

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

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

Case Nos. 21393 - 21394

**APPLICATIONS OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case Nos. 21361-21364

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

Case Nos. 21489 - 21491

**MEWBOURNE OIL COMPANY'S RESPONSE
TO INQUIRY REGARDING STATUS OF APPLICATIONS**

In accordance with the Hearing Examiner's request at the September 21, 2023 status conference, Mewbourne Oil Company ("Mewbourne") submits the following response to: (1) address whether the New Mexico Oil Conservation Division ("Division") has authority to dismiss the above-referenced applications; and (2) provide an update on the status of these matters. For the reasons discussed below, Mewbourne's pending applications should not be dismissed.

1. Mewbourne's applications in Case Nos. 21361-21364 seek orders pooling uncommitted interests in the Bone Spring and Wolfcamp formations underlying the W/2 of Sections 33 and 28, Township 20 South, Range 30 East in Eddy County. Mewbourne had initially proposed these Sidecar wells in January 2019.

2. In Case Nos. 16481 and 16482, which were heard by the Division on August 20, 2019, Ascent Energy LLC (“Ascent”) sought orders pooling uncommitted interests in the Bone Spring and Wolfcamp formations underlying 320-acre horizontal spacing units located in the W/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East in Eddy County.

3. In Case Nos. 20171 and 20202, which were also heard on August 20, 2019, Apache Corporation (“Apache”) sought orders approving the creation of horizontal spacing units and potash development areas in the N/2 of Sections 28 and 29 and the NE/4 of Section 30, Township 20 South, Range 30 East in Eddy County.

4. Mewbourne appeared at the August 20, 2019 hearing on Ascent’s and Apache’s applications through counsel.

5. On April 14, 2020, the Division issued 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.

6. Mewbourne timely filed applications for *de novo* hearing in Case Nos. 16481, 16482, 20171, and 20202 on May 4, 2020, and Apache filed applications for *de novo* hearing on May 7, 2020. Those cases remain pending before the Commission. *See* Case Nos. 21277-21280.

7. Mewbourne then filed its compulsory pooling applications in Case Nos. 21361-21364, which involve acreage that overlaps with the acreage at issue in Commission Case Nos. 21277-21280. Apache and Ascent also filed additional compulsory pooling applications with the Division.

8. On August 20, 2020, Apache filed a Motion to Stay the *De Novo* Hearings in Commission Case Nos. 21277-21280, which the Commission granted on August 25, 2020. *See* Order No. R-21454. In the order, the Commission concluded: “in order to prevent waste and

protect correlative rights, it is in the best interest of the public and the parties that all of the related applications be heard in conjunction with one another, or be entirely consolidated for the purpose of hearing.” As a result, the Commission held that the *de novo* hearings would be “stayed until all competing applications are heard by the Division or are otherwise resolved. The parties are ordered to notify the Commission when all related filed applications have been heard by the Division or have otherwise been resolved.” *See id.*

9. The Division hearing in these matters has been delayed several times for various reasons, including COVID-19 and Winter Storm Uri (which left Mewbourne’s witnesses in Texas without power). The parties have also engaged in extensive briefing and argument on legal matters, and Matador’s acquisition of Ascent’s interest in 2022 impacted the parties’ ongoing negotiations.

10. At this point, the parties are close to resolving these complex matters, but all of the applications remain pending before the Commission and Division.

11. If the parties are able to resolve their differences and settle these matters, then the parties, the Division, and the Commission would be able to avoid a significant expenditure of time, energy, and resources. As a result, it is not in the interest of the Division, the Commission, or the parties for the Division to dismiss Mewbourne’s pending applications. Dismissal would also be inconsistent with Order No. R-21454 because the applications pending before the Division are to be consolidated with the Commission cases for one *de novo* hearing.

12. To afford the parties a final opportunity to resolve these matters, Mewbourne respectfully requests that the cases be continued to December 7, 2023 for a status conference. If the matters are not resolved by that date, the Division can set them for hearing.

For the foregoing reasons, Mewbourne request that the Division set these matters for a status conference on December 7, 2023.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on October 4, 2023, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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