



EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702  
(432) 686-3600

September 6, 2006

Unit Petroleum Company  
407 North Big Spring Street, Suite 101  
Midland, TX 79701  
Attention: Mr. Fred Schantz

RE: Term Assignment  
K0015036  
NE/4 SE/4 Section 9, T20S, R36E  
Lea County, New Mexico

Dear Fred:

In reference to the captioned area, enclosed please find two (2) original Term Assignments for your review and further handling.

It would be appreciated if you would please sign and return one (1) original along with a check in the amount of \$6,187.50 to my attention at your earliest convenience.

We would also appreciate a recorded copy of the Term Assignment when same has been made available to you.

Very truly yours,

EOG RESOURCES, INC.

A handwritten signature in cursive script, reading "Douglas W. Hurlbut".

Douglas W. Hurlbut  
Land Specialist

DWH/tc  
Encl.

Cc: James Bruce  
Attorney at Law  
P.O. Box 1056  
Santa Fe, NM 87504

Oil Conservation Division  
Case No. 13781  
Exhibit No. 4

**energy opportunity growth**



**Robert A Nunmaker III**  
Land Department  
Non-Operated Joint  
Ventures

**MidContinent SBU**  
Chevron North America  
Exploration and Production  
11111 S. Wilcrest  
Houston, Texas 77099  
Tel (281) 561-4767  
robertnunmaker@chevron.com

**RECEIVED**

AUG 21 2006

**UPC-MIDLAND**

August 15, 2006

Unit Petroleum Company  
Attn: Mr. Fred Schantz  
407 North Big Spring Street, Suite 101  
Midland, Texas 79701

Re: Proposed Term Assignment  
Township 20S, Range 36E  
Section 9: S1/2  
Eddy County, New Mexico; 320 acres, more or less; QLS # 703573, 200121, 201775  
705468, 706669

Dear Mike,

Please refer to your July 7, 2006 letter regarding the captioned acreage proposal. Pursuant thereto, Chevron U.S.A. Inc. is willing to grant Unit Petroleum Company a term assignment covering the above captioned properties, subject to final management approval, under the following basic terms:

1. Chevron U.S.A. Inc. shall deliver a term assignment to Unit Petroleum Company covering 100% of our working interest rights covering the said lands, limited in depth from the surface down to the stratigraphic equivalent of the lesser of the following in each proration unit: total depth drilled, plus 100 feet, but in no event below the base of the deepest formation penetrated or the base of the deepest producing formation not to exceed the base of the Morrow formation or 50 feet below the deepest commercially productive perforation.
2. Chevron U.S.A. Inc. shall reserve an overriding royalty interest equal to the difference between existing burdens and 25% covering said term assignment acreage. The term assignment shall be for a period of 2 year(s) from July 1, 2006 with a 90 day continuous drilling provision commencing at the expiration of the primary term.
3. A bonus amount of \$34,312.50 (\$450.00 per net acre x 76.25 net acres) will be required for the term assignment.
4. Chevron U.S.A. Inc. interest will be assigned without warranty of title.
5. The term assignment shall be drafted on Chevron U.S.A. Inc.'s standard form.

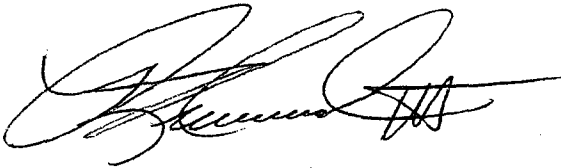
June 30, 2006

Page 2

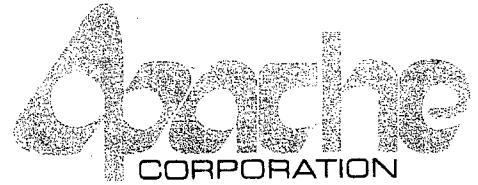
Please advise if the above terms are acceptable so I can commence preparation of the necessary documents.

Should you have any questions, please do not hesitate to contact me at 281-561-4767.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert A. Nunmaker III". The signature is fluid and cursive, with a large initial "R" and "N".

