

Cronological order of Contacts

DATE

**4/24/01** Had working interest owner meeting in Apache's Houston office to propose the East Blinbry Drinkard Waterflood project. BP and Chevron along with 7 other working interest owners.

**6/6/02** Met w/Chevron/Texaco team in Midland, TX to discuss the Merits of Apache going forward with East Blinbry Drinkard Waterflood proposal. Chevron indicated that now that their new team was in place they would review and get back with us as soon as they could.

**6/27/02** Called Denise to see if Chevron (Mike Howell) had a chance to start reviewing Apache's project. Said she would talk to Mike and get back with me.

**7/10/02** Follow-up call with Denise to get status of Chevron's review of waterflood. Said she had talked to Mike and he was working on Chevron's Plan and review update for their region. Said Mike was aware of our project and would get to it and try to run numbers by the end of the month.

**7/25/02** Follow-up call with Denise – said she talked with Mike and he was still trying to finalize their Plan. Said she would continue to see if Mike could get on our proposed project.

**8/6/02** Sent letter out to all WI owners requesting Division of ownership for wells each operated in proposal waterflood unit.

**8/28/02** Called Denise – no change in status.

**9/10/02** Called Denise – Mike is now having to work on numerous P&A wells, hopes to get on our project after that. Discussed swap idea that Mike had offered up. Said she would get with Mike on that matter.

**9/23/02** Called Denise – vacation for 1 week.

**10/9/02** Talked w/Denise, said she would mail out DOI had already put in request to Houston office. Mike hopes to start working on evaluation of CDU swap for their interest in unit.

**10/24/02** Unit and Unit operating agreements mailed out to all WI owners.

**10/25/02** Talked w/Denise – told her Unit Agreements were mailed out and she should be getting soon. Said she would talk with Mike again to see if she could press him to start evaluating the Swap idea.

**11/02/02** Meeting with BP America to discuss merits of waterflood unit.

**10/7/04** Meeting w/T.H. McElvain Oil & Gas to discuss EBDU once again.

- 10/12/04** Meeting w/ BP in Houston to discuss going forward with Unit once again.
- 3/18/05** Mailed out Unit Agreement & Unit Operating Agreement to 35 WI owners.
- 3/21/05** Spoke with Tom Furtwangler with BP and told him new Agreements were coming.
- 3/22/05** James Baca with Chevron called and said he had received all documents, explained non-consent penalty and advised him that Apache was preparing to go to hearing by Mid May or early June.
- 3/23/05** Received call from BP (Tom Furtwangler) discussed non-consent provisions in JOA to Unit Agreement. BP was not happy with having non-consent penalty, advised him that T. H. McElvain and Elliott Industries were comfortable with non-consent and we had our 75% WI owner approval to move forward for Statutory Unitization.
- 3/24/05** Received call from Steve Elliott, will call back on Monday 505/622-5840 (work) cell #505/470-7722.
- 3/28/05** Received call from Chris Berryhill Tierra Oil & Gas to discuss ownership 830/438-7196 – no interest in Unit.
- 3/29/05** Called Tierra Exploration, Inc. in Hobbs, NM 505/391-8503, left message for someone to call me concerning Unit proposal.
- 3/30/05** Spoke with Jack Quakenbush 806/322-2634 Boys Ranch Foundation, he agreed to base for \$200/ac, ¼ RI. Have instructed Larry to send OGL to Jack.
- 3/31/05** Spoke with Tierra Exploration, Inc, Joe 505/391-8503, 505/390-1598 cell, said he received material and will sign signature pages as working interest owner and return same to Apache. No problem with agreements.
- 4/18/05** Received call from Tom Furtwangler (BP) advised me he received BLM approval letter in Unit and asked when we were planning for a hearing date. I told him we were pushing for a June 2, hearing date.
- 4/18/05** Received a call from Joe Morris-Boys Ranch to discuss lease offer – left message 806/346-8033 ext. 214.
- 4/19/05** Received call from Michael Moore, royalty interest owner, said he never received package mailed. Will re-send new package for his execution.
- 4/27/05** Received a call from Don Dollar w/Exxon, wants to do a trade Term Assignment for their 100% int. in Lot 15, & NW/4 SE/4 Sec. 1, for \$250/ac, 75% NRI. Exxon does not want to participate in waterflood unit. Will discuss with Kevin.

**5/1/05** Spoke w/Don Dollar w/Exxon and advised him that APA could only pay \$500 total bonus for a 2-yr TA. Exxon will run through management for final approval. Don indicated once again that Exxon does not want to participate in the waterflood project.

**5/10/05** Spike with James Baca – Chevron, he indicated Chevron would probably not participate and would ask for an offer from Apache.

**5/23/05** Spoke with James Baca Chevron U.S.A. to see what status of Apache's proposal was. He advised me that Chevron would be participating and would send me a letter describing certain changes Chevron would be requesting to be changed in UOA.

**5/25/05** Spoke with Dick Eicher BP America 281/366-1345 to discuss Bill Carr's letter dated 5/23/05 with Tom Kellahin and upcoming hearing. Dick said he had to get himself up to speed on Agreement and would call me back. Told him APA would withdraw interest over non-consent penalty but was not willing to amend the other issues addressed in Bill Carr's letter.

**5/26/05** Talked with Dick Eicher BP, discussed with him the issues set out in Bill Carr's letter. Advised him that APA had an offer on the table to buy BP's interest and that APA was willing to withdraw interest penalty over and above the 200% Non-Consent, but we would not change or amend the other issues. He said he had to get with Mgmt and talk with Bill Carr and would get back to me as soon as he could.

**5/31/05** Received letter from **Chevron dated May 25, 2005 stating it elects to join Apache's proposed EBDU** and it outlined certain recommended revisions to UOA and UA.

**6/7/05** Spoke w/James Baca in response to Chevron's letter dated May 25, 2005 and advised him that Apache would not delete the 200% non-consent provision, nor change the voting interest from 65% to 70%, but APA agreed to change all other requested items. He indicated **Chevron was still planning to participate.**

**6/9/05** Spoke w/Tom Furtwangler- BP America, I wanted to know status of where BP was with regard to participating in Apache's proposed unit. He said they received APA's changes to Article 12, wherein APA removed the interest over and above the non-consent. Did not like the structure of the paragraph change. Asked him to send us language and we would look at it. He said BP had other issues with the mechanics of the non-consent. Said he would get with Bill Carr and get back with me on Monday.

**6/13/05** Tom Furtwangler sent Apache an e-mail outlining certain requested changes to Article 11.4 and Article 12.2 of the UOA. These changes were reviewed by Legal and agreed to by Apache and T.H. McElvain. Sent a response back to Tom and advised him that Apache was ok with BP's 2 changes. I further asked him to send me something in writing no later 6/14/2005 wherein BP was in agreement and would not be protesting Apache. He said he would have me something in writing by noon on Tuesday 6/14/2005.