

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

March 4, 2008

ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS  
(See Attached Address List)

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17 & 21, T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections ~~4, 8, 9, 16, 17, and 21~~ (totaling ~~2,480.00~~ acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry and Drinkard reservoirs. It is proposed that Apache be the Operator of this Unit since Apache operates approximately 90% of the wells included within the boundaries of the proposed unit. This portion of the field should perform in an analogous manner to the offsetting Central Drinkard, Northeast Drinkard and Warren waterflood units. As a result, Apache invites you to join with your royalty and/or overriding royalty interest in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

Geologic study indicates the productive intervals, though compartmentalized, are laterally continuous enough to waterflood. Production performance indicates the reservoir to be currently acting under a solution gas drive mechanism. The proposed unit area has cumulative primary production of 13.4 MMBO from the Blinebry, Tubb and Drinkard formations. Remaining primary production is 2.1 MMBO, yielding ultimate primary recovery of 15.5 MMBO.

Recoverable secondary reserves are estimated to be 6.2 MMBO, or 40% of the proposed primary recovery utilizing the existing well spacing to develop ~~80-acre-five-spot-injection~~ patterns. The total capital costs for this project are estimated to be \$10,447,000.00 and as a royalty or overriding royalty interest owner, you will not be responsible for paying any of this initial capital expenditure. This cost will be borne by the working interest owners of the tracts included within the boundaries of the proposed waterflood unit.

Economic evaluation indicates this waterflood project will yield a 67% rate of return, net present after tax value of \$77 MM and a development cost of less than \$2/barrel. The majority of the wellbores are still active and can be converted to injection without extensive well work.

As a result of the aforementioned, enclosed for your review and further handling are the Unit Agreement for the West Blinebry-Drinkard Unit which has been executed on behalf of Apache Corporation. Exhibits A, B-1, B-2, B-3, and C are found at the end of the Unit Agreement. Exhibit "A" shows the proposed boundary for the unitized area. Exhibit "B-1" describes each tract and its respective working, royalty and overriding royalty ownerships, Exhibit "B-2" gives working interest owner Unit participation of each tract, Exhibit "B-3" describes lease and tract participation factor and Exhibit "C" identifies the Unitized Formation.

Oil Conservation Division  
Case No. 10A  
Exhibit No. 10A

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March 4, 2008

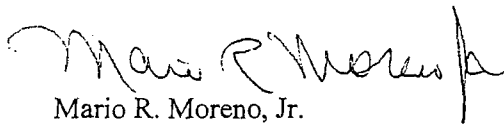
Apache respectively requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache has received preliminary approval from the Bureau of Land Management (**majority royalty owner**) for Apache's proposed unit boundary and tract participation formula of said Unit by letter dated February 28, 2008. Further, Apache also has obtained the required 75% working interest owner and majority royalty interest owner approval needed to proceed forward in filing for statutory unitization for this project with the New Mexico Oil Conversation Division. Once the Division renders its Order and Approval of Apache's West Blinebry-Drinkard Unit, all royalty and overriding royalty interest owners who have not ratified the Unit Agreement will be considered Forced Pooled pursuant to Section 29 of the Unit agreement. Apache's target date for initiating injection operations in this unit is set for the 4<sup>th</sup> Qtr 2008.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Larry Phillips at (432) 682-9162, Mario Moreno (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions, or Kevin Mayes ~~=(Reservoir Engineer)=~~ (918) 491-4972 for any Technical questions, otherwise **please execute four (4) original Ratification and Joinder signature pages to the Unit Agreement, have properly notarized, and return same to Larry Phillips in the enclosed self addressed envelope provided for your convience within the next fifteen (15) days.**

Thank you for your immediate attention in this matter and we look forward to your support in facilitating the implementation of this project.

Yours truly,

APACHE CORPORATION



Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Unit Agreement  
Unit Agreement Ratifications  
BLM Preliminary Approval Letter  
Return Envelope