Robert A. Nunmaker III  
Land Representative



August 21, 2006

**UNIT PETROLEUM COMPANY**  
407 North Big Spring Street  
Suite 101  
Midland, TX 79701

**RECEIVED**

**AUG 23 2006**

**UPC-MIDLAND**

Attention: Fred Schantz

Re: Monument 9 #1  
S/2 of Section 9-20S-36E  
Lea County, NM

Gentlemen:

Apache Corporation ("Apache") hereby elects to grant Unit Petroleum Company ("Unit") a term assignment of Apache's leasehold in the S/2 of Section 9 for the drilling of the referenced well as a Morrow test to be located 1310' FSL and 1310' FWL.

This term assignment will be for a term of two (2) years under which Unit will pay Apache \$450 per net mineral acre. Apache will deliver a 75% net revenue interest.

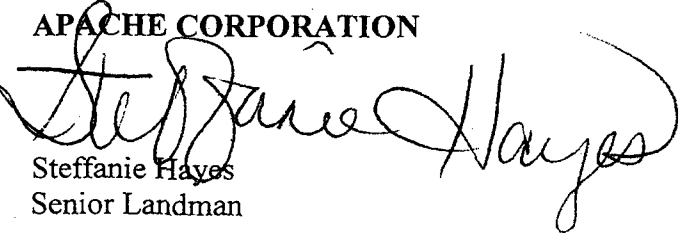
A term assignment is currently being prepared for your review. A draft will be sent as soon as possible.

Finally, enclosed, please find a copy of our well requirements to aid you in providing timely well information for this well.

Should you have any questions, please do not hesitate to contact me directly at (918) 491-4815.

Sincerely,

**APACHE CORPORATION**

  
Steffanie Hayes  
Senior Landman

SLH/ Enclosure



**EXHIBIT "A"**

**WELL REQUIREMENTS**

NAME: Monument 9 #1 LOCATION: S/2 Sec. 9-20S-36E  
COUNTY: Lea STATE: New Mexico

**Number of Copies**

- 1 E-Mail Daily Drilling Report to: [central.drilling@usa.apachecorp.com](mailto:central.drilling@usa.apachecorp.com) if not available  
Drilling fax 918/491-4869

**GEOLOGICAL INFORMATION TO:**

Apache Corporation  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136  
E-Mail: [bob.curtis@usa.apachecorp.com](mailto:bob.curtis@usa.apachecorp.com)

*Continuous Log Fax 918/491-5868*

- 1 Digital Log data on Floppy Disk LAS format
- 3 Electric Logs Field Copy
- 1 Porosity Logs of types acceptable to Apache from bottom of surface casing to total depth
- 1 Daily Mud Logs: E-Mail daily to: [bob.curtis@usa.apachecorp.com](mailto:bob.curtis@usa.apachecorp.com)
- 2 Final Mud Logs
- 1 Core Analysis and Drill Stem Tests

**PRODUCTION INFORMATION TO:**

Apache Corporation  
Attn: Karen Lafitte  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136

- 1 Notices & Reports to any governmental agency
- 1 Plugging Report
- 1 Monthly Production Report (if not furnished on State or Federal forms)

**MAIL THE FOLLOWING TO:**

Apache Corporation  
Attn: Central Region-Houston CRE, Room 1515C  
2000 Post Oak Boulevard, Suite 100  
Houston, TX 77056

- 1 Electric & Porosity Logs
- 1 Core Analysis and Drill Stem tests
- 1 All Notices & Reports to any governmental agency
- 1 Plugging Report



Lower 48  
Mid America-Permian  
P.O. Box 2197  
Houston, TX 77252-2197

**F A X**

**September 5, 2006**

**TO:** Unit Petroleum Company  
Attn: Fred Schantz  
407 N. Big Spring St.  
Suite 101  
Midland, TX 79701  
FAX No: (432)-685-9088

