

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NOS: 21638  
(Re-Open)

APPLICATION OF APACHE CORPORATION  
TO AMEND ORDER NUMBER R-21181,  
EDDY COUNTY, NEW MEXICO.

CASE NOS: 21639  
(Re-Open)

APPLICATION OF APACHE CORPORATION  
TO AMEND ORDER NUMBER R-21138,  
EDDY COUNTY, NEW MEXICO.

CASE NOS: 21640  
(Re-Open)

APPLICATION OF APACHE CORPORATION  
TO AMEND ORDER NUMBER R-21139,  
EDDY COUNTY, NEW MEXICO.

CASE NOS: 21641  
(Re-Open)

APPLICATION OF APACHE CORPORATION  
TO AMEND ORDER NUMBER R-21140,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

FEBRUARY 4, 2021

1           This matter came on for virtual hearing before  
 2           the New Mexico Oil Conservation Division, HEARING EXAMINER  
 3           FELICIA ORTH and TECHNICAL EXAMINER KURT SIMMONS on  
 4           Thursday, February 4, 2021, via Webex virtual platform as  
 5           hosted by the New Mexico Energy, Minerals, and Natural  
 6           Resources Department, Santa Fe, New Mexico.

7           Reported by:           Irene Delgado, NMCCR 253  
 8                                   PAUL BACA PROFESSIONAL COURT REPORTERS  
 9                                   500 Fourth Street, NW, Suite 105  
 10                                  Albuquerque, NM 87102  
 11                                  505-843-9241

12                                   A P P E A R A N C E S

13           For the Applicant:

14           LANCE HOUGH  
 15           MODRALL SPERLING ROEHL HARRIS & SISK PA  
 16           500 4th Street, NW, Suite 1000  
 17           Albuquerque, NM 87102  
 18           505-848-9710

19                                   I N D E X

20           CASE CALLED

21           TAKEN UNDER ADVISEMENT                                   05

22           REPORTER CERTIFICATE                                       06

23

24                                   E X H I B I T   I N D E X

25   Admitted

26           All Exhibits and Attachments                                   05

27

28

29

30

1                   HEARING EXAMINER ORTH: We will proceed to the  
2 next four cases, 21638, 21639, 21640 and 21641. The  
3 applicant in each case is Apache Corporation. Each of the  
4 applications seeks an amendment to an order. The well name  
5 is Camacho, and I believe I see Mr. Hough from Modrall  
6 Sperling.

7                   MR. HOUGH: That's correct, Madam Examiner.

8                   HEARING EXAMINER ORTH: Let me pause for a moment  
9 in the event there are any other entries of appearance.

10                   (No audible response.)

11                   HEARING EXAMINER ORTH: I don't hear anything.  
12 If you would, please, Mr. Hough.

13                   MR. HOUGH: I would like to present these as  
14 consolidated. These are applications to amend orders on the  
15 listing here 21 -- orders R-21181, R-21138, R-21139 and  
16 R-21140.

17                   The first one, Case 21638 in order 21181, point  
18 of clarification here, this is an application for amending  
19 the order for extension of one year for the drilling. One  
20 point of clarification I wanted to make is the application  
21 originally included two requested forms of relief; one, an  
22 amendment of the order to the updated form of order as  
23 previously -- the other three orders were previously under a  
24 prior form of order. This one was entered a little bit  
25 later, so that was initially requested in the initial

1 relief, however the factual content of the remainder of the  
2 application are specific to this form so that the initial  
3 sentence is superfluous. The order is under the current  
4 form, so I just wanted to make that one point of  
5 clarification for that first order so there is no confusion  
6 there.

7 As I was saying, on the first order, 21181,  
8 Apache is seeking an extension of one year to the drilling  
9 schedule. For the remaining three orders, 21138, 21139 and  
10 21140, Apache is seeking these forms of order to be updated  
11 to the amended form of order and allow for an extension of  
12 one year for the time to commence drilling operations.

13 In support of that, the landman involved, Blake  
14 Johnson here has provided that good cause exists for the  
15 extension of time because due to the current market  
16 conditions and Covid-19 matters, Apache has had to adjust  
17 its drilling schedule for this development. And again,  
18 these are for the Camacho wells.

19 Provided in the application here is Exhibit A.  
20 That is the self-affirmed declaration of Blake Johnson who  
21 previously testified before the Division.

22 A-1 through 4 are the applications.

23 A-5 is the April 2, 2020 letter, an amended order  
24 template that was previously provided by the Division to  
25 update the prior temporary form of order. Again, that's

1 critical to the last three of these orders R-21138 through  
2 R-21140.

3 A-6 through A-9 are the orders themselves, and  
4 Exhibit B is an affidavit from myself with respect to  
5 notice.

6 As you see there are attachments of B-1, B-2,  
7 B-3. Notice was timely sent on January 15, and then we also  
8 published notice in newspaper of local circulation timely as  
9 well on January 19.

10 So with that, if the Division has any questions,  
11 I would asked that these exhibits be accepted into the  
12 record and this matter be taken under advisement.

13 HEARING EXAMINER ORTH: Thank you, Mr. Hough.  
14 The exhibits are accepted. Let me ask Mr. Simmons if he has  
15 any questions.

16 TECHNICAL EXAMINER SIMMONS: No, everything  
17 appears to be in good order. Thank you.

18 HEARING EXAMINER ORTH: All right. Thank you  
19 very much. Thank you, Mr. Hough. Matters will be taken  
20 under advisement.

21 (Exhibits admitted.)

22 (Taken under advisement.)

23

24

25

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by  
12 nor related to any of the parties or attorneys in this case  
13 and that I have no interest in the final disposition of this  
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of poor to reasonable quality.

17 Dated this 4th day of February 2021.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253  
License Expires: 12-31-21

20

21

22

23

24

25