

**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. 21851-21854**

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

**CASE NOS. 21825 & 21826**

**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**

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

Under Case Nos. 21851-21854, Apache seeks to create and forcibly pool four 320-acre horizontal well spacing units in the Bone Spring formation underlying Sections 16 and 17, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, as follows:

- Under Case 21851, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the N/2 N/2 of Sections 16 and 17 to be initially dedicated to the **Palmillo 16-17 State Com #241H well** targeting the Second Bone Spring interval and the **Palmillo 16-17 State Com #341H well** targeting the Third Bone Spring interval.
- Under Case 21852, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the S/2 N/2 of Sections 16 and 17 to be initially dedicated to the **Palmillo 16-17 State Com #242H well** targeting the Second Bone Spring interval and the **Palmillo 16-17 State Com #342H well** targeting the Third Bone Spring interval.
- Under Case 21853, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the N/2 S/2 of Sections 16 and 17 to be initially dedicated to the **Palmillo 16-17 State Com #243H well** targeting the Second Bone Spring interval and the **Palmillo 16-17 State Com #343H well** targeting the Third Bone Spring interval.
- Under Case 21854, Apache seeks to create and forcibly pool a 320-acre horizontal well spacing comprised of the S/2 S/2 of Sections 16 and 17 to be initially dedicated to the **Palmillo 16-17 State Com #244H well** targeting the Second Bone Spring interval and the **Palmillo 16-17 State Com #344H well** targeting the Third Bone Spring interval.

Colgate Operating LLC (“Colgate”) has filed competing pooling applications for the Bone Spring formation underlying Sections 16 and 17 under Cases 21825 and 21826.

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

1. Apache owns a substantial working interest in Sections 16 and 17.
2. Apache has more drilling and completion experience than Colgate in the Bone Spring formation in Township 19 South, Range 28 East. Indeed, Colgate has yet to complete a well in the subject area.
3. 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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**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:

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
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QUESTIONS

Action 58740

**QUESTIONS**

Operator: APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705	OGRID: 873
	Action Number: 58740
	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>