

**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. 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**

CASE NOS. 20171, 20202

APACHE CORPORATION'S COMBINED PRE-HEARING STATEMENT

Apache Corporation ("Apache") submits this Pre-Hearing Statement for the above-referenced cases which have been consolidated for hearing pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT/OPPONENT

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STATEMENT OF CASE

In **Case No. 16481**, Ascent Energy, LLC seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 28 and the W/2W/2 of Section 33, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

In **Case No 16482**, Ascent Energy, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the W/2W/2 of Section 28 and the W/2W/2 of Section 33, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

In **Case No. 20171**, Apache seeks an order from the Division: (1) to the extent necessary, approving the creation of a 800-acre Wolfcamp horizontal spacing unit and a potash area development area; and (2) pooling all uncommitted mineral interests within a horizontal spacing unit underlying the N/2 of Sections 28 and 29 and the NE/4 of Section 30 of Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This Development Area will be the horizontal spacing unit for the **Taco 28-30 Federal Com 401H, Taco 28-30 Federal Com 402H, and Taco 28-30 Federal Com 403H** wells, to be horizontally drilled.

In **Case No. 20202**, Apache seeks an order from the Division: (1) to the extent necessary, approving the creation of a 800-acre Bone Spring horizontal spacing unit and a potash area development area; and (2) pooling all uncommitted mineral interests within a horizontal spacing unit underlying the N/2 of Sections 28 and 29 and the NE/4 of Section 30 of Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This Development Area will be the horizontal spacing unit for the **Taco 28-30 Federal Com 301H, Taco 28-30 Federal Com 302H, Taco 28-30 Federal Com 303H, Taco 28-30 Federal Com 201H and Taco 28-30 Federal Com 202H** wells, to be horizontally drilled.

Apache seeks approval of its proposed Taco Development Area within the Potash Area of Eddy County under the terms of Secretary of the Interior's Order 3324 entered December 2017 establishing procedures and guidelines for the co-development of potash and oil and gas resources in Designated Potash Area. Apache opposes Ascent's applications because if granted they will result in waste and impair Apache's correlative rights.

PROPOSED EVIDENCE

APACHE:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Laci Stretcher– Landman	Approx. 40	Approx. 10
Mindy Goldsmith - Engineer	Approx. 40	Approx. 10
Mike Muncy - Geologist	Approx. 40	Approx. 12

PROCEDURAL ISSUES

Ascent has indicated that it will seek to continue the hearing for these cases. Ascent's cases have been pending since November 2018 and Apache's since December 2018. They were set for special hearing on a date agreed to by the parties and should not be continued. Ascent and EOG filed separate motions to dismiss which were denied by the Division at a pre-hearing conference held January 24, 2019.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
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By: 

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CERTIFICATE OF SERVICE

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