STATE OF NEW MEXICO CONTROL ST

2014 OCT -9 P 4: 40

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATIONDIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF APACHE CORPORATION FOR A COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 15218

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Apache Corporation Suite 300 300 Veterans Airpark Lane Midland, Texas 79705

Attn: Chase Bradley

OPPONENT

APPLICANT'S ATTORNEY

Candace Callahan 500 Don Gaspar Avenue Santa Fe, New Mexico 87505 (505) 983-8545

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interest from the surface to the base of the Abo formation underlying the SW/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. 5, to be drilled at an orthodox oil well location in the SW/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% charge for the risk involved in drilling and completing the well.

OPPONENT

4

PROPOSED EVIDENCE

APPLICANT

WITNESSES EXHIBITS EST. TIME

15 min.

Chase Bradley

(landman)

Approx. 5

IF THE MATTER IS UNCONTESTED IT WILL BE SUBMITTED BY AFFIDAVIT.

OPPONENT

WITNESSES EST. TIME **EXHIBITS**

PROCEDURAL MATTERS

Respectfully submitted,

Candace H. Callahan 500 Don Gaspar Avenue Santa Fe, New Mexico 87505

(505) 983-8545

ATTORNEY FOR APACHE CORPORATION