

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

CASE NO. 12986

APPLICATION OF APACHE CORPORATION
FOR APPROVAL OF AN UNORTHODOX
OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO



AMENDED
PRE-HEARING STATEMENT

This pre-hearing statement is submitted APACHE CORPORATION as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

ATTORNEY

Apache Corporation
6120 South Yale
Tulsa, OK 74136-4224
Attn: Greg Beaty
(918) 491-4978

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

OTHER PARTIES

ATTORNEY

None

STATEMENT OF THE CASE

1. Applicant, Apache Corporation, ("Apache") is the operator a standard 80-acre oil proration and spacing unit consisting of the N/2NE/4 Section 32, T18S, R38E, Lea County New Mexico dedicated for production from the Hobbs-Drinkard Pool and the Hobbs-Lower Blinbery Pool.

2. Apache drilled the State A Well No. 6 at an unorthodox well location 990 feet FNL and 1817 feet FEL (Unit B) of this section without realizing that this was an unorthodox well location for both pools.

3. The rules for both pools provide for two producing wells within an 80-0acre unit provided no more than one well is located within a single quarter-quarter section and within 150 feet of the center of the quarter-quarter section.

4. Prior to December 10, 2002, Apache believed that the #6 well constituted the second well within the same quarter-quarter section being in Unit B with the #4 well and thereforre filed an adminstrative application seeking approval of exceptions for the #67 well.

5. By letter dated December 16, 2002, the Division advised Apache that Apache's application was confusing and set the matter for an Examiner's hearing.

6. Further investigation by Apache has determined the following:

(a) The #6 well is either a "twin" nor a "replacement" well for the #4;

(b) The #4 well was completed in the Upper Blinbery Pool and is now dedicate to the Upper Blinbery waterflood and only produced from the Upper Blinbery

(c) Because the #4 was to be uncluded in the Upper Blinbery Waterflood, thje #6 well drilled for production from the Brinkard, Lower Blinbery and Tubb.

(d) The #5 well in Unit A was production from both the Hobbs-Drinkard Pool and the Hobbs; Lower Blienbry Pool.

(e) The #6 well was drilled at an unorthodox well lociatn because of surface liminations within the city of Hobbs.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Greg Beaty (PE)

@ 30-min. @ 7-10 exhibits

PROCEDURAL MATTERS

None.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin