



- ARGENTINA
- AUSTRALIA
- CANADA
- EGYPT
- UK NORTH SEA
- UNITED STATES
- LATEST FROM UNITED STATES
- CENTRAL REGION
- ▶ PERMIAN REGION
- GULF OF MEXICO REGIONS
- CAREERS
- SUPPLIERS
- CONTACTS
- INNOVATION
- EXPLORING WHAT'S POSSIBLE

[HOME](#) > [OPERATIONS](#) > [UNITED STATES](#) > PERMIAN REGION

PERMIAN REGION



Our Permian region controls over three million gross acres with exposure across the Permian Basin. The region's property and acreage base increased substantially after completing the 2010 BP acquisition and Mariner merger. Integrating these assets was a key focus during 2011. Apache is now one of the largest operators in the Permian Basin, operating more than 12,000 wells in 152 fields, including 45 waterfloods and six CO₂ floods. Total region production was up over 38 percent sequentially as a result of the prior-year acquisitions and a drilling program that is continuing to ramp up. We averaged running 25 rigs during the year, drilling or participating in 507 wells. Only two dry holes were drilled, including a non-operated well. The Permian region's year-end 2011 estimated proved reserves were 751 million barrels of oil equivalent (MMboe) and represent 25 percent of Apache's total proved reserves.

The key focus areas of our activity during the year continued to be the horizontal redevelopment of legacy waterflood units and the multi-zone development of the Deadwood area. Deadwood is the most active of our plays in the Permian Basin where we ran an average of 11 rigs and drilled 195 wells. Gross oil production in Deadwood exceeded 8,000 barrels per day (Bpd) and 17 million cubic feet per day (MMcfd) at the end of the year, which compares with 2,000 Bpd and 6 MMcfd at the beginning of the year. Our gas volumes plateaued in this area in the fourth quarter because of midstream constraints. In order to increase capacity in 2012, the region began construction in the third quarter 2011 on a natural gas processing facility in a 50-percent joint venture with Crosstex Energy, L.P. We expect to drill over 300 wells in Deadwood during 2012, and we have an inventory of approximately 1,000 additional vertical locations across multiple formations and stacked pay zones on 20-acre spacing.

Apache continued horizontal redevelopment of its waterflood units during 2011 with the drilling of 38 operated horizontal wells. Seven fields were tested with a 100-percent success rate. Three of these fields are under full horizontal development with the remaining fields in the testing phase. The region has identified an additional 23 major waterflood units and fields to be developed horizontally.

The Permian region is building a large inventory of other horizontal opportunities based on success achieved during 2011 along with the continued integration of the prior year BP acquisition and Mariner merger. As we head into 2012, we continue to advance several plays, including Bone Springs, Wolfcamp Shale, Cline Shale, and off-structure Grayburg formations. Given a current inventory of over 10,000 locations, the region has a strong portfolio of drilling opportunities for multiple years.

OPERATIONAL HIGHLIGHTS - UNITED STATES

PERFORMANCE	YEAR-END DEC. 2011
Oil production (Bpd)	119,415
Natural gas production (Mcf)	864,742
Natural gas liquids production (Bpd)	22,111
Estimated proved reserves (MMboe)	1,290
Gross acreage	10,229,040
Gross well drilled/productive	702/671

Copyright © 2012 Apache Corporation. All rights reserved.
This material may not be published, broadcast, rewritten or redistributed.

[Legal](#) | [Site Map](#)