



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO:
NMNM-120042X
3180 NM (513)

February 28, 2008

Apache Corporation
Attn: Mr. Mario R. Moreno, Jr.
6120 S. Yale, Suite 1500
Tulsa, OK 74136

RECEIVED

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TULSA
LAND DEPT.

Re: Designation of the West Blinebry-Drinkard Unit Area
T. 21 S., R. 37 E.
Lea County, New Mexico

Dear Mr. Moreno,

Your application of January 28, 2008, as revised, filed with the Bureau of Land Management requests the designation of the West Blinebry-Drinkard Unit area, embracing 2,480.00 acres, more or less, in Lea County, New Mexico, as logically subject to secondary recovery operations under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked Exhibit "A", the Apache Corporation West Blinebry-Drinkard Unit area, Lea County, New Mexico, is hereby designated as a logical unit area and has been assigned No. NMNM-120042X. This designation is valid for a period of one year from the date of this letter.

Your basis for allocation of unitized substances and your proposed form of unit agreement are acceptable. Corrections that need to be made to Exhibits A and B have been previously provided to you.

If conditions are such that modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted that, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, please include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form. A minimum of three copies of the executed agreement should be submitted with your request for final approval. You will also need to submit an initial Plan of Operation and a final list of wells showing the old well names and numbers and the new well names and numbers.

Oil Conservation Division
Case No. 9
Exhibit No. 1

Copies of this letter are being sent to the Commissioner of Public Lands and the New Mexico Oil Conservation Division as this proposed unit area contains both Fee lands and State of New Mexico lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

If you have any questions, please contact Alexis C. Swoboda, P.E., Petroleum Engineer, at 575-627-0228.

Sincerely,

A handwritten signature in cursive script, appearing to read "Angel Mayes".

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc:

NM (513, AC Swoboda)
Commissioner of Public Lands
NMOCD – Santa Fe