

**Stogner, Michael**

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**From:** JamesBruc@aol.com  
**Sent:** Monday, February 23, 2004 7:12 AM  
**To:** mstogner@state.nm.us  
**Subject:** Apache Corporation unorthodox locations in 21S-37E

Mike: I know you are cleaning out pre-February administrative applications, but I ask if you can help me with a few of the above applications.

Late last year the Division approved 5 unorthodox locations for Apache in 21S-37E, and Apache has now begun drilling those wells (which usually take about 5-6 days to drill). It now appears the drilling is proceeding much faster than initially anticipated, so in order to keep ahead of the rig I ask if you can review and (I hope) approve 3-4 of the 9 applications I submitted the first week in January.

The approvals will allow Apache to prepare wellsites ahead of rig arrival. In addition, it will keep the rig running on these locations -- if it has to be de-activated and moved, it will cost about \$60,000+ to move it back to these wells.

If you need any further information, please let me know. Thanks.

Jim Bruce  
982-2043



2/23/2004



State of New Mexico  
OIL CONSERVATION COMMISSION

2/23/04  
5:10 P.M.  
From

MICHAEL E. STOBNER  
PETROLEUM ENGINEER

# Memo

To

Note To File

*M*

Re: Apache Corp.  
Penrose Skelly Infill  
Wells

Talked w/ Jim Bruce:  
- Is providing me a copy of all  
con. agreements. All have been  
signed by Chevron and BP.  
where applicable.

P.O. BOX 2088  
LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
505-827-5811

**Stogner, Michael**

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**From:** Stogner, Michael  
**Sent:** Wednesday, February 25, 2004 1:18 PM  
**To:** Jim Bruce (E-mail)  
**Subject:** Apache

I have prepared and ready to release the first Apache infill Penrose Skelly NSL adm. order; however, I'd like for you to, off the record, look it over and comment on it. Thanks.



NSL-4957.a.doc

ju

Page 1 of 1

**Stogner, Michael**

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**From:** JamesBruc@aol.com  
**Sent:** Wednesday, February 25, 2004 1:54 PM  
**To:** MSTOGNER@state.nm.us  
**Subject:** Re: Apache

Mike: I think you have it exactly correct. As you'll see with applications involving federal lands, the BLM simply signed off on the cooperative lease line agreements, rather than requiring a communitization agreement. I met with the Land Office (Jeff Albers and Pete Martinez), and explained that the spacing unit must still be the 40 acre tract on which the well was located. I know that they are aware of that. However, they said that without a communitization agreement their computer could not track payment of revenue to the Land Office.

The long and short of it is that I see no problem in referring to it as a cooperative agreement.

The order looked fine to me.

Jim

**Stogner, Michael**

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**From:** JamesBruc@aol.com  
**Sent:** Tuesday, March 23, 2004 7:51 AM  
**To:** mstogner@state.nm.us  
**Subject:** Apache unorthodox locations/21S-37E

MR. Stogner: Thank you for the 4 unorthodox location orders on the above lands, issued a few weeks ago.

Apache has been drilling its locations in 21S-37E (which includes 6 wells on which unorthodox locations were approved last November), and is now on the 7th of the 10 wells. The wells take about 4-5 days to drill.

In order to keep the drilling rig on site, Apache requests that the remaining unorthodox locations be approved (I think there are 5 more). This will avoid the costs of moving the rig to a different township, and then moving it back. That cost would probably be in excess of \$60,000.

Thank you for your consideration of this request.

James Bruce  
982-2043

A handwritten checkmark is enclosed within a hand-drawn circle.

3/23/2004

## Stogner, Michael

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**From:** Stogner, Michael  
**Sent:** Friday, March 26, 2004 4:06 PM  
**To:** Jim Bruce (E-mail)  
**Cc:** Williams, Chris  
**Subject:** Apache Corporation

Jim,

I am now down to the last two Penrose-Skelly infill NSL's (Hawk "B-1" Wells No. 37 and 41). These two wells are on a federal lease and abutting to the Southland Royalty fee lease in the NE/4 of Sect. 9-T21S-R37E. I have a few questions that are probably covered in the agreement and application; I however think its worthwhile to have additional discussion on this topic:

- (1) what is the horizontal extent of the Southland Royalty fee lease;
- (2) are mineral interest common throughout;
- (3) who are the royalty interest owners;
- (4) what provisions in the agreement are made for the fee-royalty interest being affected by these two wells?

