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January 4, 2018

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VIA E-MAIL & U.S. MAIL
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Florene Davidson
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application of Apache Corporation, Case No. 15874

Dear Ms. Davidson:

Enclosed are three copies of Apache Corporation's Pre-Hearing Statement that was e-mailed to you today for filing in the above-referenced case.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

Earl E. DeBrine, Jr.

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Enclosures

cc w/encl.: Jennifer L. Bradfute

Modrall Sperling
Roehl Harris & Sisk
P.A.

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

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

CASE NO. 15874

APACHE CORPORATION'S PRE-HEARING STATEMENT

Apache Corporation ("Apache"), submits this Pre-Hearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, TX 79705

ATTORNEY

Earl E. DeBrine, Jr., Esq.
Jennifer L. Bradfute, Esq.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OPPONENT

COG Operating LLC
600 West Illinois Avenue
Midland, TX 79701

OPPONENT'S ATTORNEY

Michael H. Feldewert, Esq.
HOLLAND & HART LLP
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421

STATEMENT OF CASE

Apache Corporation, ("Apache") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files this application with the Oil Conservation Division for an order approving its Thunderbird Resource Development Unit pursuant to 19.15.20.14 NMAC. In support of its application, Apache states:

1. The proposed Unit Area for the Unit consists of approximately 3,198.44 acres of federal and state lands situated in Eddy County, New Mexico, described as follows:

Township 16 South, Range 30 East, N.M.P.M.

Section 32: E/2
Section 33: All
Section 34: All
Section 35: All
Section 36: S/2

Township 17 South, Range 30 East, N.M.P.M.

Section 4: All

2. Apache (OGRID No. 873) is the designated operator under the Unit Agreement. The unitized interval is the stratigraphic equivalent of the top of the Yeso formation encountered at a measured depth of 4,233' down to the stratigraphic equivalent of the top of the Tubb formation at a measured depth of 5,554' as encountered in the Aspen Federal Com #1 well (API No. 30-015-31656) located in NE/4SW/4, Section 31, Township 16 South, Range 31 East, Eddy County, New Mexico.

3. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

4. Apache has received preliminary approval of the Unit Agreement from the United States Bureau of Land Management and the New Mexico State Land Office.

5. The entire Unit Area will be developed and operated as a single participating area.

6. Pursuant to 19.15.20.14 NMAC, after notice and hearing, the Division may approve the combining of contiguous spacing units into a unitized area.

7. Approval of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Laci Lawrence – Landman	Approx. 15 min.	Approx. 6
Brian Baker - Geologist	Approx. 10 min.	Approx. 6
Juan Garcia Vaca – Reservoir Engineer	Approx. 10 min.	Approx. 2

PROCEDURAL MATTERS

Apache does not have any procedural matters at this time.

COG Operating LLC (“COG”) has requested that the case be continued to the January 25, 2018 docket, which is COG’s third request for a continuance and it has been on notice of Apache’s proposed unit several months before it filed its Application on October 30, 2017.

Respectfully submitted,

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

By: 

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Attorneys for Apache Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was e-mailed this 4th 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: 

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