

**THE APPLICATION OF APACHE CORPORATION TO CONSIDER AN EXCEPTION TO  
STATEWIDE RULE 31(A)(1)(B) FOR THE WELLS E., NO. 1H IN THE GIDDINGS (BUDA)  
FIELD, GRIMES COUNTY, TEXAS**

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**Heard by:** Andres J, Trevino, P.E., Technical Examiner

**Hearing Date:** June 28, 2010

**Appearances:**

Bill Spencer

**Representing:**

Apache Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Apache Corporation requests exception to Rule 31 in order to back-date the allowable for its Wells E. Well No. 1H more than 15 days prior to the filing date of Form P 15. The subject well is in the Giddings (Buda) Field. This application was unopposed and the examiner recommends approval.

**DISCUSSION OF THE EVIDENCE**

The well which is the subject of this hearing was drilled and completed on June 13, 2009. Form G-1 was timely filed and received in Austin on July 7, 2009. Form P-4 was timely filed on June 18, 2009. Delays were created in approving the allowable due to missing sections of the directional surveys which were not initially filed. Apache encountered delays as it attempted to receive the missing directional survey sections from its survey contractor, Schlumberger. Due to these delays in processing and in receiving missing sections of the directional survey, the P-4 was not approved until December 11, 2009. Additionally, the original Form P-15 was missing and needed to be re-filed to show the correct acreage assignment. Form P-15 was received on February 1, 2010.

Because of delays in processing and approving the filings, the well produced for six months without an allowable. The well was over produced by 429,654 MCF as of June 2010. All overage will be absorbed if the allowables are backdated. An exception to Statewide Rule 31(A)(1)(B) will not harm correlative rights or cause waste.

**FINDINGS OF FACT**

1. Notice was issued to all affected persons at least ten (10) days prior to the date of the hearing. The hearing was unopposed.

2. The Wells E. Well No. 1H was drilled and completed on June 13, 2009. Form G-1 was filed timely and received in Austin on July 7, 2009. Form P-4 was filed timely on June 18, 2009.
3. Due to the late filing of the missing sections of the directional survey, the P-4 was not approved until December 11, 2009, resulting in assignment of zero allowables for six months.
4. The original Form P-15 was missing and needed to be re-filed to show the correct acreage assignment. Form P-15 was received on February 1, 2010. but under Rule 31, allowables could not be assigned more than 15 days prior to the date of filing.
5. As of June 1, 2010, the Wells E. Well No. 1H is overproduced 429,654 MCF.

### **CONCLUSIONS OF LAW**

1. Proper notice was timely issued to all persons legally entitled to notice.
2. All things have been accomplished to give the Commission jurisdiction in this matter.
3. Exception to Rule 31 for the Wells E. Well No. 1H in the Giddings (Buda) Field will not harm correlative rights and will not cause waste.

### **EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of exception to Rule 31 for the Wells E. Well No. 1H in the Giddings (Buda) Field. Allowable for the well shall be made effective June 13, 2009.

Respectfully submitted,

Andres J. Trevino  
Technical Examiner