A L CONE PARTNERSHIP  
P O BOX 3457  
LUBBOCK, TX 79452

ALBERT D WHITE JR  
2402 SWEETWATER COUNTRY CLUB DR  
APOPKA, FL 32712

ALLIE M LEE TRUST  
C/O WELLS FARGO OGM C7300 - 07D  
PO BOX 5383  
DENVER, CO 80217

ALLISON SONGER  
6523 SANTA FE AVENUE  
DALLAS, TX 75223

ANITA M MEBANE  
6717 W HWY 180  
SNYDER, TX 79549

ANN E PERKINS  
803 JUNIPERO SERRA  
STOCKTON, CA 95210

ANNA BESS CALFIN  
3008 49TH ST  
LUBBOCK, TX 79413-4125

ARTHUR M LOCKHART FAMILY TRUST  
ARTHUR & ROGER LOCKHART CO TTEE  
6231 E 6TH ST  
LONG BEACH, CA 90803-2117

AUVENSHINE CHILDRENS TEST. TRUST  
PO BOX 507  
DRIPPING SPRINGS, TX 78620

B P AMERICA PRODUCTION CO  
501 WESTLAKE PARK BLVD.  
HOUSTON, TX 77079  
ATTN: CHARLIE HILL

BARBARA STOCK  
18742 WOOD GLEN LN  
HOUSTON, TX 77084

BARNEY E LEONARD  
4022 E WHITTIER  
TUCSON, AZ 85711-4155

BART LEE BRATCHER  
13316 WISTERWOOD ST  
AUSTIN, TX 78729

BETTY KYTE DREESSEN IRREV TST  
INGRID DREESSEN POWELL TTEE  
PO BOX 1665  
LOS ALTOS, CA 94022

BETTY OWENS DOLPH  
2913 LIVE OAK DRIVE  
ROWLETT, TX 75088

BEVERLY B BLAIR  
2635 BAMBOO DR  
LAKE HAVASU CITY, AZ 86403

BILL B BRATCHER  
10016 TREELINE  
WACO, TX 76712

BILL J MARKHAM ESTATE TRUST  
ROSEMARIE MARKHAM TRUSTEE  
2500 WOODSIDE DR #1405  
ARLINGTON, TX 76016

BILLIE BRENDA LEBLANC  
PO BOX 1315  
RUIDOSO, NM 88355

BILLIE JUNE GILMORE  
C/O DIANA L SHEFIELD  
3603 HANCOCK ST  
AMARILLO, TX 79109-4138

BOBBIE GLENDA FLENNIKEN  
PO BOX 247  
MORRISTOWN, AZ 85342-0247

BOYS & GIRLS CLUBS OF AMERICA  
SVP FINANCIAL SERVICES  
1275 PEACHTREE ST NE  
ATLANTA, GA 30309-3506

BRADFORD ACE CHRISTMAS  
BOX 173  
WAGON MOUND, NM 87752

CONOCOPHILLIPS COMPANY  
600 N. DAIRY ASHFORD, 3WL-14066  
HOUSTON, TX 77079  
ATTN: TOM SCARBROUGH

BUTTRAM ENERGIES INC. 1980-1  
501 OIL CENTER WEST  
2601 NW EXPRESSWAY ST  
OKLAHOMA CITY, OK 73112-7272

C B JR MARKHAM ESTATE TRUST  
DTD 5-21-87  
DONNA EDWARDS TTEE  
2512 METZGAR RD SW  
ALBUQUERQUE, NM 87105-6336

CANDY CHRISTMAS  
PO BOX 771272  
OCALA, FL 34477-1272

CARL DAVID GANZ JR  
C/O JOAN MILLER GANZ ATTY-IN-FCT  
PO BOX 65  
FARMINGDALE, NY 11735

CAROL M BROS  
4121 FAIRLAKES CT  
DALLAS, TX 75228

CAROLE N WATSON  
8401 SUNSET AVE  
FAIR OAKS, CA 95628

CATHERINE ROACH TRUST  
C/O JPMORGAN CHASE BANK NA  
PO BOX 99084  
FORT WORTH, TX 76199-0084

CATHIE MCCOWN  
P O BOX 658  
DRIPPING SPRINGS, TX 78620-0658

CATHY GANZ JOHNSON  
C/O JOAN MILLER GANZ ATTY-IN-FCT  
PO BOX 65  
FARMINGDALE, NY 11735

CECIL BOND KYTE  
PO BOX 30864  
SANTA BARBARA, CA 93130

CECILE MARIE DREESSEN  
PO BOX 1696  
POULSBO, WA 98370

CHARLES H COLL  
P O BOX 1818  
ROSWELL, NM 88202-1818

CHARLES R HAWK  
6466 262ND RD  
EFFINGHAM, KS 66023-4186

CHOSEN PEOPLE MINISTRIES INC  
241 E. 51<sup>st</sup> St.  
New York, NY 10022

CLARENCE R. MARKHAM FAMILY TRUST  
CLARENCE RICHARD MARKHAM & JOYCE  
STANLEY, TRUSTEE  
3110-38TH STREET  
LUBBOCK, TX 79413

CLARKE C COLL  
PO BOX 1818  
ROSWELL, NM 88202-1818

COLLEGE OF THE SOUTHWEST  
6610 LOVINGTON HWY  
HOBBS, NM 88240-9120

DANA COLLINS NEUGEBAUER  
611 PENNSYLVANIA AVE SE #395  
WASHINGTON, DC 20003

DANIEL L VEIRS  
1209 WEST CUTHBERT  
MIDLAND, TX 79701

DANIEL W CODER  
24920 E. Roxbury Place  
Aurora, CO 80016

DAVID MCINTOSH  
PO BOX 12019  
AUSTIN, TX 78711-2019

DEBRA LOWE FINN -  
4601 - 50TH STREET STE #212  
LUBBOCK, TX 79414

DEVON ENERGY PRODUCTION CO LP  
PO BOX 843559  
DALLAS, TX 75284-3559

DIANA J SOLARSKI  
6320 KALE DR  
AMARILLO, TX 79109

DIANE PATRICK TIPTON  
1505 W. CUTHBERT AVE  
MIDLAND, TX 79701

DION LOWE  
2306 CYPRESS PT W  
AUSTIN, TX 78746

DONALD MARSHALL MARKHAM FAMILY  
TRUST DTD 4-12-95  
DONALD MARSHALL MARKHAM &  
LADONNA REIGER MARKHAM, TTEE  
PO BOX 241  
CENTER POINT, TX 78010-0241

DR RICHARD B LANGER  
PO BOX 166  
KUALAPUU MOLOKA, HI 96757

DWAIN R KITE ESTATE  
MARY F KITE IND EXEC  
2710 LYNNWOOD DR  
COLUMBIA, MO 65203

EDWARD T. DREESSEN JR  
PO BOX 830  
PALO CEDRO, CA 96073

ELDON K TURNER &  
RUEDELE S TURNER  
5306 77TH STREET  
LUBBOCK, TX 79424

ELKS NATIONAL FOUNDATION  
ATTN JIM OKELLY DIRECTOR  
2750 N LAKEVIEW AVE  
CHICAGO, IL 60614-2256

ELLEN HIGLEY  
6640 N W PARK PLAZA DRIVE  
KANSAS CITY, MO 64151

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

ELLIOTT-HALL CO  
ATTN: GEORGE HALL  
P O BOX 1231  
OGDEN, UT 84402

ELYSE S PATTERSON TRUST INV LLC  
FARMERS NATIONAL CO AGENT  
#61214801 - OIL & GAS DEPT.  
PO BOX 3480  
OMAHA, NE 68103-0480