Thanks.



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)  
(505) 660-6612 (CELL)  
(505) 982-2151 (FAX)

jamesbruc@aol.com

Re: *Proch/21<sup>s</sup>-37<sup>E</sup>*

*Mike -*

*Land plot owned by interest  
owners in Southland Royalty  
lease.*

*Jim*

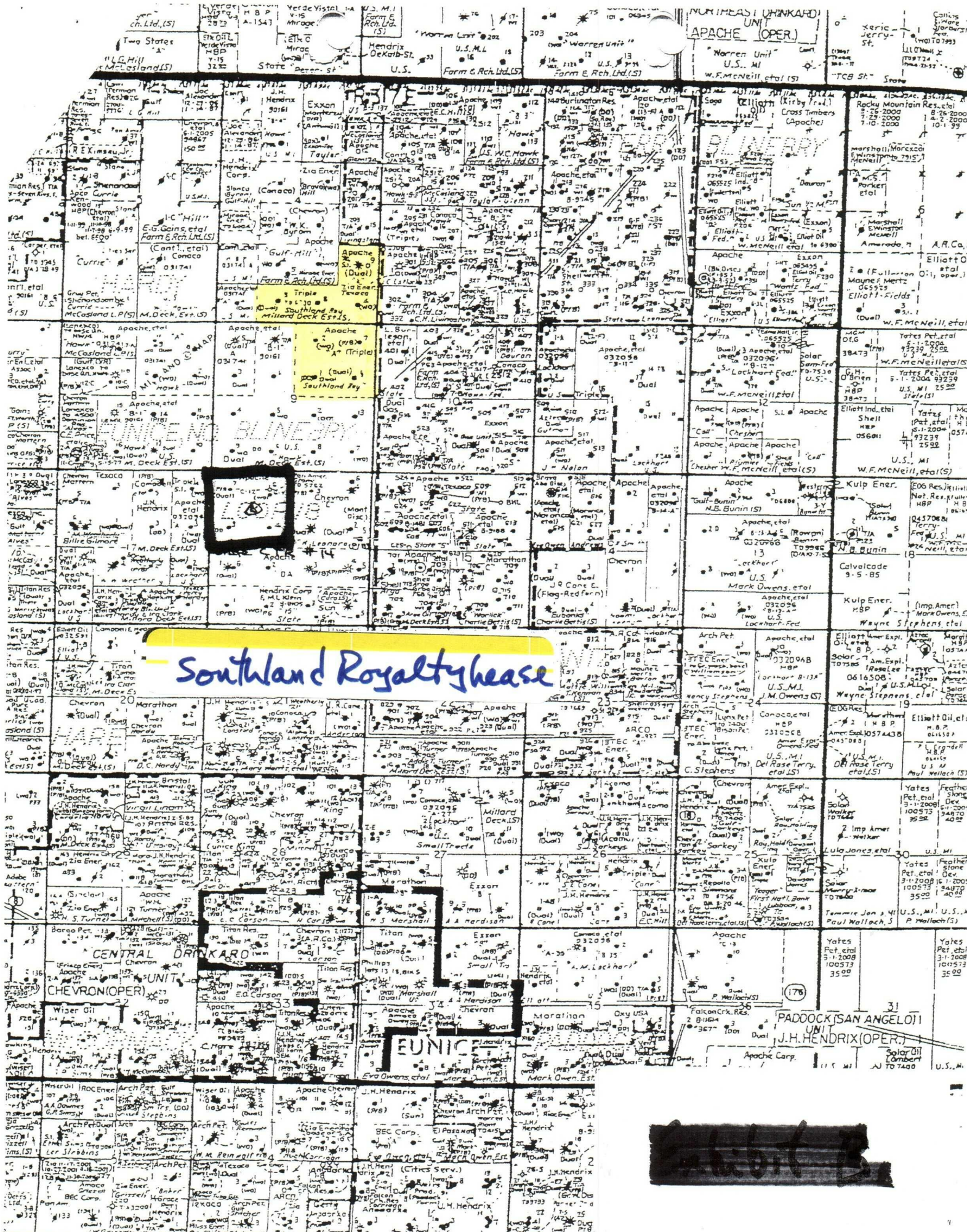
RECEIVED

MAR 30 2004

OIL CONSERVATION  
DIVISION

*vii*





Southland Royalty Lease

CHEVRON (OPER.)

