makeup of underproduced gas in a category and to balance the gas account for the category between the parties in accordance with their respective interests, the underproduced party shall be entitled to take an additional share of gas ("make-up gas"). A reasonable length of time after written notice to the Operator, the underproduced party shall be entitled to take up to an additional fifty percent (50%) of the monthly quantity of that category of gas attributable to the overproduced party; however in no event shall the make-up gas entitlement of a party exceed one hundred percent (100%) of that party's regular working interest entitlement of production. If more than one underproduced party is entitled to take additional gas, they shall divide the make-up gas in proportion to their respective underproduced accounts. The first gas made up shall be assumed to be the first gas produced.

It is specifically agreed that no underproduced party will be allowed to take make-up gas during the months of November, December, January, or February ("the Winter Period") . However, gas make-up will be allowed during the Winter Period only if the underproduced party has taken at least ninety percent (90%) of the make-up gas to which it was entitled during the six (6) consecutive months immediately prior to the Winter Period.

CESSATION OF PRODUCTION

If, at the termination of production of a give category of gas, an imbalance exists between the parties, a monetary settlement of the imbalance between the parties shall be made. Operator shall distribute, within ninety (90) days of the date the well last produced such given category of gas, a statement of net unrecouped underproduction and overproduction and the months and years in which such unrecouped production accrued ("final accounting"). Within thirty (30) days of receipt of such final accounting, each Overproduced Party shall remit to Operator for disbursement to the Underproduced Parties, a sum of money (which sum shall not include interest) limited to the lesser of 1) the proceeds actually received by the Overproduced Party at the time of overproduction, or 2) the Underproduced Party's respective price at the time of underproduction, established under the terms of a valid Gas Sales Agreement for such production, multiplied by the underproduced volumes. Any monetary settlement between the parties shall be made net of any royalties, production taxes, and severance taxes previously paid on the overproduction by the overproduced and severance taxes previously paid on the overproduction by the Overproduced Party, and also net of any outstanding amounts related to the lease(s) or unit(s) which are owned by the Underproduced Party to the Overproduced Party. If the Overproduced Party did not sell its gas, but otherwise utilized such gas in its own operations, such gas will be valued in the same manner used for royalty and severance tax purposes when produced. That portion of the monies collected by the Overproduced Party which

is subject to refund by orders of the FERC may be withheld by the Overproduced Party until such prices are fully approved by the FERC, unless the Underproduced Party furnishes a corporation undertaking agreeing to hold the Overproduced Party harmless from financial loss due to refund orders by the FERC.

Within thirty (30) days of receipt of any such remittance by Operator from an Overproduced Party, Operator shall disburse such funds to the Underproduced Party(ies) in accordance with the final accounting. Operator assumes no liability with respect to any such payment (unless such payment is attributable to Operator's overproduction), it being the intent of the parties that each Overproduced Party shall be solely responsible for reimbursing each Underproduced Party for such Underproduced Party's respective share of overproduction taken by such Overproduced Party in accordance with the provisions contained herein. If any party fails to pay any sum due under the terms hereof after demand therefor by the Operator, the Operator may turn responsibility for the collection of such sum to the party or parties to whom it is owed, and Operator shall have no further responsibility for collection.

Notwithstanding the above, in the event that the parties cannot mutually agree to balance in kind under the first paragraph of this section, by mutual consent the parties may elect to balance gas of like quality and vintage from a source other than lease(s) subject to the Operating Agreement to which this GBA is attached. The gas so returned shall be from a designated area mutually agreed to by the parties to this GBA.

AUDITS

Any Underproduced Party shall have the right for a period of two (2) years after receipt of payment pursuant to final accounting and after giving written notice to all parties, to audit Overproduced Party's accounts and records relating to such payment. Any Overproduced Party shall have the right for a period of two (2) years after tender of payment for unrecouped volumes and upon giving written notice to all parties, to audit an Underproduced Party's records as to volumes. The party conducting such audit shall bear its cost of the audit.

ROYALTY SETTLEMENT

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

DELIVERABILITY TESTS

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

TAXES

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

LIQUID HYDROCARBONS

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

LEASE OPERATING COST

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

CONFLICT

If there is a conflict between the terms of this Agreement and the terms of any gas sales contract covering the Contract Area entered into by any party, the terms of this Agreement shall govern.

TERM

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

EXHIBIT "B "

Attached to and made a part of that certain Cooperative Development Agreement dated June16, 2003 by and between Apache Corporation , as "Operator" Northeast Drindard Unit and Apache Corporation as Operator of the Southland Royalty Lease

GAS BALANCING AGREEMENT

INTENT

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

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

As long as any gas produced from the lease(s) or unit is subject to the regulations of the Federal Energy Regulatory Commission (FERC), or any successor governmental authority, under any section of the Natural Gas Policy Act of 1978 (NGPA), or other statutory authority which establishes maximum lawful prices for the gas, each party shall receive its allocated share of each pricing category of gas in accordance with its working interest in the lease or unit. It is the intent of this GBA that balancing of gas will be based upon the allocated volumes of each category of gas. This GBA shall apply separately to each pricing category of gas. Any deregulated gas, including gas deregulated in the future, shall be treated as a separate category for purposes of balancing.

