

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

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20377

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20378

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20379

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20380

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20381

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20382

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20383

**APPLICATION OF APACHE CORPORATION FOR A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 20384

APACHE'S CONSOLIDATED PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Apache Corp.

ATTORNEY

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OPPONENT:

NONE

STATEMENT OF CASE

APPLICANT:

In **Case No. 20377**, Apache seeks an order: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 3, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 3 State Com #241H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20378**, 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 S/2 of Section 3, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 3 State Com #242H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20379**, Apache seeks 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 3, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 3 State Com #243H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20380**, 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 3, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 3 State Com #2441H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20381**, Apache seeks an order: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 10, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 10 State Com #231H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20382**, 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 S/2 of Section 10, Township 19 South, Range 28 East, 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 unit will be dedicated to the

Palmillo 10 State Com #232H well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20383**, Apache seeks an order: (1) creating a 160-acre, more or less, spacing and proration unit in the Bone Spring formation, comprised of the S/2N/2 of Section 10, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 10 State Com #233H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

In **Case No. 20384**, 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 10, Township 19 South, Range 28 East, 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 unit will be dedicated to the **Palmillo 10 State Com #234H** well, to be horizontally drilled to a depth sufficient to test the Bone Spring formation.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Matador Production Company as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Laci Stretcher – Landman	Approx. 30	32
Mike Muncy – Geologist	Approx. 30	24

Apache does not anticipate any opposition to these cases and intends to present its evidence by affidavits.

Respectfully submitted,

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

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