J.H. HENDRIX (OPER.)

APACHE (OPER.)

PADDOCK (SAN ANGELO) UNIT

NORTH EAST (HINKARD) UNIT

CHEVRON (OPER.)

J.H. HENDRIX (OPER.)

APACHE (OPER.)

PADDOCK (SAN ANGELO) UNIT

NORTH EAST (HINKARD) UNIT



3/29/200

## DOI / OWNER INTEREST QUERY

Property/DOI: 01365301/00001 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

0000001003 APACHE CORPORATION RI 01 0.01171880  
2000 POST OAK BLVD SUITE 100

HOUSTON  
TX 77056

TAX ID NO: 410747888

0000001003 APACHE CORPORATION WI 01 0.87500000  
2000 POST OAK BLVD SUITE 100

HOUSTON  
TX 77056

TAX ID NO: 410747888

0001839392 BURLINGTON RESOURCES OIL & GAS CO RI 01 0.01562500  
P O BOX 840856

DALLAS  
TX 75284-0656

TAX ID NO: 411400579

0002496901 J L BURKE III RI 01 0.00139160  
8528 MEADOW KNOLL DRIVE

DALLAS  
TX 75243

TAX ID NO: 525680125

0002498101 BEVERLY B STROHL RI 01 0.00139160  
4353 BROMFIELD AVE.

SAN DIEGO  
CA 92122

TAX ID NO: 525689486

0002498501 NANCY I FARMER RI 01 0.00139160  
5136 E 35TH STREET

TULSA  
OK 74135

TAX ID NO: 525901155

0004648101 JACK MARKHAM RI 01 0.00483630  
1500 BROADWAY

SUITE 1212  
LUBBOCK  
TX 79401

TAX ID NO: 458605591

0007859101 JOHN REDFERN III RI 01 0.00075960  
P O BOX 50890

MIDLAND  
TX 79710

TAX ID NO: 459584821

0008165301 KATHERINE A KECK RI 01 0.00195310  
1801 AVE OF THE STARS STE 446

LOS ANGELES  
CA 90067-5906

TAX ID NO: 464821200

0010253102 OHIO STATE UNIVERSITY RI 01 0.00027830  
53 W 11TH AVE

COLUMBUS  
OH 43201

TAX ID NO: 316025986

REPORT: DO\_DOI\_OWNER V1.1

|                   |           |         |              |            |   |
|-------------------|-----------|---------|--------------|------------|---|
| Post-it* Fax Note | 7671      | Date    | 3/29         | # of pages | 8 |
| To                | Jim Bruce | From    | Cindy Miller |            |   |
| Co./Dept          |           | Co.     |              |            |   |
| Phone #           |           | Phone # |              |            |   |
| Fax #             | 982-2151  | Fax #   |              |            |   |



