

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

CASE NO. 12785

**APPLICATION OF APACHE CORPORATION
FOR APPROVAL OF A WATERFLOOD PROJECT
AND TO QUALIFY THIS PROJECT FOR THE
ENHANCED OIL RECOVERY TAX CREDIT
LEA COUNTY, NEW MEXICO**

OIL CONSERVATION DIVISION
12785-4 01/2/14

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Apache Corporation
2000 Post Oak Blvd.
Suite 100
Houston, TX 77056
attn: Mark McClelland
(713) 296-7227

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF THE CASE

APACHE CORPORATION ("Apache"), pursuant to the New Mexico " Enhanced Oil Recovery Act" and to Division Rule 701(G) seeks approval of its Grizzell Lease Waterflood Project and for the recovered oil tax rate for enhanced oil recovery for the expanded use of enhanced oil recovery technology within said pressure maintenance project, an existing EOR project.

Apache is the current operator of the Grizzell Lease which includes the SE/4 of Section 8, Township 22 South, Range 37 East, NMPM. Lea County, New Mexico.

Apache proposes to institute waterflood operations for the Grizzell Lease:

(a) by injecting water into the Grayburg formation of the Penrose Skelly Grayburg Pool from its Grizzell Well No. 11, located 1300 feet from the south line and 1139 feet from the east line of Section 8, through a perforated interval from 3580 feet to 3816 feet; and

(b) increasing the recovery from:

Grizzell Well No. 01 (Unit J)
Grizzell Well No. 02 (Unit I)
Grizzell Well No. 03 (Unit O)
Grizzell Well No. 04 (Unit p)

Ultimate primary oil recovery from the Original Project Area has been 413,000 barrels of oil from 4 wells.

The Project is currently producing at 2 BOPD from 1 active producer. Approximately 1450 barrels of oil remain to be recovered under the current mode of operations.

The estimated amount of recoverable oil attributable to a Positive Production Response enhanced oil recovery technology for this Project Area is 100,000 barrels of additional oil.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Mark McClelland (PE)

35 min.

@ 8 exhibits

_____ (geology)

15 Min.

@ 3 exhibits

PROCEDURAL MATTERS

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin