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CANDACE CALLAHAN

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September 16, 2014

VIA HAND DELIVERY

Florene Davidson  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Case 15217

Dear Florene:

Enclosed for filing on behalf of Apache Corporation is an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the October 16, 2014 Examiner Hearing. Thank you.

Very truly yours,



Candace H. Callahan  
Attorney for Apache Corporation

PERSONS NOTIFIED OF APPLICATION

- \* C. S. Daley
- \* The Heirs or Devisees of J. Kenneth Fasken, Deceased
- \* The Heirs or Devisees of Harry Levy, Deceased
- \* Beverly B. Nelson
- \* Joseph Nelson
- \* Gertrude Soper
- \* Bernice Wade
- \* John Lutrell
- \* Robert Joe Reichert
- \* Pat Farris
- \* Cheryl Menz
- \* Douglas Menz
- \* The Colorado Corporation

A&P Family Limited Partnership  
P.O. Box 1046  
Eunice, NM 88231

The Allar Company  
P.O. Box 1567  
Graham, TX 76450

Pat Alston Ward  
207 Porr Drive  
Ruidoso, NM 88355

Bank of America, N.A.,  
Trustee of the Myrtle L. Davis Trust  
P.O. Box 830308  
Dallas, TX 85283-0308

Burlington Resources Oil & Gas Company, L.P.  
c/o ConocoPhillips Company  
Attn: Ashley Manning-Duke  
600 N. Dairy Ashford, 2WL-15060  
Houston, TX 77252-2197

Sally Rogers  
152b Arroyo Hondo Road  
Santa Fe, 87508

\* Indicates Unleased Mineral Interest Owners that cannot be located or are in suspense due to invalid address.

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

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APPLICATION OF APACHE CORPORATION  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 15217

APPLICATION

Apache Corporation ("Apache") applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, and in support hereof, states:

1. Apache (OGRID 873) is a working interest owner in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, and has the right to drill a well thereon.
2. Applicant proposes to drill its Pinot #003 and Pinot #006 Wells, at an orthodox location, to a depth sufficient to test the Abo formation, and seeks to dedicate the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interest to the well, certain interest owners have failed or refused to join in dedicating their interests.

Therefore, applicant seeks an order pooling all mineral interest owners in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, pursuant to NMSA 1978 §70-2-17.

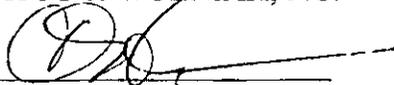
5. The pooling of all mineral interests underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest in the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, from the surface to the base of the Abo formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the drilling of the well.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By: 

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Santa Fe, New Mexico 87505  
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ATTORNEY FOR APACHE CORPORATION

PERSONS NOTIFIED OF APPLICATION

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P.O. Box 1046  
Eunice, NM 88231

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c/o ConocoPhillips Company  
Attn: Ashley Manning-Duke  
600 N. Dairy Ashford, 2WL-15060  
Houston, TX 77252-2197

Sally Rogers  
152b Arroyo Hondo Road  
Santa Fe, 87508

PROPOSED ADVERTISEMENT

Case No. 15217 : **Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interest from the surface to the base of the Abo formation underlying the SE/4NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the House-Blinebry Pool, House-Tubb Pool, House-Drinkard Pool, and House-Abo Pool. The unit will be dedicated to the Pinot Well No. 3, and No. 6, to be drilled at an orthodox oil well location in the SE/4NW/4 of Section 2. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% of charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles southwest of Nadine, New Mexico.