EMILY BERGLUND JOHNSON  
460 PEAVEY LANE  
WAYZATA , MN 55391

ERIC J COLL  
PO BOX 1818  
ROSWELL, NM 88202-1818

FAIRWAY OIL & GAS COMPANY  
P.O. BOX 845  
SPARTA, NJ 07871

FAYE COLLINS DUNAVANT  
ADDRESS UNKNOWN  
UNKNOWN, DE 99999

FLOYD J & DORIS C SUTTON REV LIVING  
TRUST  
1100 PACIFIC CT  
ATCHISON, KS 66002-2774

FOREST HOME INC  
C/O DAVID CARLSON CFO  
40000 VALLEY OF THE FALLS  
FOREST FALLS, CA 92339

GENE L DUKE  
8303 Rochester Ave.  
LUBBOCK, TX 79424

GEORGE ELMER GOINS  
1107 PONDEROSA DR  
HOBBS, NM 88242

GEORGIA HAHN  
PO BOX 412  
EUNICE, NM 88231

GERALD DALE HIGLEY  
13521 GREEN CEDAR LN  
OKLAHOMA CITY, OK 73131

GLEN E FARMER  
2829 STUTZ DRIVE  
MIDLAND, TX 79705

GRACIELA LEONARD  
4022 E WHITTIER  
TUCSON, AZ 85711-4155

GUNSMOKE ENERGY COMPANY  
6608 BRYANT TRVIN RD  
FORT WORTH, TX 76135

H L LOWE TRUST F/B/O HALEY LOWE  
ODELL LOWE TRUSTEE  
4601 - 50TH STREET STE #212  
LUBBOCK, TX 79414

HAZEL K SHOEMAKER  
1204 SCRAMBLER LN  
EDMOND, OK 73025

HELEN JANE CHRISTMAS BARBY  
P O BOX 425  
OKARCHE, OK 73762

HELEN M OWENS  
219 ROSEBUD  
STEPHENVILLE, TX 76401-6078

HELEN R GENTRY  
7059 DAWSON RD #96  
CINCINNATI, OH 45243-2554

HERD PARTNERS LTD  
P O BOX 130  
MIDLAND, TX 79702-0130

HERSHEL T & JUDY B OWENS REVOC  
LIVING TRUST  
8815 NORTH 174TH EAST AVE  
OWASSO, OK 74055

HIEN THI NGO NGUYEN  
13109 RUSSET LEAF LN  
SAN DIEGO, CA 92129

HINKLE INVESTMENT CO  
P O BOX 967  
KING CITY, CA 93930-2967

IDA MILLER ESTATE  
JOAN M GANZ & JOHN W LYTTLE JR  
PO BOX 65  
FARMINGDALE, NY 11735-0065

ILA JAYNE CLARK  
4224 OLD BETHANY RD  
MOODY, TX 76557

INGRID DREESSEN POWELL  
PO BOX 416  
LOS ALTOS, CA 94023

J HAWK PARTNERSHIP  
ADDRESS UNKNOWN  
UNKNOWN, DE 99999-9999

J L BURKE III  
8928 MEADOW KNOLL DRIVE  
DALLAS, TX 75243

JACK D KNOX  
ONE TURTLE CREEK  
3878 OAK LAWN SUITE 500  
DALLAS, TX 75219

JACK MARKHAM  
1500 BROADWAY, SUITE 1212  
LUBBOCK, TX 79401

JAMES C UNDERWOOD  
303 E 400  
MULLINVILLE, KS 67109

JAMES H WEBBER  
914 LAKE POINT CIRCLE  
MCKINNEY, TX 75070

JAMES M COLLINS  
164 THOMAS RIDGE RD  
BURNET, TX 78611

JAMES M OWENS  
P O BOX 1003  
DUMAS, TX 79029-1003

JAMES RUSSELL PROCTOR  
145 N MCRAE LANE  
ST DAVID, AZ 85630

JANET E CARTER  
2918 LIVE OAK DRIVE  
ROWLETT, TX 75088

JEFFEREY MILLS ELLIOTT  
3407 SMOKETREE COMMONS DR  
PLEASANTON, CA 94566-7963

JESSICA GRANT FRIDAY  
3750 ROSEMEAD PKWY STE 2218  
DALLAS, TX 75287

JOANN P KRUCKEBERG  
6320 BROOKVIEW AVE  
EDINA, MN 55424

JOHN P BRUNKOW  
6062 SCRIPPS STREET  
SAN DIEGO, CA 92122

JOHN REDFERN III  
P O BOX 50890  
MIDLAND, TX 79710

WINNIE DILL KNOX  
ONE TURTLE CREEK  
3878 OAK LAWN SUITE 500  
DALLAS, TX 75219

JON F COLL  
P O BOX 1818  
ROSWELL, NM 88202-1818

JON F COLL II  
7335 WALLA WALLA  
SAN ANTONIO, TX 78280-5242

JONES-DAUBE MINERAL COMPANY  
BOX 1169  
DUNCAN, OK 73534

JOSHUA SONGER  
312 FRANKFORD AVENUE #216  
LUBBOCK, TX 79416

JOYCE ANN BROWN  
PO BOX 72  
WATROUS, NM 87753

JULIA BENHAM TESTAMENTARY TRST  
ALLEN W VILLEMARETTE TRUSTEE  
10157 S. RUNNYMEDE PL  
BATON ROUGE, LA 70815

JUNE D SPEIGHT  
C/O F J DANGLADE PROPERTIES  
PO DRAWER 1687  
LOVINGTON, NM 88260-1687

KATHERINE A KECK  
1801 AVE OF THE STARS STE 446  
LOS ANGELES, CA 90067-5906

KATHERINE LYNNE MEIER  
5630 ANN ARBOR DR  
BOKEELIA, FL 33922

KATHRYN ANN PRICE  
1148 BRIARCLIFF  
WICHITA, KS 67207

KAY LOWE ATCHESON  
3513 105 TH ST  
LUBBOCK, TX 79423

KELLY LOWE READ  
207 COTTONWOOD  
LEVELLAND, TX 79336

KENNETH G CONE TRUSTEE  