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

OVER/UNDER PRODUCTION

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

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Any party underproduced as to a given category of gas shall endeavor to bring its taking of gas of that category into balance. A reasonable length of time after written notice to the Operator, any party may begin taking and/or delivering to its purchaser(s) its full share of each category of gas produced. In addition, to allow for the recovery and makeup of underproduced gas in a category and to balance the gas account for the category between the parties in accordance with their respective interests, the underproduced party shall be entitled to take an additional share of gas ("make-up gas"). A reasonable length of time after written notice to the Operator, the underproduced party shall be entitled to take up to an additional fifty percent (50%) of the monthly quantity of that category of gas attributable to the overproduced party; however in no event shall the make-up gas entitlement of a party exceed one hundred percent (100%) of that party's regular working interest entitlement of production. If more than one underproduced party is entitled to take additional gas, they shall divide the make-up gas in proportion to their respective underproduced accounts. The first gas made up shall be assumed to be the first gas produced.

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TAXES

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

LIQUID HYDROCARBONS

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

LEASE OPERATING COST

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

CONFLICT

If there is a conflict between the terms of this Agreement and the terms of any gas sales contract covering the Contract Area entered into by any party, the terms of this Agreement shall govern.

TERM

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

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By: Marjorie Cone Kastman
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name:_____
Title:_____

By:_____
Jeff S. Manuppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

STATE OF Texas)
)
COUNTY OF Lubbock)

The foregoing instrument was acknowledged before me on this 8th day of July, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

BRENDA B. BOLES
Notary Public, State of Texas
My Commission Expires
02-03-2007

Brenda B. Boles
Notary Public, State of Texas

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ramb Ventures LLC**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

_____
Notary Public, State of _____

JOHN H. HENDRIX CORPORATION

By:_____
Printed Name:_____
Title:_____

By:_____
JoAnn Garrison

By:_____
Owen McWhorter

By:_____
Lavena Howard

By:_____
Marjorie Cone Kastman

By:_____
Ann W. Morris

By:_____
Mary Anne Riwinsky

RAMB VENTURES LLC

By:_____
Printed Name:_____
Title:_____

X By: Jeff S. Maruppelli
Jeff S. Maruppelli

MERIT ENERGY

By:_____
Printed Name:_____
Title:_____

EXXON COMPANY USA

By:_____
Printed Name:_____
Title:_____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Marjorie Cone Kastman**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Ann W. Morris**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Mary Anne Riwinsky**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF _____)
)
COUNTY OF _____)

This instrument was acknowledged before me this _____ day of _____, 2003, by _____, _____ of **Ramb Ventures LLC**, a _____corporation, on behalf of said corporation.

_____
Notary Public, State of _____

STATE OF Texas)
)
COUNTY OF Bexar)

The foregoing instrument was acknowledged before me on this 8 day of July, 2003, by **Jeff S. Manuppelli**, on behalf of said individual.

CARMEN TELLEZ
Notary Public, State of Texas
My Commission expires
June 5, 2006

_____
Notary Public, State of Texas

OCEAN ENERGY INC.

By:_____
Printed Name:_____
Title:_____

By:_____
Katherine A. Keck

FIDELITY EXPLORATION & PRODUCTION CO.

By:_____
Printed Name: JEFF LANG
Title: ASSET TEAM MANAGER

APACHE CORPORATION, as Operator of the Southland Royalty Company Lease

By:_____
Printed Name: Rob Johnston
Title: Central Region Vice President, Exploration

STATE OF Oklahoma)
)
COUNTY OF Tulsa)

This instrument was acknowledged before me this 24th day of June, 2003, by Rob Johnston Central Region V.P. Exploration of **Apache Corporation**, a Delaware corporation, on behalf of said corporation.

Notary Public Oklahoma
OFFICIAL SEAL
SHEILA REXROAD
TULSA COUNTY
Comm. Exp. 07-28-2004

_____
Notary Public, State of Oklahoma

STATE OF_____)
)
COUNTY OF_____)

The foregoing instrument was acknowledged before me on this _____ day of _____, 2003, by **Charles L. Cobb**, on behalf of said individual.

_____
Notary Public, State of _____

STATE OF Colorado)
City +)
COUNTY OF Denver)

This instrument was acknowledged before me this 22nd day of July, 2003, by Jeff Tang, Asst Team Mgr of **Fidelity Exploration & Production Company**, on behalf of said company.

Laurie Hardy
Notary Public, State of Colorado

LAURIE HARDY NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/15/2006