3/29/200

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|            |                                                                                                                                          |    |    |            |
|------------|------------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0012695101 | HERD PARTNERS LTD<br>P O BOX 130<br><br>MIDLAND<br>TX 79702-0130<br><br>TAX ID NO: 752571346                                             | RI | 01 | 0.00195310 |
| 0013594401 | J R CONE ET UX<br>PO BOX 10217<br><br>LUBBOCK<br>TX 79408<br><br>TAX ID NO: 466286920                                                    | RI | 01 | 0.00455730 |
| 0014526201 | WAIKIKI PARTNERS LP<br>P O BOX 2127<br><br>MIDLAND<br>TX 79702-2127<br><br>TAX ID NO: 752603526                                          | RI | 01 | 0.00075960 |
| 0014881501 | MONTGOMERY PETROLEUM INC<br>P O BOX 600490<br><br>DALLAS<br>TX 75360-0490<br><br>TAX ID NO: 752611554                                    | RI | 01 | 0.00056962 |
| 0014881701 | RONALD O HOLMAN<br>5949 SHERRY LANE STE 1700<br><br>DALLAS<br>TX 75225<br><br>TAX ID NO: 451823588                                       | RI | 01 | 0.00018988 |
| 0015787901 | CLARENCE RICHARD MARKHAM<br>3110-38TH STREET<br>MARKHAM & JOYCE STANLEY<br>LUBBOCK<br>TX 79413<br><br>TAX ID NO: 467288566               | RI | 01 | 0.00013950 |
| 0015788001 | DONALD MARSHALL MARKHAM FAMILY<br>P O BOX 241<br>MARKHAM AND LADONNA RIEGER<br>CENTER POINT<br>TX 78010-0241<br><br>TAX ID NO: 461389700 | RI | 01 | 0.00013950 |
| 0015801601 | ALBERT D WHITE JR<br>2402 SWEETWATER COUNTRY CLUB DR<br><br>APOPKA<br>FL 32712<br><br>TAX ID NO: 453582103                               | RI | 01 | 0.00027900 |
| 0015806501 | ANNA BESS CALFIN<br>3008 49TH ST<br><br>LUBBOCK<br>TX 79413-4125<br><br>TAX ID NO: 525169094                                             | RI | 01 | 0.00488290 |
| 0015806601 | COLLEGE OF THE SOUTHWEST<br>6610 LOVINGTON HWY<br><br>HOBBS<br>NM 88240-9120<br><br>TAX ID NO: 850164940                                 | RI | 01 | 0.00027840 |

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State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

|            |                                                                                                                                      |    |    |            |
|------------|--------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0015806701 | CLEBBIE F & GENE L DUKE<br>1813 GILLHAM DR<br><br>BROWNFIELD<br>TX 79316-6013<br><br>TAX ID NO: 525785027                            | RI | 01 | 0.00781250 |
| 0015806801 | BETTY OWENS HORTON<br>1605 MELROSE CIRCLE<br><br>GARLAND<br>TX 75042-4243<br><br>TAX ID NO: 465226953                                | RI | 01 | 0.00683600 |
| 0015807001 | C B JR MARKHAM ESTATE TRUST<br>2512 METZGAR RD SW<br><br>ALBUQUERQUE<br>NM 87105-6336<br><br>TAX ID NO: 856106788                    | RI | 01 | 0.00027900 |
| 0015807101 | HELEN M OWENS<br>219 ROSEBUD<br><br>STEPHENVILLE<br>TX 76401-6078<br><br>TAX ID NO: 463460343                                        | RI | 01 | 0.00573730 |
| 0015807201 | HERSHEL T & JUDY B OWENS<br>1235 S MARION AVE<br>HERSHEL & JUDY OWENS TRUSTEES<br>TULSA<br>OK 74112-5125<br><br>TAX ID NO: 525701710 | RI | 01 | 0.00573730 |
| 0015807301 | JAMES M OWENS<br>P O BOX 1003<br><br>DUMAS<br>TX 79029-1003<br><br>TAX ID NO: 525984542                                              | RI | 01 | 0.00573730 |
| 0015807401 | JANET OWENS ESTATE<br>1605 MELROSE CIRCLE<br><br>GARLAND<br>TX 75042-4243<br><br>TAX ID NO: 535160990                                | RI | 01 | 0.00695800 |
| 0015807501 | LANA OWENS<br>784 WILDWOOD TRAIL<br><br>WEATHERFORD<br>TX 76085<br><br>TAX ID NO: 585160804                                          | RI | 01 | 0.00695800 |
| 0015807601 | SOUTHWESTERN BAPTIST<br>1601 ELM ST STE 1700<br>C/O BAPTIST FOUNDATION OF TX<br>DALLAS<br>TX 75201-4741<br><br>TAX ID NO: 750891462  | RI | 01 | 0.00027830 |
| 0015807701 | TEXAS TECHNOLOGICAL UNIVERSITY<br>P O BOX 45025<br><br>LUBBOCK<br>TX 79409-5025<br><br>TAX ID NO: 756002622                          | RI | 01 | 0.00027830 |