**RE:** Monument 9 No. 1  
Lea, NM

Partner Lease No: N/A  
Partner AFE No: Please Submit

COPC Ballot No: 62706  
COPC Lease No: Unknown  
COPC AFE No: N/A

**FROM:** Lucy W Fellers  
(832) 486-3469

**Attached is an executed ballot letter for the captioned property.**

**Number of Pages:** 3



P.O. Box 2197  
Houston, TX 77262-2197  
Lower 48  
Mid America-Permian

September 5, 2006

Unit Petroleum Company  
Attn: Fred Schantz  
407 N. Big Spring St.  
Suite 101  
Midland, TX 79701

FAXED 9/5/2006

RE: Monument 9 No. 1  
Lee, NM  
Formation: Middle Morrow

Partner Lease No: N/A  
Partner AFE No: Please Submit

ConocoPhillips Lease No. Unknown  
ConocoPhillips WBS Element: N/A

Gentlemen:

This letter represents ConocoPhillips (COPC) written approval for the above mentioned AFE with the associated AFE Costs.

Transmitted herewith you will find a copy of ConocoPhillips' Information requirements letter which provides a list of contacts and telephone numbers.

Please forward copies of all forms filed with regulatory agencies (including completion report, notification of gas connection, plug and abandon report, etc.) to the following addresses:

Mid America-Permian - Land Dept., WL3-14th Floor  
ConocoPhillips Company  
P.O. Box 2197  
Houston, TX 77262-2197

If questions of a clerical nature arise, please contact the undersigned at (832) 486-3468. Please be advised that your engineering contact on this property is Doug Pecore who can be reached by calling (832) 486-2145.

Very truly yours,

CONOCOPHILLIPS COMPANY

Lucy W Fallers  
Mid America-Permian

Attachment

cc: Central Files



P.O. Box 2197  
Houston, TX 77262-2197  
Lower 48  
Mid America-Permian

September 8, 2006

Unit Petroleum Company  
Attn: Fred Schantz  
407 N. Big Spring St.  
Suite 101  
Midland, TX 79701

**FAXED 9/5/2006**

RE: Monument 9 No. 1  
Lee, NM  
Field: Middle Morrow  
Partner Lease No: N/A  
Partner AFE No: Please Submit

ConocoPhillips Lease No: Unknown  
ConocoPhillips WBS Element: N/A

Gentlemen:

ConocoPhillips Company requires that the following information (including API number) on the referenced well be faxed, mailed and/or delivered as appropriate:

Fax to:  
(832) 488-2764(Reports)  
Attn: Beverly Wander  
(832) 488-2764(Logs)  
Attn: Beverly Wander

Mail/Deliver to:  
P.O. Box 2197  
Houston, TX 77262-2197  
Attn: Beverly Wander

	Number of Copies	
1. All Regulatory Permits and Reports - mail when filed .....	1	
2. Geological and Drilling Prognosis - before spud .....	1	
3. Drilling and Completion Reports faxed by 8:30 AM daily .....	1	
4. Mud Log - faxed by 8:30 AM daily .....	1	
Follow-up copies mailed weekly .....	2	
Final copies .....	3	
LIS format digital 3 1/2" diskette file .....	1	
5. Formation Samples - washed and dried Set (if requested only) .....	1	
6. Directional Survey - noted on Daily Drilling Report .....	Field	Final
ASCII format Floppy Diskette .....		3
7. Logs - Open Hole, Cased Hole, FMI and any additional logs run by Operator .....	3	1
MWD, LWD, faxed daily .....	1	3
LIS format digital 3 1/2" diskette file .....		1
8. Core/SWC/DST/Paleo Reports, and all other well tests .....		3
ASCII format Floppy Diskette .....	2	1
9. Velocity Survey .....		3
ASCII format Floppy Diskette .....		1
10. VSP - Final Report .....		3
Digital Data - field and processed .....		1
11. All State/Federal Filings, including Completion Reports, Notification of Gas Connections, P/A when filed..		2
12. Production History - first 30 days - faxed daily .....		1

Please give 24 hours advance notice by telephone to one of the following prior to logging, P/A, DST, or coring:

David Orchard (832) 488- (Work) (Home)

Very truly yours,

CONOCOPHILLIPS COMPANY

Lucy W Fellers  
Mid America-Permian