

8. MEASUREMENT

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

9. TITLE

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

10. NOTICES

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

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

11. PRE-COMMENCEMENT APPROVALS

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

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

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

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

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

APACHE CORPORATION

CHEVRON U.S.A. INC.

By: John Swain *MSK*
Printed Name: John Swain
Title: Attorney In Fact

By: C.D. Fribbie
Printed Name: C. D. Fribbie
Title: Attorney - In - Fact

BUREAU OF LAND MANAGEMENT

By: _____
Printed Name: _____
Title: _____

STATE OF OKLAHOMA §
 §
COUNTY OF TULSA §

This instrument was acknowledged before me this 19 day of January, 2007, by John Swain as Attorney In Fact for Apache Corporation, a Delaware corporation, on behalf of said corporation.



Michelle Hanson
Notary Public, State of Oklahoma

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me this 20th day of April, 2007, by C.D. Frisbie, Attorney In Fact of Chevron U.S.A. Inc., a Pennsylvania corporation, on behalf of said corporation.

Luis Ganung
Notary Public, State of Texas