KATHERINE SHAPER POA  
P O BOX 11310  
MIDLAND, TX 79702

KERRY PORTER  
HC 73 BOX 41-1  
HARTSHORNE, OK 74547

LANA OWENS  
764 WILDWOOD TRAIL  
WEATHERFORD, TX 76085

LANELLE DAHNKE CLEMENTS  
1889 FALL RIVER ROAD  
ESTES PARK, CO 80517-9106

LARRY K LOWE  
2313 BROADWAY  
LUBBOCK, TX 79401-2916

LAUREN LOWE MATTHEWS  
3709 LENOX DRIVE  
FORT WORTH, TX 76107

LORETTA D LOWE  
7235 VILLA MARIA LN  
AUSTIN, TX 78759

LORRAINE S BLACK TRUST  
B ROBERT K BLACK TRUSTEE  
6608 N WESTERN #262  
OKLAHOMA CITY, OK 73116

MARGARET F EMERY  
16 EMERY ROAD  
CLAYTON, NM 88415

MARGARET PEABODY  
DERRILE E PEABODY POA  
1611 CHERRY WOODWAY  
LODI, CA 95240

MARILYN BURKE SALTER  
20031 82 AVE W  
EDMONDS, WA 98026

MARILYN HANSON  
1613 W PECAN  
MIDLAND, TX 79705-7427

MARJORIE ALICE KASTMAN  
P O BOX 5930  
LUBBOCK, TX 79408-5930

MARJORIE JEAN NAGLE  
5322 JUDALON LANE  
HOUSTON, TX 77056-7221

MARK FLENNIKEN  
4010 - 100TH PL  
LUBBOCK, TX 79423

MARY DUKE PEARLBROOK EST  
JOHN W LYTTLE JR & JOAN MILLER GANZ  
PO BOX 65  
FARMINGDALE, NY 11735-0065

MARY JANE ANDREWS  
3908 LEXINGTON DR  
ALEXANDRIA, LA 71303-3527

MARY T CHRISTMAS HOLLADAY  
PO BOX 848  
ALICE, TX 78333

MAX COLL II  
83 LA BARBERIA TRAIL  
SANTA FE, NM 87505-9008

MAX W COLL III  
7625-2 EL CENTRO BLVD  
LAS CRUCES, NM 88012

MELANIE COLL DE TEMPLE  
5653 TOBIAS AVE  
VAN NUYS, CA 91411

MELINDA ANN ELLIOTT  
2523 WASHINGTON WAY  
ALMEDA, CA 94501-5326

MERCO OF OKLAHOMA INC  
PO BOX 18607  
OKLAHOMA CITY, OK 73154-0607

MICHAEL P CODER  
PO BOX 3707  
PARKER, CO 80134

MICHELLE SONGER SPENCE  
709 FOREST RIDGE  
GARLAND, TX 75042

MILWARD KENT MILLER  
204 RIVERHILL BLVD  
KERRVILLE, TX 78028

MOLLY MICHELE AZOPARDI  
PO BOX 620  
WIMBERLEY, TX 78676

MONTGOMERY PETROLEUM INC  
P O BOX 600490  
DALLAS, TX 75360-0490

SHIRLEY MARCIA TURNER  
8688 GREENWAY ROAD  
SOUTHHAVEN, MS 38671

MYLES LYNDON COLLINS II  
1405 HAVERFORD WAY  
MCKINNEY, TX 75071-7526

NANCY COLLINS THETFORD  
5976 E STATE RD 41  
ROPESVILLE, TX 79358

NANCY I FARMER  
5136 E 35TH STREET  
TULSA, OK 74135

NEW MEXICO BOYS & GIRLS RANCHES  
INC  
6209 HENDRIX NE  
ALBUQUERQUE, NM 87110

NM O&G LTD  
JIM CONE GENERAL PARTNER  
PO BOX 10217  
LUBBOCK, TX 79408

NOBLE E FLENNIKEN  
4132 KILLION DRIVE  
DALLAS, TX 75229-6227

OPAL DENSON  
CHARLES R FULKS POA  
PO BOX 829  
SNYDER, TX 79550-0829

PERRY H UNDERWOOD  
5640 BEVERLY LN  
MISSION, KS 66202

PETER ELLIOTT & JANET ELLIOTT  
3711 W 96TH ST  
LEAWOOD, KS 66206

POGO PRODUCING COMPANY  
700 MILAM STE 3100  
HOUSTON, TX 77002

R JANE EPPES  
BOX 962  
FLIPPIN, AR 72634

RALPH J PRESTON  
6201 NEWCASTLE DR  
BELLAIRE, TX 77401-3813

RANDY LEE CONE  
PO BOX 552-  
JAY, OK 74346

RAYMOND FOSTER REV LIVING TRST  
RAYMOND FOSTER & LEITA FOSTER  
TRUSTEES  
PO BOX 231  
HORTON, KS 66439

RICHARD P LINDBERG &  
CLAUDIA K LINDBERG  
8119 59TH AVENUE NORTH  
NEW HOPE, MN 55428

ROBERT J LEONARD  
THE LEONARD TRUST DTD 11-10-93  
P O BOX 400  
ROSWELL, NM 88202-0400

ROBERT KNIGHT  
C/O J ROBERT SHINE POA  
PO BOX 1407  
NEW ALBANY, IN 47151-1407

ROBERT T HARTLEY  
P O BOX 1024  
CLOVIS, NM 88102-1024

ROBERT W PETERS  
10 TUMBLEWEED N W  
ALBUQUERQUE, NM 87120

ROBERTA BUCKELEW  
2510 W WATER ST  
YUMA, AZ 85364

RONALD O HOLMAN  
5949 SHERRY LANE STE 1700  
DALLAS, TX 75225

RONNY P LOWE  
P O BOX 1381  
WOLFFORTH, TX 79382

S E CONE JR  
P O BOX 10321  
LUBBOCK, TX 79408-3321

SABINE ROYALTY TRUST  
BANK OF AMERICA NA ESCROW AGENT  
LBX 840887  
DALLAS, TX 75284-0887

SALLY RODGERS  