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|            |                                                                                                                       |    |    |            |
|------------|-----------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0015807801 | ELDON K & RUEDELE TURNER<br>5306 77TH ST<br><br>LUBBOCK<br>TX 79424-2502<br><br>TAX ID NO: 525507985                  | RI | 01 | 0.00781250 |
| 0015807901 | WEST TEXAS STATE UNIVERSITY<br>200 TECHNOLOGY WAY<br><br>COLLEGE STATION<br>TX 77845-3424<br><br>TAX ID NO: 756031405 | RI | 01 | 0.00027830 |
| 0002497701 | MARILYN BURKE SALTER<br>20031 82 AVE W<br><br>EDMONDS<br>WA 98026<br><br>TAX ID NO: 525804466                         | RI | 02 | 0.00139160 |
| 0016333401 | TONY G KNOTT & LAURIE A KNOTT<br>5002 W JA ROB LN<br><br>HOBBS<br>NM 88242<br><br>TAX ID NO: 525135150                | RI | 01 | 0.00573730 |
| 0015788101 | BILL J MARKHAM ESTATE TRUST<br>2315 LITTLE RD #108<br><br>ARLINGTON<br>TX 76016<br><br>TAX ID NO: 461389216           | RI | 03 | 0.00027900 |
| 0015788101 | BILL J MARKHAM ESTATE TRUST<br>2315 LITTLE RD #108<br><br>ARLINGTON<br>TX 76016<br><br>TAX ID NO: 461389216           | RI | 01 | 0.00027900 |
| 0019180201 | WILLIAM RAY PROCTOR<br>1209 S COUNTY ROAD WEST<br><br>ODESSA<br>TX 79763<br><br>TAX ID NO: 462620922                  | RI | 01 | 0.00013950 |
| 0019180301 | JAMES RUSSELL PROCTOR<br>2352 N YALE<br><br>MESA<br>AZ 85213<br><br>TAX ID NO: 449525297                              | RI | 01 | 0.00013950 |
| 0019350601 | JULIA BENHAM TESTAMENTARY TRST<br>4162 JEFFERSON WOODS DR<br><br>BATON ROUGE<br>LA 70809<br><br>TAX ID NO: 726197488  | RI | 01 | 0.00695800 |
| 0031249101 | FAIRWAY OIL & GAS COMPANY<br>P.O. BOX 845<br><br>SPARTA<br>NJ 07871<br><br>TAX ID NO: 751510632                       | RI | 01 | 0.00227880 |

TOTAL DOI 01365301/00001

1.00000000

**3/29/200****DOI / OWNER INTEREST QUERY**

Property/DOI: 01365301/00002 Name: SOUTHLND ROYALTY A 1,2,3,5,ALL

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

Venture Number: 002431

|            |                                                                                                                   |    |    |            |
|------------|-------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0001839392 | BURLINGTON RESOURCES OIL & GAS CO<br>P O BOX 840656<br><br>DALLAS<br>TX 75284-0656<br><br>TAX ID NO: 411400579    | RI | 01 | 0.01562500 |
| 0002498801 | J L BURKE III<br>8928 MEADOW KNOLL DRIVE<br><br>DALLAS<br>TX 75243<br><br>TAX ID NO: 525660125                    | RI | 01 | 0.00139160 |
| 0002497701 | MARILYN BURKE SALTER<br>20031 82 AVE W<br><br>EDMONDS<br>WA 98026<br><br>TAX ID NO: 525804466                     | RI | 02 | 0.00139160 |
| 0002498101 | BEVERLY B STROHL<br>4353 BROMFIELD AVE.<br><br>SAN DIEGO<br>CA 92122<br><br>TAX ID NO: 525889486                  | RI | 01 | 0.00139160 |
| 0002498501 | NANCY I FARMER<br>5136 E 35TH STREET<br><br>TULSA<br>OK 74135<br><br>TAX ID NO: 525901155                         | RI | 01 | 0.00139160 |
| 0004648101 | JACK MARKHAM<br>1500 BROADWAY<br>SUITE 1212<br>LUBBOCK<br>TX 79401<br><br>TAX ID NO: 458805591                    | RI | 01 | 0.00483630 |
| 0007859101 | JOHN REDFERN III<br>P O BOX 50890<br><br>MIDLAND<br>TX 79710<br><br>TAX ID NO: 459564821                          | RI | 01 | 0.00075960 |
| 0008165301 | KATHERINE A KECK<br>1801 AVE OF THE STARS STE 446<br><br>LOS ANGELES<br>CA 90067-5906<br><br>TAX ID NO: 464821200 | RI | 01 | 0.00195310 |
| 0010253102 | OHIO STATE UNIVERSITY<br>53 W 11TH AVE<br><br>COLUMBUS<br>OH 43201<br><br>TAX ID NO: 316025986                    | RI | 01 | 0.00027830 |
| 0012695101 | HERD PARTNERS LTD<br>P O BOX 130<br><br>MIDLAND<br>TX 79702-0130<br><br>TAX ID NO: 752571346                      | RI | 01 | 0.00195310 |

