

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

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

**APPLICATION OF TARGA MIDSTREAM SERVICES,
LIMITED PARTNERSHIP TO AMEND ORDER NO.
R-13052, LEA COUNTY, NEW MEXICO.**

Case No. 14161

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Apache Corporation as required by the Oil Conservation Commission.

APPEARANCES

APPLICANT

Targa Midstream Services, L.P.

APPLICANT'S ATTORNEY

William C. Scott
Suite 1000
500 Fourth Street N.W.
Albuquerque, New Mexico 87102
Phone: (505) 848-1824

OPPONENT

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

OPPONENT'S ATTORNEYS

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
Phone: (505) 982-2043

Attention: Michelle Hanson
(432) 818-1093

Andrew M. Taylor
Legal Department
Apache Corporation
Suite 100
2000 Post Oak Boulevard
Houston, Texas 77056
(713) 296-7302

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Targa Midstream Services, L.P. ("Targa") has applied for order amending Division Order No. R-13052 to (1) delete the requirement to re-enter and replug NMGSAU Well No. 285 (API No. 30-25-12481), and (2) retain the Graham State NCT-F Well No. 7 (API No. 30-025-12482) as an active saltwater disposal well into the San Andres formation per Division Order Nos. SWD-561 and SWD-561-A. Apache Corporation ("Apache"), as operator of NMGSAU Well No. 285, objects to Targa's application on the following grounds:

1. Apache's experience on a regional basis in Southeastern New Mexico, including Lea County, demonstrate a natural trend from Northwest to Southeast, not Northeast to Southwest as described by Targa.
2. Targa was not able to properly plug NMGSAU Well No. 285 as required under Order No. R-13052.
3. Should waste gas migrate into the NMGSAU Well No. 285 wellbore, it could potentially contaminate the Drinkard, Abo, Wolfcamp, Pennsylvanian, Mississippian, and Montoya zones in the area.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Robert Johnson
(geologist)

15 minutes

2

Bobby Smith
(drilling engineer)

15 min.

2

Michelle Estes
(production engineer)

15 min.

2

John Nelson
(reservoir engineer)

15 min.

2

Michelle Hanson
(landman)

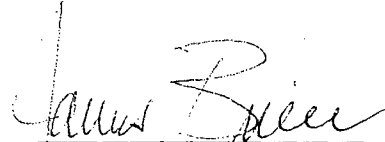
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PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Momentum Apache Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 15th day of September, 2011 by facsimile transmission and United States Mail:

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James Bruce