

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF APACHE CORPORATION
TO AMEND THE SPECIAL RULES AND
REGULATIONS FOR THE SOUTH EUNICE-
SAN ANDRES POOL, LEA COUNTY, NEW MEXICO.**

Case No. 13,911

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Apache Corporation
Suite 1500
6120 South Yale
Tulsa, Oklahoma 74136

Attention: Mario Moreno
(918) 491-4963

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OTHER PARTY

Chesapeake Operating, Inc.

OTHER PARTY'S ATTORNEY

Ocean Munds Dry

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order amending the special rules and regulations for the South Eunice-San Andres Pool to allow two wells to be located on each quarter-quarter section. The current pool rules, established by Order Nos. R-3706 and R-4193, as amended, provide for (i) 80 acre well units, (ii) wells to be located no closer than 330 feet to a quarter-quarter section line, (iii) one well per quarter-quarter section, and (iv) a limiting gas:oil ratio of 6000 cubic feet of gas for each barrel of oil produced. The pool includes all or parts of Sections 2, 10, 11, 12, and 14, Township 22 South, Range 37 East, N.M.P.M.

OPPONENT**PROPOSED EVIDENCE**APPLICANTWITNESSESEST. TIMEEXHIBITS

Mario Moreno
(landman)

10 min.

Approx. 4

Robert Curtis
(geologist)

15 min.

Approx. 6

Clint Mills
(operations engineer)

15 min.

Approx. 4

(reservoir engineer)

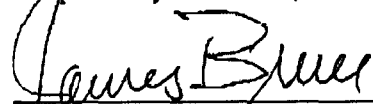
10 min.

Approx. 2

OPPONENTWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



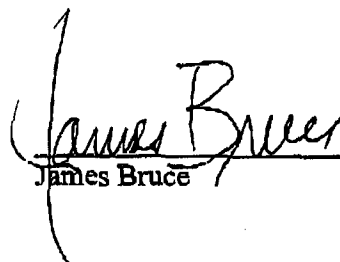
James Bruce
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Attorney for Apache Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 1st day of April, 2007:

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