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|            |                                                                                                                                          |    |    |            |
|------------|------------------------------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0013584401 | J R CONE ET UX<br>PO BOX 10217<br><br>LUBBOCK<br>TX 79408<br><br>TAX ID NO: 466286920                                                    | RI | 01 | 0.00455730 |
| 0014526201 | WAIKIKI PARTNERS LP<br>P O BOX 2127<br><br>MIDLAND<br>TX 79702-2127<br><br>TAX ID NO: 752603526                                          | RI | 01 | 0.00075960 |
| 0014881501 | MONTGOMERY PETROLEUM INC<br>P O BOX 600490<br><br>DALLAS<br>TX 75380-0490<br><br>TAX ID NO: 752611554                                    | RI | 01 | 0.00056982 |
| 0014881701 | RONALD O HOLMAN<br>5949 SHERRY LANE STE 1700<br><br>DALLAS<br>TX 75225<br><br>TAX ID NO: 451823588                                       | RI | 01 | 0.00018988 |
| 0015787901 | CLARENCE RICHARD MARKHAM<br>3110-38TH STREET<br>MARKHAM & JOYCE STANLEY<br>LUBBOCK<br>TX 79413<br><br>TAX ID NO: 467288586               | RI | 01 | 0.00013950 |
| 0015788001 | DONALD MARSHALL MARKHAM FAMILY<br>P O BOX 241<br>MARKHAM AND LADONNA RIEGER<br>CENTER POINT<br>TX 78010-0241<br><br>TAX ID NO: 461389700 | RI | 01 | 0.00013950 |
| 0015788101 | BILL J MARKHAM ESTATE TRUST<br>2315 LITTLE RD #108<br><br>ARLINGTON<br>TX 76016<br><br>TAX ID NO: 461389216                              | RI | 03 | 0.00027900 |
| 0015788101 | BILL J MARKHAM ESTATE TRUST<br>2315 LITTLE RD #108<br><br>ARLINGTON<br>TX 76016<br><br>TAX ID NO: 461389216                              | RI | 01 | 0.00027900 |
| 0015801601 | ALBERT D WHITE JR<br>2402 SWEETWATER COUNTRY CLUB DR<br><br>APOPKA<br>FL 32712<br><br>TAX ID NO: 463582103                               | RI | 01 | 0.00027900 |
| 0015806501 | ANNA BESS CALFIN<br>3008 49TH ST<br><br>LUBBOCK<br>TX 79413-4125<br><br>TAX ID NO: 525169094                                             | RI | 01 | 0.00488290 |



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|            |                                                |    |    |            |
|------------|------------------------------------------------|----|----|------------|
| 0015806601 | COLLEGE OF THE SOUTHWEST<br>6610 LOVINGTON HWY | RI | 01 | 0.00027840 |
|------------|------------------------------------------------|----|----|------------|

HOBBS  
NM 88240-9120TAX ID NO: 850164940

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|            |                                            |    |    |            |
|------------|--------------------------------------------|----|----|------------|
| 0015806701 | CLEBBIE F & GENE L DUKE<br>1813 GILLHAM DR | RI | 01 | 0.00781250 |
|------------|--------------------------------------------|----|----|------------|

