

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

**APPLICATIONS OF APACHE CORPORATION  
FOR COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

**CASE NOS. 21727-21730**

**APPLICATIONS OF COLGATE OPERATING, LLC  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

**CASE NOS. 21827 & 21878**

**APACHE CORPORATON'S PRE-HEARING STATEMENT**

Apache Corporation ("Apache") submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division and the Prehearing Order issued in these consolidated matters.

**APPEARANCES**

**APPLICANTS**

Apache Corporation

Colgate Operating, LLC

**ATTORNEY**

Michael H. Feldewert, Esq.  
Adam G. Rankin, Esq.  
Julia Broggi, Esq.  
Kaitlyn A. Luck, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
TEL: (505) 988-4421  
FAX: (505) 983-6043  
mfeldewert@hollandhart.com  
agrankin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

Padilla Law Firm, P.A.  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
[padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)

**OTHER PARTIES**

EOG Resources, Inc.

Jobediah Rittenhouse  
BEATTY & WOZNIAK, P.C.  
216 16th St., Suite 1100  
Denver, CO 80202  
(303) 407-4499  
[jrittenhouse@bwenergy.com](mailto:jrittenhouse@bwenergy.com)

Cimarex Energy, Co.

Darin C. Savage  
Andrew D. Schill  
Paula M. Vance  
William E. Zimsky  
ABADIE & SCHILL, PC  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
(970) 385-4401  
(970) 385-4901 FAX  
[darin@abadieschill.com](mailto:darin@abadieschill.com)  
[andrew@abadieschill.com](mailto:andrew@abadieschill.com)  
[paula@abadieschill.com](mailto:paula@abadieschill.com)  
[bill@abadieschill.com](mailto:bill@abadieschill.com)

XTO Holdings LLC

Andrew J. Cloutier  
HINKLE SHANOR LLP  
P.O. Box 10  
Roswell, NM 88202-0010  
(575) 622-6510  
(575) 623-9332 FAX  
[acloutier@hinklelawfirm.com](mailto:acloutier@hinklelawfirm.com)

**APACHE'S STATEMENT OF THE CASE AND LIST OF UNDISPUTED FACTS**

Under Case Nos. 21727-21730, Apache seeks to create and forcibly pool four 320-acre horizontal well spacing units in the Bone Spring formation underlying Sections 29 and 30, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, as follows:

- Under Case 21727, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the N/2 N/2 of Sections 29 and 30 to be initially dedicated to the

**Palmillo 29-30 State Com #271H well** targeting the Second Bone Spring interval and the **Palmillo 29-30 State Com #375H well** targeting the Third Bone Spring interval.

- Under Case 21728, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the S/2 N/2 of Sections 29 and 30 to be initially dedicated to the **Palmillo 29-30 State Com #272H well** targeting the Second Bone Spring interval and the **Palmillo 29-30 State Com #376H well** targeting the Third Bone Spring interval.
- Under Case 21729, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the N/2 S/2 of Sections 29 and 30 to be initially dedicated to the **Palmillo 29-30 State Com #273H well** targeting the Second Bone Spring interval and the **Palmillo 29-30 State Com #377H well** targeting the Third Bone Spring interval.
- Under Case 21730, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the S/2 S/2 of Sections 29 and 30 to be initially dedicated to the **Palmillo 29-30 State Com #274H well** targeting the Second Bone Spring interval and the **Palmillo 29-30 State Com #378H well** targeting the Third Bone Spring interval.

Colgate Operating LLC (“Colgate”) has filed competing pooling applications for the Bone Spring formation underlying Sections 29 and 30 under Cases 21827 and 21878.

Apache believes that the following facts are undisputed and material to the issues presented in these consolidated cases:

1. Apache currently owns twice the working interest that Colgate owns in the subject acreage and has the support of other working interest owners.
2. Apache has agreed on a trade with another working interest owner that when completed will boost Apache’s working interest control and support to over 58%.

3. Apache intends to utilize three drilling pads in the E/2 E/2 of Section 25 to not only develop Sections 29 and 30 but also adjacent Sections 25 and 26 to the West in Township 19 South, Range 27 East, thereby reducing the necessary surface disturbance.
4. Apache has more drilling and completion experience than Colgate in the Bone Spring formation in in Township 19 South, Range 28 East. Indeed, Colgate has yet to complete a well in the subject area.
5. The Second Bone Spring Sands in this area contains structural nuances that require an operator with access to seismic data and experience developing this interval.

**APPLICANT’S PROPOSED EVIDENCE**

**WITNESS**

**Name and Expertise**

Blake Johnson, Landman	Affidavit and Live
Drew Chenoweth, Geologist	Affidavit and Live
Shelby Johnson, Reservoir Engineer	Affidavit and Live
Taylor Thetford, Drilling Engineer	Affidavit and Live

**PROCEDURAL MATTERS**

Pursuant to the Prehearing Order and Stipulation issued in these matters, Apache will file affidavits containing the direct testimony for each witness and the related exhibits on Monday, November 1, 2021.

Respectfully submitted,

HOLLAND & HART LLP



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Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
Kaitlyn A. Luck  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com  
kaluck@hollandhart.com

**ATTORNEYS FOR APACHE CORPORATION**

**CERTIFICATE OF SERVICE**

I hereby certify that on October 29, 2021, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Padilla Law Firm, P.A.  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
[padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)

***Attorney for Colgate Operating, LLC***

Andrew J. Cloutier  
HINKLE SHANOR LLP  
P.O. Box 10  
Roswell, NM 88202-0010  
(575) 622-6510  
(575) 623-9332 FAX  
[acloutier@hinklelawfirm.com](mailto:acloutier@hinklelawfirm.com)

***Attorney for XTO Holdings LLC***

Jobediah Rittenhouse  
BEATTY & WOZNIAK, P.C.  
216 16th St., Suite 1100  
Denver, CO 80202  
(303) 407-4499  
[jrittenhouse@bwenergy.com](mailto:jrittenhouse@bwenergy.com)

***Attorney for EOG Resources, Inc.***

Darin C. Savage  
Andrew D. Schill  
Paula M. Vance  
William E. Zimsky ABADIE  
& SCHILL, PC 214  
McKenzie Street  
Santa Fe, New Mexico 87501  
(970) 385-4401  
(970) 385-4901 FAX  
[darin@abadieschill.com](mailto:darin@abadieschill.com)  
[andrew@abadieschill.com](mailto:andrew@abadieschill.com)  
[paula@abadieschill.com](mailto:paula@abadieschill.com)  
[bill@abadieschill.com](mailto:bill@abadieschill.com)

***Attorneys for Cimarex Energy, Co.***



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Michael H. Feldewert

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 58732

**QUESTIONS**

Operator: APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705	OGRID: 873
	Action Number: 58732
	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	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>