

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF APACHE CORPORATION
TO AMEND ORDER NO. R-21138,
EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NO. R-21138
(Re-Open)**

APPLICATION

Apache Corporation ("Apache"), OGRID Number 371449, through its undersigned attorney, files this application with the Oil Conservation Division ("Division") for the limited purpose of amending Order No. R-21138 as follows: (1) conforming Division Order No. R-21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for an extension of time for drilling the well under the Order. In support of this application, Apache states as follows:

1. Order No. R-21138 is one of four orders relating to Apache's "Camacho" well group.
2. Order No. R-21138 pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
3. Order No. R-21138 designated Apache as the operator of the well and the unit.
4. The Division Hearing for Case No. 21026 was held on February 6, 2020.
5. The Division entered Order No. R-21138 in Case No. 21026 on February 21, 2020.

This order was issued under the "interim form of order" and does not conform to the Amended Order Template.

6. Apache requests that Order No. R-21138 be re-opened to conform this order to the terms of the Amended Order Template.

7. Apache further requests that Order No. R-21138 be re-opened and amended to allow Apache additional time to commence drilling the well under the Order.

8. Order No. R-21138, ¶ 20 states: “The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.” Order No. R-21138, ¶ 22 states: “This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.”

9. The Amended Order Template contains the same obligation to commence drilling within one year, Amended Order Template, ¶ 19. It also states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.” Amended Order Template, ¶ 20.

10. Good cause exists for Apache’s request for an extension of time.

11. Apache requests this extension because there have been changes in Apache’s drilling schedule due to the COVID-19 pandemic and current market conditions.

12. Under Order No. R-21138, Apache would be required to commence drilling the well by February 21, 2021.


13. Apache asks that the deadline to commence drilling the well be extended for a year from February 21, 2021 to February 21, 2022.

WHEREFORE, Apache requests this application be set for hearing before an Examiner of the Oil Conservation Division on February 4, 2021, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-21138 to conform it to the terms of the Amended Order Template; and

B. Amend Order No. R-21138 to extend the time for Apache to commence drilling the well under the Order for a year, through February 21, 2022.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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(Re-Open) Application of Apache Corporation to Amend Order No. R-21138, Eddy County, New Mexico. Applicant seeks an order from the Division for the limited purposes of (1) conforming Division Order No. R-21138 to the amended order template ("Amended Order Template") described in the Letter of the Division Director dated April 9, 2020 (Re: Amendments to Compulsory Pooling Order Template); and (2) amending Order No. R-21138 to allow for a one-year extension of time to commence drilling the well under the Order. The Division issued Order No. R-21138 on February 21, 2020, which pooled uncommitted interest owners in a 160-acre, more or less, Bone Spring horizontal spacing unit comprised of the S/2 N/2 of Section 26, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico and required commencement of drilling the well within one year of the date of the Order. Good cause exists for Apache's request for an extension of time due to current market conditions.