BROWNFIELD  
TX 79316-6013TAX ID NO: 525785027

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|            |                                           |    |    |            |
|------------|-------------------------------------------|----|----|------------|
| 0015806801 | BETTY OWENS HORTON<br>1605 MELROSE CIRCLE | RI | 01 | 0.00683600 |
|------------|-------------------------------------------|----|----|------------|

GARLAND  
TX 75042-4243TAX ID NO: 485226953

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|            |                                                   |    |    |            |
|------------|---------------------------------------------------|----|----|------------|
| 0015807001 | C B JR MARKHAM ESTATE TRUST<br>2512 METZGAR RD SW | RI | 01 | 0.00027900 |
|------------|---------------------------------------------------|----|----|------------|

ALBUQUERQUE  
NM 87105-6336TAX ID NO: 856106788

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|            |                              |    |    |            |
|------------|------------------------------|----|----|------------|
| 0015807101 | HELEN M OWENS<br>219 ROSEBUD | RI | 01 | 0.00573730 |
|------------|------------------------------|----|----|------------|

STEPHENVILLE  
TX 76401-6078TAX ID NO: 453460343

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|            |                                               |    |    |            |
|------------|-----------------------------------------------|----|----|------------|
| 0015807201 | HERSHEL T & JUDY B OWENS<br>1235 S MARION AVE | RI | 01 | 0.00573730 |
|------------|-----------------------------------------------|----|----|------------|

HERSHEL & JUDY OWENS TRUSTEES  
TULSA  
OK 74112-5125TAX ID NO: 525701710

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|            |                               |    |    |            |
|------------|-------------------------------|----|----|------------|
| 0015807301 | JAMES M OWENS<br>P O BOX 1003 | RI | 01 | 0.00573730 |
|------------|-------------------------------|----|----|------------|

DUMAS  
TX 79029-1003TAX ID NO: 525964542

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|            |                                           |    |    |            |
|------------|-------------------------------------------|----|----|------------|
| 0015807401 | JANET OWENS ESTATE<br>1605 MELROSE CIRCLE | RI | 01 | 0.00695800 |
|------------|-------------------------------------------|----|----|------------|

GARLAND  
TX 75042-4243TAX ID NO: 585160990

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|            |                                  |    |    |            |
|------------|----------------------------------|----|----|------------|
| 0015807501 | LANA OWENS<br>764 WILDWOOD TRAIL | RI | 01 | 0.00695800 |
|------------|----------------------------------|----|----|------------|

WEATHERFORD  
TX 76085TAX ID NO: 585160804

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|            |                                              |    |    |            |
|------------|----------------------------------------------|----|----|------------|
| 0015807601 | SOUTHWESTERN BAPTIST<br>1601 ELM ST STE 1700 | RI | 01 | 0.00027830 |
|------------|----------------------------------------------|----|----|------------|