152B ARROYO HONDO ROAD  
SANTA FE, NM 87508

SAMUEL A SCHRADER JR ESTATE  
JANE HAYES SCHRADER EXECUTRIX  
PO DRAWER 250  
VICTOR, MT 59875-0250

SHANA LOWE CONINE  
5605 EQUESTRAIN COURT  
GRANBURY, TX 76049

SHATTUCK ST MARYS SCHOOLS  
P O BOX 218  
FARIBAULT, MN 55021-0218

SHRINERS HOSPITALS FOR CHILDREN C/O  
THE NORTHERN TRUST BK OF TX  
PO BOX 226270  
DALLAS, TX 75222-6270

SILVERADO OIL & GAS LLP  
PO BOX 52308  
TULSA, OK 74152

SOUTHWESTERN BAPTIST  
THEOLOGICAL SEMINARY  
1601 ELM ST STE 1700  
DALLAS, TX 75201-4741

STANLEY WHITE  
3789 CHAPALA  
YUMA, AZ 85365

SUE SAUNDERS GRAHAM  
P O BOX 987  
ROSWELL, NM 88202-0987

SUSAN BORKMAN  
PO BOX 1743  
VENTURA, CA 93002

SUZAN FANNIN  
5903 85TH STREET  
LUBBOCK, TX 79424-3602

TEDDY L HARTLEY  
PO BOX 845  
CLOVIS, NM 88102-0845

TEXACAL OIL AND GAS INC  
4299 MACARTHUR BLVD 207  
NEWPORT BEACH, CA 92660

TEXAS TECHNOLOGICAL UNIVERSITY  
P O BOX 45025  
LUBBOCK, TX 79409-5025



THE BISHOP WHIPPLE SCHOOLS  
ADDRESS UNKNOWN  
UNKNOWN, DE 99999-9999

THE HAWK TRUST  
WILMA J HAWK TRUSTEE  
408 CCLORADO STREET  
HIGHLAND, KS 66035

THE LEONARD TRUST  
ROBERT LEONARD, TRUSTEE  
P O BOX 400  
ROSWELL, NM 88202

THE LONG TRUSTS  
P O BOX 1336  
KILGORE, TX 75662

THE NATIONAL REGULATORY PROPERTY  
MANAGEMENT DIVISION  
53 W 11TH AVE  
COLUMBUS, OH 43201

THE TOLES COMPANY  
P O BOX 1300  
ROSWELL, NM 88202-1300

THERYLENE KNOX HELM  
4401 EDMONDSON  
DALLAS, TX 75205

THOMAS A CLURE  
326 NORTH SEVENTH AVENUE WEST  
DULUTH, MN 55806-2404

THOMAS C BRUNKOW  
4801 MT ARMOUR DR  
SAN DIEGO, CA 92111-3922

THOMAS CARLTON HIGLEY  
3812 PARAMOUNT  
AMARILLO, TX 79109

TIMOTHY T LEONARD ESTATE  
KEVIN K LEONARD EX  
PO BOX 50688  
MIDLAND, TX 79710

TOM CONE CHILDRENS TRUST UW OF  
KATHLEEN CONE  
C/O BANK OF OKLA SUCC TRUSTEE  
PO BOX 1588  
TULSA, OK 74101-1588

TOM R CONE  
P O BOX 778  
JAY, OK 74346-0778

TOMMYE GLENN FLENNIKEN  
PO BOX 247  
MORRISTOWN, AZ 85243-0247

TONY G KNOTT & LAURIE A KNOTT  
TRUSTEES FOR THE KNOTT TRUST  
2713 GOLD COURT  
HOBBS, NM 88240

UNIVERSITY OF NEW MEXICO REGENTS  
C/O DIRECTOR OF REAL ESTATE  
1712 LAS LOMAS NE  
ALBUQUERQUE, NM 87131

VIVIAN LOWE ANSELM  
4601 - 50TH STREET STE #212  
LUBBOCK, TX 79414

WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

SYSTEM REAL ESTATE  
200 TECHNOLOGY WAY, SUITE 2079  
COLLEGE STATION, TX 77845-3424  
ATTN: MELODY MEYER

WILBUR C HIGLEY JR  
PO BOX 12019  
AUSTIN, TX 78711-2019

WILLIAM RAY PROCTOR  
1209 S COUNTY ROAD WEST  
ODESSA, TX 79763

DARLA CLAYTON  
5302 91<sup>st</sup> ST.  
LUBBOCK, TX 79424

JAN CLARK  
1311 N. CR 1600  
LUBBOCK, TX 79415

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 4, 2008

Ms. Darla Claton  
5302 91<sup>st</sup> Street  
Lubbock, TX 79424

Ms. Jan Clark  
1311 N CR 1600  
Lubbock, TX 79415

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17, & 21, T21S, R37E, Lea County, NM

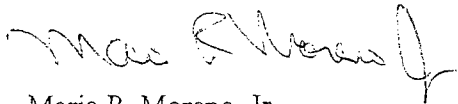
Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry/Tubb/Drinkard reservoirs. As an active operator in this area, Apache Corporation will be the Operator of this Unit since Apache operates approximately 69% of the wells included within the boundaries of the proposed unit. This field is nearing depletion and without unitization and waterflooding, most of the wells will be abandoned in the near future. As a result, as a royalty and overriding royalty interest owner, Apache invites you to participate in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

