

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

AMENDED APPLICATION OF APACHE
CORPORATION FOR COMPULSORY POOLING
AND APPROVAL OF A HORIZONTAL SPACING
UNIT AND POTASH DEVELOPMENT AREA,
EDDY COUNTY, NEW MEXICO

CASE NO. 20171

PRE-HEARING STATEMENT
APACHE COMPULSORY POOLING APPLICATION

Centennial, LLC, Worrall Investment Corporation, Norton, LLC, Scott-Winn, LLC and Ted James are named non-operator working interest parties in Apache's compulsory pooling application. These parties, through Worrall Investment Corp and Centennial, LLC oppose Apache's compulsory pooling application for the following reasons:

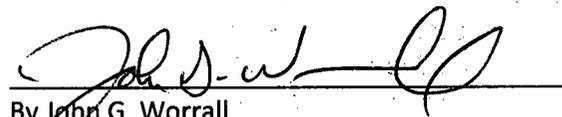
1. Although Apache has indicated that it will discuss an acquisition of the interest of any party not desiring to participate in Apache's development plan, Apache has not entered into any discussions with or made an offer to these parties.
2. Apache has compressed the time for any acquisition discussions in the filing of this compulsory pooling application with notice to these parties, given during the holiday time period when the conduct of business is difficult. Notice of a hearing substantially affecting property rights should give reasonable notice to the affected parties. Otherwise, the notice is unfair.
3. The application to compulsory pool all non-participating parties in Apache's proposed ninety million dollar plus (\$90,000,000+) project is arbitrary, capricious and unreasonable. Perspectives, choices, economic status and evaluations may change over time. It is basically unfair to impose, in one action, a huge expense, multi-year project on non-operator parties. The terrific, high expense of horizontal wells gives large companies the opportunity to simply take lesser interests with no regard for what is fair and reasonable.

Respective submitted for these parties January 3, 2019.

Centennial, LLC


By Don M. Fedric

Worrall Investment Corporation


By John G. Worrall

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