

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 25, 2002

**HAND DELIVERED**

Mr. Michael E. Stogner, Hearing Examiner  
Oil Conservation Division  
1220 South Saint Frances Drive  
Santa Fe, New Mexico 87505

Re: **OPPOSITION TO HENDRIX'S REQUEST FOR CONTINUANCE**  
NMOCD Case 12868  
Application of Apache Corporation for approval  
of a non-standard proration unit, unorthodox well  
location, simultaneous dedication, downhole  
commingling and assignment of a special gas  
allowable, Lea County, New Mexico

Dear Mr. Stogner:

On behalf Apache Corporation, please find enclosed our opposition to John H. Hendrix Corporation motion to continue the referenced case from the June 27, 2002 docket.

Very truly yours,



W. Thomas Kellahin

cc: Apache Corporation  
Attn: Mark McClelland  
William F. Carr, Esq.  
Attorney for John H. Hendrix Corporation

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

**CASE NO. 12868**

**APPLICATION OF APACHE CORPORATION  
FOR APPROVAL OF A NON-STANDARD GAS  
PRORATION AND SPACING UNIT, UNORTHODOX  
GAS WELL LOCATION, SIMULTANEOUS  
DEDICATION, DOWNHOLE COMMINGLING AND  
ASSIGNMENT OF A SPECIAL GAS ALLOWABLE  
LEA COUNTY, NEW MEXICO**

**APACHE CORPORATION'S  
OBJECTION TO CONTINUANCE**

Comes now Apache Corporation ("Apache") and **objects** to John H. Hendrix Corporation's ("Hendrix") motion to continue the referenced case from the June 27, 2002 docket, and in opposition states:

1. On May 7, 2002, Apache filed the referenced application which included a request for a special gas allowable not to exceed the casinghead gas allowable of 642 mcfpd.
2. The hearing was set for May 30, 2002.
3. On May 24, 2001, William F. Carr, Esq. entered his appearance for Hendrix.
4. On Tuesday, May 28, 2002, counsel for Apache meet with counsel for Hendrix to discuss the Hendrix's objections.
5. Hendrix's objection were: (i) Apache has used incorrect allocation percentages of 51 % and 49 %; and (ii) that it believed the special allowable of 642 mcfpd should be 428,88 mcfpd because Apache has used an incorrect gas-oil ratio in calculating its proposed maximum allowable. Hendrix contented that the GOR limit for the Blinebry Gas and Oil Pool was 4,000 to 1 and not the 6,000 to 1 GOR used by Apache.
6. The case was continued to the June 27, 2002 docket.

7. Apache has determined that Hendrix is correct on both issues and that the use of the correct GOR results in an allowable of 428,000 mfcpd with 59% allocated to the Blinebry and 41% allocated to the Tubb.

8. On May 28, 2002, counsel for Apache advised counsel for Hendrix that Apache agreed with the Hendrix's corrections.

9. Counsel for Hendrix was gone the week of June 17th knowing that the Apache case was on the docket for June 27, 2002.

10. On Friday, June 21, 2002 counsel for Apache filed an amended Prehearing Statement showing the corrections Hendrix request. On Tuesday, June 28, 2002, counsel for Hendrix, claiming surprise that Apache has agree with Hendrix's calculations, now wants a continuance complaining that the Hendrix witness is out of town and Hendrix needs a continuance.

11. Because Apache is requesting an allowable lower than advertised and because the changes have all be made at the request of Hendrix there is no need for Hendrix to appear in opposition to the application and no need for a continuance.

Where Apache Corporation, request that the Hendrix motion for a continuance be denied.

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing pleading was faxed to counsel of record on June 25, 2002.

  
W. Thomas Kellahin