

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

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

Case No. 21393

Case No. 21394

ASCENT'S PREHEARING STATEMENT

Ascent Energy, LLC, ("Ascent"), OGRID No. 325830, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPEARANCES

APPLICANT

Ascent Energy, LLC

ATTORNEY

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

PARTIES IN OPPOSITION

Mewbourne Oil Company

Dana S. Hardy
Dioscoro "Andy" Blanco
P.O. Box 2068
Santa Fe, New Mexico 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
dblanco@hinklelawfirm.com

Apache Corporation

Earl E. Debrine, Jr.
Deana M. Bennett
Lance D. Hough
Modrall, Sperling, Roehl, Harris & Sisk,
P.A.
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87193-2168
edebrine@modrall.com
dmb@modrall.com
ldh@modrall.com

APPLICANT'S STATEMENT OF CASES

In Case No. 21393, Ascent seeks an Order for (1) establishing a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (WC-015 G-04 S203032P; BONE SPRING [Pool Code 98008]) underlying said unit. Ascent proposes three wells for this unit, the Anvil Fed Com 502H Well, the Anvil Fed Com 503H Well, and the Anvil Fed Com 602H Well.

In Case No. 21394, Ascent seeks an Order for (1) establishing a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (WC-015 G-07 S203032G; WOLFCAMP [Pool Code 97963]) underlying said unit. Ascent proposes the Anvil Fed Com 703H for this unit.

These Cases are scheduled for the September 10, 2020, Docket; however, because they are subject to competing applications, as described in the Procedural Matters, below, Ascent requests that a status conference be held on the September 10 hearing date in order to determine the manner and dates on which the Division would hear these Cases in conjunction with the competing cases

of Mewbourne Oil Company (“Mewbourne”) for the E/2 W/2 of Sections 28 and 33, along with the additional applications filed by Mewbourne and proposed by Apache Corporation (“Apache”) pursuant to Commission Order No. R-21454, issued by the Oil Conservation Commission (“Commission”).

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Pending	Pending	Pending

PROCEDURAL MATTERS

Mewbourne has filed competing applications for the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, for both the Bone Spring and Wolfcamp formations, in Case Nos. 21361 and 21364. Furthermore, Mewbourne has filed applications in Case Nos. 21362 and 21363 that propose to pool the W/2 W/2 of Sections 28 and 33, which the Division has previously pooled, granting operating rights to Ascent, pursuant to final Order No. R-21258 (Case Nos. 16481 and 16482,). In addition, Apache Corporation (“Apache”), whose development plan for the N/2 of Sections 28 and 29 and the NE/4 of Section 30, Township 20 South, Range 30 East, was denied by the Division in final Order No. R-21258 (Case Nos. 20171 and 20202), proposes to submit pooling applications for said N/2 of Sections 28 and 29 and the NE/4 of Section 30. Mewbourne’s application for the W/2 W/2 of said Sections and Apache’s proposed applications for the N/2 of said Sections conflict with and infringe upon existing Order No. R-21258 issued by the Division.

Pursuant to Commission Order No. R-21454, the Division has been directed to hear the competing applications of Ascent and Mewbourne for the E/2 W/2 of Sections 28 and 33 (Case Nos. 21393, 21394, 21361 and 21364), as well as Mewbourne's applications covering the W/2 W/2 of said Sections (Case Nos. 21362 and 21363) along with the pooling application to be submitted by Apache for the N/2 of Sections 28 and 29 and the NE/4 of Section 30.

Issuance of Commission Order No. R-21454 followed the Motion Hearing held by the Division on August 20, 2020, in which the Division heard arguments on the following filings (Motion, Responses and Replies) by the parties: (1) Apache Corporation's (Amended) Motion to Stay the *De Novo* Hearing in Case Nos. 21277-21280; (2) Ascent Energy, LLC's Response in Opposition to Apache Corporation's (Amended) Motion to Stay *De Novo* Hearing in Case Nos. 21277-21280; (3) Mewbourne Oil Company's Response to Apache Corporation's Motion to Stay the *De Novo* Hearing in Case Nos. 21277-21280; (4) Ascent's Energy, LLC's Reply to Mewbourne Oil Company's Response to Apache Corporation's (Amended) Motion to Stay *De Novo* Hearing in Case Nos. 21277-21280; and (5) Mewbourne Oil Company's Reply to Ascent Energy, LLC's Response in Opposition to Apache Corporation's Motion to Stay the *De Novo* Hearing in Case Nos. 21277-21280; the contents of the aforementioned filings cover Commission Case Nos. 21277-80 (Division Case Nos. 16481, 16482, 20171 and 20202).

Pursuant to Commission Order No. Order No. R-21454, Ascent respectfully requests that the Division initiate a status conference for September 10, 2020, or other acceptable date, in lieu of hearing Cases Nos. 21393 and 21394, in order to assess the best way to proceed under the Commission's Order. Counsel for Mewbourne has expressed by phone its agreement for having a status conference in lieu of a pooling hearing; Counsel for Apache to date has not expressed an opinion when contacted by email.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorneys for Ascent Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on September 3, 2020:

Dana S. Hardy
Dioscoro “Andy” Blanco
Hinkle & Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
dblanc@hinklelawfirm.com
Counsel for Mewbourne Oil Company

Earl E. Debrine, Jr.
Deana M. Bennett
Lance D. Hough
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87193-2168
edebrine@modrall.com
dmb@modrall.com
ldh@modrall.com
Counsel for Apache Corporation

Dalva L. Moellenberg
Gallagher & Kennedy, PA
1239 Paseo de Peralta
Santa Fe, NM 87501-2758
dln@gknet.com
Counsel for Oxy USA, Inc.

Ernest Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
padillalawnm@outlook.com
Counsel for EOG Resources

/s/ Darin C. Savage

Darin C. Savage