

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF APACHE CORP. FOR  
COMPULSORY POOLING, ETC., EDDY COUNTY,  
NEW MEXICO.**

**Case No. 20171**

**APPLICATION OF APACHE CORP. FOR  
COMPULSORY POOLING, ETC., EDDY COUNTY,  
NEW MEXICO.**

**Case No. 20202**

**ASCENT'S MOTION TO DISMISS**

Ascent Energy, LLC ("Ascent") moves to dismiss the above applications of Apache Corp. ("Apache"). In support thereof, Ascent states:

**ASCENT CASES.**

1. Ascent has filed applications in Case Nos. 16481 and 16482, seeking to pool the Bone Spring and Wolfcamp formations in the W/2W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM for north-south wells. Ascent has further development plans in those sections.

2. The above acreage is in the oil-potash area. In March 2018 Ascent filed an application with the BLM to establish a drill island in order to drill its wells. The BLM has granted Ascent's request.

3. Thereafter, in August, Ascent sent out well proposals, and subsequently filed pooling applications to be heard on November 1, 2018. In all matters Ascent has complied with Division pooling requirements.

4. Both Apache and EOG filed continuance motions on Ascent's applications in October. EOG's motion was granted, and Ascent's cases were continued to December 6<sup>th</sup>. Of course, they were further continued to January 10<sup>th</sup>.

**APACHE'S CASES.**

5. Apache filed an application for approval of a drilling island by letter dated October 29, 2018. Upon information and belief, the application has not been granted. Thus, at this time Apache cannot drill its proposed wells.<sup>1</sup>

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<sup>1</sup> Apache has requested the OCD to approve its drilling island. That approval must come from the BLM.

6. Apache subsequently filed the above pooling applications. The applications cover the N/2 of Sections 28 and 29, and the NE/4 of Section 30, Township 20 South, Range 30 East, NMPM for east-west wells. The proposed well units conflict with those of Ascent, and will prevent Ascent from effectively developing its acreage.<sup>2</sup>

7. Case No. 20171 was filed on December 12<sup>th</sup>. The other application's filing date is unknown.

8. Subsequently, after its applications were filed, Apache sent a proposal letter to interest owners dated December 13<sup>th</sup>. Ascent did not receive the proposal letter until it was e-mailed to it on December 18<sup>th</sup>.

#### CONCLUSION.

9. Ascent has complied with all the requirements of the BLM to drill wells, and the OCD's requirements to pool well units.

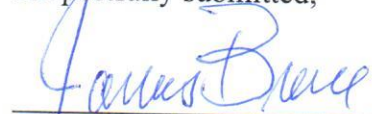
10. Apache does not have the right under the BLM's regulations and Secretarial Order No. 3324 to drill wells in the oil-potash area.

11. Apache has not complied with the OCD's requirement to send proposal letters to interest owners at least 30 days before filing pooling applications. **Order No. R-13165.**

11. Apache can drill wells in Sections 29 and 30 without denying Ascent the right to develop its acreage in Sections 28 and 33. Granting Apache's applications will impair Ascent's correlative rights.

WHEREFORE, Apache did not follow proper BLM and OCD procedures, it does not have the right to drill its proposed wells, and its applications should be dismissed. Ascent should be permitted to proceed with its applications on January 24<sup>th</sup>.

Respectfully submitted,



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<sup>2</sup> Apache's notices set forth in the OCD's docket sheet re defective, because they do not list the formations being pooled.