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Apache Corp. honored by Midland Wildcat Committee

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"When we moved to the Permian Basin, it was because we wanted to be closer to our production," said Steve Farris, chairman and chief executive officer of Apache Corp., about the company opening its Permian region headquarters last summer. "Lo and behold, it took off faster than we anticipated."

Farris, along with other senior executives in the company, was in Midland on Wednesday to be honored at a reception held by the Midland Wildcat Committee.

In preparing to open its regional office in Midland, the company contracted with the Midland Development Corporation to create 51 jobs with a payroll of at least \$5 million. To date, John Christmann, Apache's vice president for the Permian region, reported the company has 202 employees in Midland with a payroll in excess of \$18 million.

Farris said Apache has had a presence in the Permian Basin since 1991 but that presence has grown thanks to acquisitions from Exxon Mobil, Anadarko, Marathon and last year's purchase of Permian Basin assets from BP. The company has invested \$8 million in the region and plans to invest over \$1.2 billion more in the Permian Basin into drilling, workovers, completions and land acquisitions. Apache has 25 rigs at work in the area.

"What really happened is technology has allowed us to get out the oil we've known was there but wasn't economic," he said. "Price met technology, and that's let us increase production."

Unconventional shale plays, whether oil shales in Wolfberry or Bone Spring in the Permian Basin, the Eagle Ford in South Texas or the Bakken in North Dakota and Wyoming, or natural gas in the Barnett, Haynesville or Marcellus, have revitalized oil and gas production in North America, sometimes in places not familiar with how the industry works.

As development in these areas grow, Farris said the industry "has to ensure it has best practices with respect to technology."

"Second, it has to do a better job of educating the public on the technology and that it's done right," he said.

There is skepticism that the industry is operating safely, he said, pointing out that "we're in six countries; there's skepticism all over the world."

In addition to its operations in the U.S., Apache is active in Argentina, Australia, Canada, Egypt and the U.K. North Sea and Farris said the company just took a large acreage position in New Zealand for a horizontal drilling program. Apache is also the largest acreage holder on the shelf of the Gulf of Mexico.

With Americans increasingly concerned about the health of the economy, he said the oil and gas industry could be an asset. "We create jobs and real product," he said. Increased domestic production of both crude and natural gas could decrease the amount imported from other countries.

Farris plans to see the company continue on its growth path, both in the Permian Basin and globally, through the drill bit and acquisitions.

"I tell my people that what we need to do is to make more money than we spend," he said.

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