C/O BAPTIST FOUNDATION OF TX  
DALLAS  
TX 75201-4741TAX ID NO: 750891462

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3/29/200

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Prod: ALL PRODUCTS

Venture Number: 002431

|            |                                                                                                                       |    |    |            |
|------------|-----------------------------------------------------------------------------------------------------------------------|----|----|------------|
| 0015807701 | TEXAS TECHNOLOGICAL UNIVERSITY<br>P O BOX 45025<br><br>LUBBOCK<br>TX 79409-5025<br><br>TAX ID NO: 756002622           | RI | 01 | 0.00027830 |
| 0015807801 | ELDON K & RUEDELE TURNER<br>5306 77TH ST<br><br>LUBBOCK<br>TX 79424-2502<br><br>TAX ID NO: 525507995                  | RI | 01 | 0.00781250 |
| 0015807901 | WEST TEXAS STATE UNIVERSITY<br>200 TECHNOLOGY WAY<br><br>COLLEGE STATION<br>TX 77845-3424<br><br>TAX ID NO: 756031405 | RI | 01 | 0.00027630 |
| 0000001003 | APACHE CORPORATION<br>2000 POST OAK BLVD SUITE 100<br><br>HOUSTON<br>TX 77056<br><br>TAX ID NO: 410747868             | RI | 01 | 0.01171880 |
| 0000001003 | APACHE CORPORATION<br>2000 POST OAK BLVD SUITE 100<br><br>HOUSTON<br>TX 77056<br><br>TAX ID NO: 410747868             | WI | 01 | 0.87500000 |
| 0016333401 | TONY G KNOTT & LAURIE A KNOTT<br>5002 W JA ROB LN<br><br>HOBBBS<br>NM 88242<br><br>TAX ID NO: 525135150               | RI | 01 | 0.00573730 |
| 0019180201 | WILLIAM RAY PROCTOR<br>1209 S COUNTY ROAD WEST<br><br>ODESSA<br>TX 79763<br><br>TAX ID NO: 462620922                  | RI | 01 | 0.00013950 |
| 0019180301 | JAMES RUSSELL PROCTOR<br>2352 N YALE<br><br>MESA<br>AZ 85213<br><br>TAX ID NO: 449525297                              | RI | 01 | 0.00013950 |
| 0019350601 | JULIA BENHAM TESTAMENTARY TRST<br>4162 JEFFERSON WOODS DR<br><br>BATON ROUGE<br>LA 70809<br><br>TAX ID NO: 726197488  | RI | 01 | 0.00695800 |
| 0031248101 | FAIRWAY OIL & GAS COMPANY<br>P.O. BOX 848<br><br>SPARTA<br>NJ 07871<br><br>TAX ID NO: 751510832                       | RI | 01 | 0.00227860 |

TOTAL DOI 01365301/00002

1.00000000

**Stogner, Michael**

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**From:** JamesBruc@aol.com  
**Sent:** Tuesday, March 30, 2004 1:00 PM  
**To:** MSTOGNER@state.nm.us  
**Subject:** Re: Apache Corporation/Southland Royalty (fee) Lease

Mike: In answer to your questions:

1. The lease covers the SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$  §4, and the NE $\frac{1}{4}$  §9, as to all depths.

2 & 3. Mineral interests are common throughout the lease. There is one working interest owner (Apache), no overriding royalty owners, and numerous royalty owners.

Yesterday I mailed to you (a) a land plat highlighting the lease's boundaries, and (b) a list of all interest owners in the lease.

4. Under the lease line agreements (attached to the applications), part of the production from the Hawk B-1 No. 37 and Hawk B-1 No. 41 will be allocated to the South land Royalty Lease, and all interest owners in the lease will share in production proportionately.

Let me know if you need further data.

Jim

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3/30/2004

**Stogner, Michael**

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**From:** Stogner, Michael  
**Sent:** Tuesday, March 30, 2004 1:03 PM  
**To:** 'JamesBruc@aol.com'  
**Subject:** RE: Apache Corporation/Southland Royalty (fee) Lease

Including the "numerous royalty owners"?

-----Original Message-----

**From:** JamesBruc@aol.com [mailto:JamesBruc@aol.com]  
**Sent:** Tuesday, March 30, 2004 1:00 PM  
**To:** MSTOGNER@state.nm.us  
**Subject:** Re: Apache Corporation/Southland Royalty (fee) Lease

Mike: In answer to your questions:

1. The lease covers the SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  and S $\frac{1}{4}$ SE $\frac{1}{4}$  §4, and the NE $\frac{1}{4}$  §9, as to all depths.

2 & 3. Mineral interests are common throughout the lease. There is one working interest owner (Apache), no overriding royalty owners, and numerous royalty owners.

Yesterday I mailed to you (a) a land plat highlighting the lease's boundaries, and (b) a list of all interest owners in the lease.

4. Under the lease line agreements (attached to the applications), part of the production from the Hawk B-1 No. 37 and Hawk B-1 No. 41 will be allocated to the South land Royalty Lease, and all interest owners in the lease will share in production proportionately.

Let me know if you need further data.

Jim

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3/30/2004

**Stogner, Michael**

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**From:** JamesBruc@aol.com  
**Sent:** Tuesday, March 30, 2004 3:26 PM  
**To:** MSTOGNER@state.nm.us  
**Subject:** Re: Apache Corporation/Southland Royalty (fee) Lease

Yes: All royalty owners in the Southland Royalty Lease will share in production from the two wells allocated to the lease under the lease line agreements.

Sorry - I knew what I was thinking, but didn't make it clear.

Jim

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