

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

**APPLICATIONS OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO**

**OCC CASE NOS. 21277 & 21278
(Division Case Nos.16481 & 16482)**

**AMENDED APPLICATIONS OF APACHE
CORPORATION FOR COMPULSORY POOLING
AND APPROVAL OF A HORIZONTAL SPACING
UNIT AND POTASH DEVELOPMENT AREA,
EDDY COUNTY, NEW MEXICO**

**OCC CASE NOS. 21279 & 21280
(Division Case Nos.20171 & 20202)**

ORDER R-21258

**APACHE CORPORATION'S MOTION TO STAY
THE *DE NOVO* HEARING IN CASE NOS. 21277-21280**

Apache Corporation ("Apache") files this Motion to Stay the *De Novo* Hearing in Case Nos. 21277-21280 pending the New Mexico Oil Conservation Division's ("Division") resolution of the competing Mewbourne Oil Company ("Mewbourne") and Ascent Energy, LLC ("Ascent") cases now pending before the Division. As grounds for this motion, Apache states as follows:

1. Mewbourne does not oppose the relief Apache seeks in this Motion. Ascent opposes the relief sought in this Motion. Neither Occidental Permian Limited Partnership nor EOG Resources, Inc. have filed entries of appearance in the OCC cases, but Apache counsel emailed them as well to ascertain their position. Occidental Permian Limited Partnership does not object. At the time of the filing, EOG Resources, Inc. had not indicated its position.

2. On April 14, 2020, the Division entered Order No. R-21258 approving Ascent's applications in Case Nos. 16481 and 16482 and denying Apache's applications in Case Nos. 20171 and 20202.¹

3. On May 7, 2020 Apache filed an application for a *de novo* hearing seeking review of Order R-21258.

4. On May 4, 2020, Mewbourne filed applications for *de novo* hearing of R-21258.

5. Commission Case Nos. 21277-21280 ((Division Case Nos. 16481, 16482, 20171, and 20202) are now set for *de novo* hearing before the Commission on September 17, 2020.

6. Ascent's cases that are subject of the *de novo* hearing currently set for September 17, 2020, involve the W/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, Eddy County, New Mexico.

7. In June 2020, Mewbourne filed pooling applications covering the entire W/2 of Sections 28 and 33, Township 20 South, Range 30 East, Eddy County, New Mexico. Those applications were assigned Case Nos. 21361-21364. Those applications compete with the Ascent cases pending before the OCC.

8. On July 15, 2020, Mewbourne filed a Motion for Referral of Applications to New Mexico Oil Conservation Commission for Hearing in Conjunction with *De Novo* Hearing in Case Nos. 21277-21280, seeking to refer Mewbourne Case Nos. 21361-21364 to the OCC for hearing in conjunction with Commission Case Nos. 21277-21280.

9. Apache opposed Mewbourne's referral motion, because Mewbourne was a party to the Apache and Ascent cases when they were heard by the Division on August 20, 2019, yet

¹ Apache had originally filed pooling applications but withdrew those applications and requested only that the Division approve, to the extent necessary, a horizontal spacing unit and a potash development area.

Mewbourne chose not to present any evidence at the Division hearing for those cases nor did it indicate that it had development plans for its acreage in the area that would be adversely affected by either Apache's or Ascent's applications.

10. Today, August 5, 2020, counsel for Ascent informed Apache's counsel and Mewbourne's counsel that Apache had filed pooling applications for the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, Eddy County (Case Nos. 21393 and 21394).

11. According to Ascent's counsel, those applications compete with Mewbourne's Case Nos. 21361 and 21363.

12. As a result of Mewbourne's filings and Ascent's recently filed cases, as of August 5, 2020, Mewbourne and Ascent have competing applications for the entire W/2 of Sections 28 and 30.

13. Given the competing applications now between Ascent and Mewbourne, Apache intends to file competing applications of its own that will also cover the entire W/2 of Sections 28 and 30.

14. Ascent has indicated that if Mewbourne's Motion to Refer is granted, then Ascent will seek to have its newly filed competing applications (Case Nos. 21361 and 21363) referred to the OCC. *See* Ascent Response to Mewbourne Oil Company's Motion for Referral at page 12-13. The fact that Ascent has now filed applications that compete with the Mewbourne cases that Mewbourne seeks to refer to the OCC, and that Ascent will now likely seek to consolidated its newly filed cases with the *de novo* hearing cases, further demonstrates how complex the OCC process could become, which is why a stay of the OCC *de novo* hearings should be granted pending the outcome of the OCD proceedings.

15. Given the complexity of the cases currently pending before OCC, including Mewbourne's Motion for Referral, and the fact that Mewbourne and Ascent now have competing applications pending before the Division covering the same acreage as the acreage that is the subject of Order R-21258, the OCC *de novo* hearing set for September 17, 2020 should be stayed until the Division hearing process concludes.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on August 5, 2020:

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