

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

**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.**

**CASE NO. 12868**

OIL CONSERVATION DIV.  
JUN 25 11:30

**JOHN H. HENDRIX CORPORATION'S  
MOTION FOR CONTINUANCE**

John H. Hendrix Corporation ("Hendrix") hereby moves the Division for a continuance of the examiner hearing currently scheduled on the above-referenced application from June 27, 2002 to a subsequent examiner hearing, and in support of its motion, states as follows:

1. In May, 2002, Apache Corporation ("Apache") filed its application in the above-referenced case and by letter dated May 8, 2002, provided notice thereof to affected parties. The application was scheduled for hearing on May 30, 2002.

2. With its application Apache sought, among other things, the assignment of a special gas allowable not to exceed the casinghead gas allowable of 642 mcfpd for an existing 40-acre spacing unit comprised of the SE/4 SW/4 (Unit N) of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

3. John H. Hendrix is the operator of three gas wells, one on each of the remaining 40-acre tracts (Units K, L, M) in the SW/4 of said Section 11.

4. On receipt of the May 8th application, Hendrix contacted Apache and advised Apache that the proposed casinghead gas allowable appeared to have been calculated using the incorrect gas/oil ratio for the Blinebry Oil and Gas Pool and that if the correct gas/oil ratio was used the casinghead gas allowable would be substantially less. Thereafter, Apache continued the case and advised it would have to determine if the proposed well could still be justified at the lower allowable and, if it could, file an amended application in this matter.

5. No amended application has been filed. Instead, on Monday June 24, 2002, Apache filed an amended Pre-Hearing Statement in which it changed what it has sought in its application and what has been advertised by the Division as the subject of this application.

6. Hendrix' first notice that Apache was intending to proceed to a hearing in which it would seeking a special gas allowable of 428 mcfpd for the SE/4 SW/4 of Section 11 was the Pre-Hearing Statement it received on June 24, 2002, three days before the scheduled hearing. This and other changes between the Pre-Hearing Statement on the one hand, and the application and legal advertisement for the case on the other, have made it impossible for Hendrix to prepare for the hearing. Furthermore, due to this short notice, the Hendrix witnesses are out of town and cannot be present for a hearing on June 27th.

7. At a minimum, Hendrix is entitled to reasonable notice and an opportunity to prepare for a hearing. Seventy-two hours is inadequate notice by any standard. Furthermore, to permit a party to go to hearing and seek an order which differs from the relief sought in its application would create a dangerous precedent. No one could be certain how to prepare for a hearing until the opposing party's Pre-Hearing Statement is received -- three days in advance of a scheduled hearing.

8. If this motion is not granted and the case is heard on June 27th, Hendrix will have no choice but to appear, receive exhibits, listen to and perhaps cross examine witnesses and then, once the order is entered by the Division, file a *de novo* appeal to the Oil Conservation Commission.

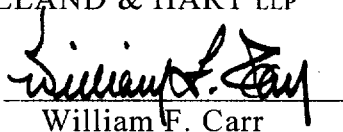
9. W. Thomas Kellahin, attorney for Apache, opposes this motion.

WHEREFORE, John H. Hendrix, requests that the Division enter its order continuing the hearing on this application to a hearing date after an accurate application has been filed, proper notice of what is being sought provided to affected parties and a reasonable time been allowed to prepare for the hearing thereon.

Respectfully submitted,

HOLLAND & HART LLP

By:

  
William F. Carr

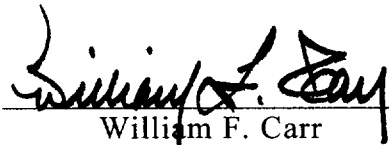
Attorneys for John H. Hendrix Corporation

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing pleading was faxed or hand-delivered to counsel of record on June 25, 2002 as follows:

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