You have recently received information pertaining to Apache's waterflood unit proposal i.e. Unit Agreement and Ratifications of the Unit Agreement. In accordance with the information provided to us by Ms. Clayton on the death of Ms. Fay Collins Dunavant, please find enclosed a revised Exhibit B-1 to the Unit Agreement previously provided to you. This Exhibit B-1 reflects the following changes to Tracts 11 and 12 where Ms. Fay Collins Dunavant owned a .078125% royalty interest. These two (2) tracts have been changed to reflect Ms. Jan Clark with .0390625% royalty interest and Ms. Darla Clark with a .0390625% royalty interest.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache currently has a hearing date set for May 15, 2008 with the New Mexico Oil Conversation Division for final approval by the Division of Apache's proposed waterflood unit.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Mario Moreno at (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions or Kevin Mayes (Reservoir Engineer) at (918) 491-4972 for any Technical questions, otherwise **please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement previously sent to you, have properly notarized**, and return same to the undersigned as soon as reasonably possible. We look forward to your support in facilitating the implementation of this project.

APACHE CORPORATION

A handwritten signature in dark ink, appearing to read "Mario R. Moreno, Jr.", written in a cursive style.

Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Exhibit B-1

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 8, 2008

Ms. Diane P. Tipton  
1505 W. Cuthbert Street  
Midland, Texas 79701

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17, & 21, T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry/Tubb/Drinkard reservoirs. As an active operator in this area, Apache Corporation will be the Operator of this Unit since Apache operates approximately 69% of the wells included within the boundaries of the proposed unit. This field is nearing depletion and without unitization and waterflooding, most of the wells will be abandoned in the near future. As a result, as a royalty and overriding royalty interest owner, Apache invites you to participate in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

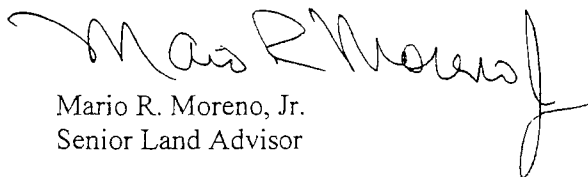
You have recently received information pertaining to Apache's waterflood unit proposal i.e. Unit Agreement and Ratifications of the Unit Agreement. In accordance with my most recent conversation with Mr. Dan Veirs, he has indicated that you should be credited with one-half of his interest shown on Tracts on Tracts 13B, 14A, and 14B of the Exhibit B-1 previously sent to you. As a result, please find enclosed a revised Exhibit B-1 to the Unit Agreement previously provided to you. This Exhibit B-1 reflects the following changes to Tracts 13B, 14A, and 14B where Dan Veirs either owned a royalty interest or overriding royalty interest. These three (3) tracts have been changed to reflect Diane Patrick Tipton with the following interests: Tract 13B .031250%, Tract 14A .560000% overriding royalty interest, and Tract 14B .031250% royalty interest.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache currently has a hearing date set for May 15, 2008 with the New Mexico Oil Conversation Division for final approval by the Division of Apache's proposed waterflood unit.

Page 2 – West Blinbry Drinkard Unit  
April 8, 2008

Should you have any questions pertaining to Apache's proposed project, please feel free to contact Mario Moreno at (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions or Kevin Mayes (Reservoir Engineer) at (918) 491-4972 for any Technical questions, otherwise **please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement previously sent to you, have properly notarized, and return same to the undersigned as soon as reasonably possible.** We look forward to your support in facilitating the implementation of this project.

APACHE CORPORATION

A handwritten signature in cursive script, reading "Mario R. Moreno, Jr.", written in dark ink.

Mario R. Moreno, Jr.  
Senior Land Advisor

Encls: Exhibit B-1



Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

April 11, 2008

ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS  
(See Attached Address List)

RE: West Blinebry-Drinkard Unit  
Sections 4, 8, 9, 16, 17 & 21; T21S, R37E, Lea County, NM

Apache Corporation (Apache) proposes unitizing the Blinebry, Tubb and Drinkard formations in Sections 4, 8, 9, 16, 17, and 21 (totaling 2,480.00 acres) in T21S, R37E to perform secondary recovery operations through waterflooding of the Blinebry and Drinkard reservoirs. It is proposed that Apache be the Operator of this Unit since Apache operates approximately 90% of the wells included within the boundaries of the proposed unit. This portion of the field should perform in an analogous manner to the offsetting Central Drinkard, Northeast Drinkard and Warren waterflood units. As a result, Apache invites you to join with your royalty and/or overriding royalty interest in Apache's proposal to form the West Blinebry-Drinkard Waterflood Unit.

As a Royalty and/or Overriding Royalty Interest Owner, you recently received Apache's package of information pertaining to its proposal to form the subject waterflood unit. Included was the Unit Agreement along with four (4) Unit Ratifications to the Unit Agreement covering the West Blinebry-Drinkard Unit. To date Apache has not received your executed Unit Ratification instruments.

Apache respectfully requests your early reply and consideration in joining the proposed West Blinebry-Drinkard Unit as proposed. Also, for your information, Apache has received preliminary approval from the Bureau of Land Management and the State of New Mexico (**majority royalty owners**) for Apache's proposed unit boundary and tract participation formula of said Unit. Further, please be advised that Apache has obtained the required 75% working interest owner and royalty/overriding royalty interest owner approval needed to proceed forward in filing for statutory unitization for this project with the New Mexico Oil Conversation Division. The hearing date for the Division to hear Apache's proposal to unitize is set for May 15, 2008. Once the Division renders its Order and Approval of Apache's West Blinebry-Drinkard Unit, all royalty and overriding royalty interest owners who have not ratified the Unit Agreement will be considered Forced Pooled pursuant to Section 29 of the Unit agreement. Apache's target date for initiating injection operations in this unit is set for the 4<sup>th</sup> Qtr 2008.

