

**BEFORE THE OIL CONSERVATION DIVISION  
NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

**PETITION FOR HEARING BEFORE  
A DIVISION EXAMINER REGARDING  
DIRECTOR’S DECISION ON ABATEMENT  
OF EAST BLINEBRY DRINKARD UNIT**

**CASE NO. 26126**

**APACHE CORPORATION’S PRE-HEARING STATEMENT**

Apache Corporation (“Apache”) by and through its undersigned counsel, hereby submits its Pre Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPLICANT**

Apache Corporation

**ATTORNEYS**

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**STATEMENT OF THE CASE**

On March 12, 2026, the Oil Conservation Division (“OCD”) issued a letter to Apache Corporation (“Apache”) directing it to submit a Stage 1 Abatement Plan pursuant to 19.15.30 NMAC. The letter stated a determination by OCD that “groundwater has been impacted by Oil & Gas activity in excess of the standards outlined in 19.15.30.9 NMAC.” Apache seeks an order setting aside, overturning, and nullifying the determinations and actions stated in the directive, including any determination that the cited incident caused or is otherwise related to the alleged groundwater impacts, the requirement that Apache submit an abatement plan under 19.15.30.11

and 19.15.30.14 NMAC, and the requirement that Apache submit a complete Stage 1 Abatement Plan proposal within 60 days. Apache contends, among other things, that it is not a “responsible person” within the meaning of the applicable regulations and that the directive lacks an adequate factual and regulatory basis connecting Apache or any identified oil and gas activity attributable to Apache to the alleged groundwater impacts.

### **WITNESSES AND EVIDENCE**

Apache estimates that it will take one hour to present its direct testimony and exhibits. Apache intends to call John Grams as an expert witness, and Barrett Bole as a fact witness.

Mr. Grams is a Senior Geologist at Terracon and is the lead Environmental Consultant working with Apache on this matter. Mr. Grams holds a Bachelor of Science and a Master of Science in Geology and is a registered Professional Geologist in Texas and Minnesota. Mr. Grams has worked on site investigation and delineation or remediation projects since 1988. The majority of his work has been in oil and gas site investigation, delineation, or remediation. Mr. Grams has previously testified in a proceeding before the Oil Conservation Commission and has been accepted as an expert in groundwater delineation and remediation including as a project manager and project director for groundwater contaminant delineation. Mr. Grams will introduce a written expert report concerning his examination of the facts and issues relevant to the matter and his expert opinions.

Mr. Bole is the Environmental Advisor for Apache. He obtained a Bachelor of Science in 1993 and a Master of Science in 1997 in Geology from Sul Ross State University in Alpine, Texas. Mr. Bole has worked as an Environmental Technician, consultant, and project manager since 1998. Mr. Bole holds a Professional Geoscientists License in Texas. Mr. Bole will be offered as a fact witness on behalf of Apache Corporation.

At this time, Apache expects to present the exhibits listed below. Apache reserves the right to present additional exhibits as may be identified at the hearing.

**EXHIBIT INDEX**

<b>Main Exhibit</b>	<b>Subexhibit/Appendix</b>	<b>Material/Contents</b>
<b>A</b>		<b>Supporting Material</b>
	A-1	3.12.2026 OCD Letter to Apache
	A-2	3.31.2026 Apache Letter to OCD
	A-3	2025 Apache to Hilcorp Change of Operator Form
	A-4	2.9.2021 Closure Report
	A-5	OCC Final Order R-23728
	A-6	OCC Amended Order R-23728
	A-7	Historical exhibits
	A-8	Transcript of 1.16.2025 OCC Hearing
	A-9	Transcript of 1.17.2025 OCC Hearing
<b>B</b>		<b>John Grams</b>
	B-1	John Grams Resume
	B-2	Expert Report of John Grams
	B-3	Presentation of John Grams
<b>C</b>		<b>Barrett Bole</b>
	C-1	Barrett Bole Resume
<b>D</b>		<b>Notice</b>
	D-1	Affidavit and Record of Notice of Adjudicatory Hearing

**PROCEDURAL MATTERS**

Apache is not aware of any procedural matters to be resolved prior to the hearing. Apache may file a written motion on legal issues to be considered in the hearing.

Respectfully submitted,

GALLAGHER & KENNEDY, P.A.

*/s/ Dalva L. Moellenberg*

Dalva L. Moellenberg

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*Counsel for Apache Corporation*

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was mailed electronically on May 28, 2026, to the following parties:

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*Counsel for Intervenor, OCD*

By: /s/Dalva L. Moellenberg

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 589494

**QUESTIONS**

Operator: APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705	OGRID: 873
	Action Number: 589494
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	60