

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

**APPLICATION OF APACHE CORPORATION FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 16289

**APPLICATION OF APACHE CORPORATION FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 16290

APACHE CORPORATION'S PRE-HEARING STATEMENT

Apache Corporation ("Apache"), submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, TX 79705

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

STATEMENT OF CASE

In Case No. 16289, Apache by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files an application with the Oil Conservation Division for an order: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 N/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral

interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Palmillo 21 State Com #227H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well.

In Case No. 16290, Apache seeks an order: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the N/2 N/2 of Section 21, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Bone Spring formation underlying this proposed spacing and proration unit. This proposed spacing and proration unit will be the unit for the Palmillo 21 State Com #228H well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well.

PROPOSED EVIDENCE

APPLICANT:

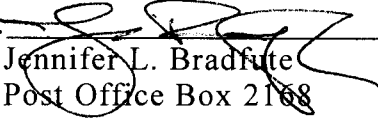
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Laci Stretcher– Landman	Approx. 20 min.	Approx. 6
Mike Muncy – Geologist	Approx. 15 min.	Approx. 6

PROCEDURAL MATTERS

Apache asks that these matters be consolidated at hearing.

Respectfully submitted,

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

By: 

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