Should you have any questions pertaining to Apache's proposed project, please feel free to contact, Mario Moreno (918) 491-4963 or Michelle Hanson (918) 491-4838, for any Land questions, or Kevin Mayes (Reservoir Engineer) (918) 491-4972 for any Technical questions, otherwise please execute the four (4) original Ratification and Joinder signature pages to the Unit Agreement, have properly notarized, and return same to the undersigned in the

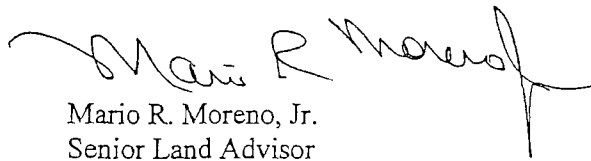
Page 2- West Blinbry-Drinkard Unit  
April 11, 2008

previously sent self addressed envelope provided for your convience as soon as reasonably possible.

Thank you for your immediate attention in this matter and we look forward to your support in facilitating the implementation of this project.

Yours truly,

APACHE CORPORATION

A handwritten signature in dark ink, appearing to read "Mario R. Moreno, Jr.", with a stylized flourish at the end.

Mario R. Moreno, Jr.  
Senior Land Advisor

## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

ANN E PERKINS  
803 JUNIPERO SERRA  
STOCKTON, CA 95210

BOYS & GIRLS CLUBS OF AMERICA  
SVP FINANCIAL SERVICES  
1275 PEACHTREE ST NE  
ATLANTA, GA 30309-3506

CECILE MARIE DREESSEN  
PO BOX 1696  
POULSBORO, WA 98370

CHARLES R HAWK  
6466 262ND RD  
EFFINGHAM, KS 66023-4186

CHOSEN PEOPLE MINISTRIES INC  
1300 CROSS BEAM DR  
CHARLOTTE, NC 28217

DAVID MCINTOSH  
PO BOX 12019  
AUSTIN, TX 78711-2019

DIANA J SOLARSKI  
6320 KALE DR  
AMARILLO, TX 79109

DIANE PATRICK TIPTON  
1505 W CUTHBERT AVE  
MIDLAND, TX 79701

DION LOWE  
2306 CYPRESS PT W  
AUSTIN, TX 78746

EDWARD T DREESSEN JR  
PO BOX 830  
PALO CEDRO, CA 96073

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

FAIRWAY OIL & GAS COMPANY  
P.O. BOX 845  
SPARTA, NM 07871

FOREST HOME INC  
C/O DAVID CARLSON CFO  
40000 VALLEY OF THE FALLS  
FOREST FALLS, CA 92339

GERALD DALE HIGLEY  
13521 GREEN CEDAR LN  
OKLAHOMA CITY, OK 73131

GUNSMOKE ENERGY COMPANY  
6608 BRYANT TRVIN RD  
FORT WORTH, TX 76135

HIEN THI NGO NGUYEN  
13109 RUSSET LEAF LN  
SAN DIEGO, CA 92129

JAMES C UNDERWOOD  
303 E 400  
MULLINVILLE, KS 67109

KATHERINE A KECK  
1801 AVE OF THE STARS STE 446  
LOS ANGELES, CA 90067-5906

KATHRYN ANN PRICE  
1148 BRIARCLIFF  
WICHITA, KS 67207

KAY LOWE ATCHESON  
3513 105 TH ST  
LUBBOCK, TX 79423

KELLY LOWE READ  
207 COTTONWOOD  
LEVELLAND, TX 79336

NEW MEXICO BOYS & GIRLS RANCHES  
INC  
6209 HENDRIX NE  
ALBUQUERQUE, NM 87110

NM O&G LTD  
JIM CONE GENERAL PARTNER  
PO BOX 10217  
LUBBOCK, TX 79408

R JANE EPPES  
BOX 962  
FLIPPIN, AR 72634

ROBERT KNIGHT  
C/O J ROBERT SHINE POA  
PO BOX 1407  
NEW ALBANY, IN 47151-1407

ROBERT T HARTLEY  
P O BOX 1024  
CLOVIS, NM 88102-1024

ROBERTA BUCKELEW  
2510 W WATER ST  
YUMA, AZ 85364

RONNY P LOWE  
P O BOX 1381  
WOLFFORTH, TX 79382

SABINE ROYALTY TRUST  
BANK OF AMERICA NA ESCROW AGENT  
LBX 840887  
DALLAS, TX 75284-0887

SALLY RODGERS  
152B ARROYO HONDO ROAD  
SANTA FE, NM 87508



## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

SHANA LOWE CONINE  
5605 EQUESTRAIN COURT  
GRANBURY, TX 76049

SHRINERS HOSPITALS FOR CHILDREN C/O  
THE NORTHERN TRUST BK OF TX  
PO BOX 226270  
DALLAS, TX 75222-6270

STANLEY WHITE  
3789 CHAPALA  
YUMA, AZ 85365

TEDDY L HARTLEY  
PO BOX 845  
CLOVIS, NM 88102-0845

THE BISHOP WHIPPLE SCHOOLS  
ADDRESS UNKNOWN  
UNKNOWN, DE 99999-9999

UNIVERSITY OF NEW MEXICO REGENTS  
C/O DIRECTOR OF REAL ESTATE  
1712 LAS LOMAS NE  
ALBUQUERQUE, NM 87131

WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

WILBUR C HIGLEY JR  
PO BOX 12019  
AUSTIN, TX 78711-2019

A L CONE PARTNERSHIP  
P O BOX 3457  
LUBBOCK, TX 79452

