APPLICATION OF APACHE CORPORATION FOR APPROVAL OF THE THUNDERBIRD UNIT, IN EDDY COUNTY, NEW MEXICO.

CASE NO. 15874

APACHE CORPORATION'S RESPONSE TO
COG OPERATING, LLC'S THIRD MOTION FOR CONTINUANCE

For its response to the Motion for Continuance filed by COG Operating, LLC, ("COG"), applicant Apache Corporation ("Apache") states as follows:

1.   Apache filed its application with the Oil Conservation Division seeking an order approving its proposed Thunderbird Resource Development Unit on October 30, 2017. The proposed unit consists of approximately 3,198.44 acres of federal and state lands situated in Township 16 South, Range 30 Sections 32: E/2, 33, 34, 35 and 636: S/2 and Township 17 South, Range 30 East, Section 4 in Eddy County, New Mexico.

2.   On November 16, 2017 COG entered an appearance in the case. On November 20, 2017 COG requested that the case be continued to the Division's December 11, 2017 docket.

3.   On December 15, 2017 COG sought a second continuance of the case based upon its contention that it had scheduled a meeting with the BLM for January 4, 2018 to discuss the location for wells it was proposing to drill on its acreage adjacent to the unit, which would obviate any opposition it had to the boundaries of the unit.

4.   Apache agreed to consent to the continuance on the condition that the case would be set for hearing in January on a date that was convenient to Apache. Apache subsequently notified COG that the January 11, 2018 docket was more convenient and the case was set to be heard on that date.

5.   The Division has previously denied operators more than two requests to continue a case and COG has failed to establish why it needs more time to prepare for hearing since its motion states that it was meeting with the BLM on January 5, 2018 and it has adequate time to determine whether it will oppose Apache's Application.

6.   Apache has been working on this unit for almost two years and has received approval from the BLM and State Land Office for the unit. Apache first provided notice to COG of its proposed unit on July 17, 2017 and COG has had almost 6 months to evaluate the unit and its development plans. *See* July 17, 2017 e-mail from Laci Stretcher to Adam Reker, attached as Exhibit "A."

7.   Apache has already permitted wells within the proposed unit and has plans to begin development that will be prejudiced by further delay. Additionally, because COG previously agreed to the date for the hearing, Apache has made plans for attendance; if the case is heard on January 25, 2018 Apache's travel costs will be substantially increased.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: _____
Earl E. DeBrine, Jr.
Jennifer L. Bradfute
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
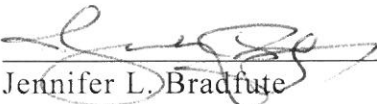Telephone: 505.848.1800
edebrine@modrall.com
jlb@modrall.com

Attorneys for Apache Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was e-mailed this 5[h] day of January, 2018 to the following counsel of record:

Michael H. Feldewert
HOLLAND & HART LLP
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
mfeldewert@hollandhart.com

MODRALL, SPERLING, ROEHL, HARRIS
   & SISK, P.A.

By: _____
    Jennifer L. Bradfute

W3105823.DOCX

From:	Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Sent:	Monday, 17 July, 2017 7:41 AM
To:	Adam Reker
Cc:	Dylan Park
Subject:	RE: SWSW of Sec 4, T17S-R30E
Attachments:	Revised Thunderbird Unit Exb A.pdf; Thunderbird Resource Development Unit Agreement 2.27.17.pdf

Good morning Adam,

I did not have any voicemails from you last week or unanswered emails. Did you leave a message? If so, I might need to have IT check my computer/phone. I'm working on some critical deadlines right now, so if you are having issues getting in contact with me, I would like to have them check it out.

The Thunderbird Unit agreement and Exhibit A are attached. We began working on this unit over 1.5 years ago, and the BLM required the 40 acres in Section 4 be added to the unit because it is considered stranded acreage. The unit has received preliminary approval from the BLM and SLO. Apache owns a substantial working interest in the unit and plans on drilling beginning this year and into next.

Please let me know if you have questions.

Thanks,

LACI LAWRENCE STRETCHER, RPL
direct 432-818-1846 | *mobile* 325-338-7407|

From: Adam Reker [mailto:AReker@concho.com]
Sent: Monday, July 17, 2017 8:06 AM
To: Stretcher, Laci <Laci.Stretcher@apachecorp.com>
Cc: Dylan Park <DPark@concho.com>
Subject: SWSW of Sec 4, T17S-R30E

Good Morning,

I noticed that the subject tract is up for sale on the BLM sale. The note attached to it said that it was subject to Apache's Thunderbird Development Agreement. Can I get a copy or recording information of said agreement? I don't know that we have a budget to go after this tract, but I have to cover my bases since we are drilling right next door.

I called and tried to leave a message about this matter last week, but haven't heard anything. Just wanted to follow up.

Respectfully,
AR

Adam Reker, RPL
Landman - NM Shelf Operations
Concho Center 1, Office # 702
600 W. Illinois Avenue
Midland, TX 79701
432.685.2515 | areker@concho.com

1

EXHIBIT A

CONCHO

CONCHO