ALLISON SONGER  
6523 SANTA FE AVENUE  
DALLAS, TX 75223

AUVENSHINE CHILDRENS TEST. TRUST  
PO BOX 507  
DRIPPING SPRINGS, TX 78620

B P AMERICA PRODUCTION CO  
501 WESTLAKE PARK BLVD.  
HOUSTON, TX 77079  
ATTN: CHARLIE HILL

BARBARA STOCK  
18742 WOOD GLEN LN  
HOUSTON, TX 77084

BILLIE JUNE GILMORE  
C/O DIANA L SHEFIELD  
3603 HANCOCK ST  
AMARILLO, TX 79109-4138

CONOCOPHILLIPS COMPANY  
600 N. DAIRY ASHFORD, 3WL-14066  
HOUSTON, TX 77079  
ATTN: TOM SCARBROUGH

CANDY CHRISTMAS  
PO BOX 771272  
OCALA, FL 34477-1272

CATHERINE ROACH TRUST  
C/O JPMORGAN CHASE BANK NA  
PO BOX 99084  
FORT WORTH, TX 76199-0084

CATHIE MCCOWN  
P O BOX 658  
DRIPPING SPRINGS, TX 78620-0658

DANIEL W CODER  
24920 E. Roxbury Place  
Aurora, CO 80016 PKT RE-MAILED 4/7

Darla Clayton  
5302 91"St.  
Lubbock, TX 79424

DIANE PATRICK TIPTON  
1505 W CUTHBERT AVE  
MIDLAND, TX 79701

DEVON ENERGY PRODUCTION CO LP  
PO BOX 843559  
DALLAS, TX 75284-3559

DR RICHARD B LANGER  
PO BOX 166  
KUALAPUU MOLOKA, HI 96757

ELLIOTT INDUSTRIES  
PO BOX 3300  
ROSWELL, NM 88202

FAIRWAY OIL & GAS COMPANY  
P.O. BOX 845  
SPARTA, NM 07871

GENE L DUKE & CLEBBIE F DUKE  
1813 GILLHAM DR  
BROWNFIELD, TX 79316-6013

HELEN JANE CHRISTMAS BARBY  
P O BOX 425  
OKARCHE, OK 73762

HELEN R GENTRY  
7059 DAWSON RD #96  
CINCINNATI, OH 45243-2554

HERD PARTNERS LTD  
P O BOX 130  
MIDLAND, TX 79702-0130

HINKLE INVESTMENT CO  
P O BOX 967  
KING CITY, CA 93930-2967

## ROYALTY AND OVERRIDING ROYALTY INTEREST OWNERS

JESSICA GRANT FRIDAY  
3750 ROSEMEAD PKWY STE 2218  
DALLAS, TX 75287

JOANN P KRUCKEBERG  
6320 BROOKVIEW AVE  
EDINA, MN 55424

JOHN REDFERN III  
P O BOX 50890  
MIDLAND, TX 79710

JONES-DAUBE MINERAL COMPANY  
BOX 1169  
DUNCAN, OK 73534

JOSHUA SONGER  
312 FRANKFORD AVENUE #216  
LUBBOCK, TX 79416

JULIA BENHAM TESTAMENTARY TRST  
ALLEN W VILLEMARETTE TRUSTEE  
6765 CORPORATE BLVD UNIT 6307  
BATON ROUGE, LA 70809

JUNE D SPEIGHT  
C/O F J DANGLADE PROPERTIES  
PO DRAWER 1687  
LOVINGTON, NM 88260-1687

SUE SAUNDERS GRAHAM  
P O BOX 987  
ROSWELL, NM 88202-0987

KATHERINE LYNNE MEIER  
5630 ANN ARBOR DR  
BOKEELIA, FL 33922

SOUTHWESTERN BAPTIST  
THEOLOGICAL SEMINARY  
1601 ELM ST STE 1700  
DALLAS, TX 75201-4741

RANDY LEE CONE  
PO BOX 552  
JAY, OK 74346

KENNETH G CONE TRUSTEE  
KATHERINE SHAPER POA  
P O BOX 11310  
MIDLAND, TX 79702

KERRY PORTER  
HC 73 BOX 41-1  
HARTSHORNE, OK 74547

LORRAINE S BLACK TRUST  
B ROBERT K BLACK TRUSTEE  
6608 N WESTERN #262  
OKLAHOMA CITY, OK 73116

MARJORIE JEAN NAGLE  
5322 JUDALON LANE  
HOUSTON, TX 77056-7221

MICHELLE SONGER SPENCE  
709 FOREST RIDGE  
GARLAND, TX 75042

MILWARD KENT MILLER  
204 RIVERHILL BLVD  
KERRVILLE, TX 78028

RALPH J PRESTON  
6201 NEWCASTLE DR  
BELLAIRE, TX 77401-3813

NOBLE E FLENNIKEN  
4132 KILLION DRIVE  
DALLAS, TX 75229-6227

OPAL DENSON  
CHARLES R FULKS POA  
PO BOX 829  
SNYDER, TX 79550-0829

POGO PRODUCING COMPANY  
700 MILAM STE 3100  
HOUSTON, TX 77002

TEXACAL OIL AND GAS INC  
4299 MACARTHUR BLVD 207  
NEWPORT BEACH, CA 92660

TEXAS TECHNOLOGICAL UNIVERSITY  
P O BOX 45025  
LUBBOCK, TX 79409-5025

THE LONG TRUSTS  
P O BOX 1336  
KILGORE, TX 75662

THE NATIONAL REGULATORY PROPERTY  
MANAGEMENT DIVISION  
53 W 11TH AVE  
COLUMBUS, OH 43201

THE TOLES COMPANY  
P O BOX 1300  
ROSWELL, NM 88202-1300

TOM CONE CHILDRENS TRUST UW OF  
KATHLEEN CONE  
C/O BANK OF OKLA SUCC TRUSTEE  
PO BOX 1588  
TULSA, OK 74101-1588

TOM R CONE  
P O BOX 778  
JAY, OK 74346-0778

WAIKIKI PARTNERS LP  
P O BOX 2127  
MIDLAND, TX 79702-2127

WEST TEXAS STATE UNIVERSITY  
A&M SYSTEM BUILDING SUITE 3000  
200 TECHNOLOGY WAY  
COLLEGE STATION, TX 77845-3424