

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

**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 NO. 21489

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FOR COMPULSORY POOLING AND
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CONSOLIDATED PRE-HEARING STATEMENT

Apache Corporation (“Apache” or “Applicant”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPLICANT

Apache Corporation

ATTORNEY

Earl E. DeBrine
Deana M. Bennett
Lance D. Hough
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

INTERESTED PARTY

Mewbourne Oil Company

Ascent Energy, LLC

ATTORNEY

Dana S. Hardy
Dioscoro "Andy" Blanco
HINKLE SHANOR LLP
PO Box 2068
Santa Fe, New Mexico 87504
(505) 982-4554

Darin C. Savage
Andrew D. Schill
William E. Zimsky
ABADIE & SCHILL, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
970.385.4401

STATEMENT OF CASES

In Case No. 21489, Apache seeks an order from the Division: (1) approving the creation of a horizontal spacing unit for wells located within its proposed Taco 28/30 Development Area in the Designated Potash Area; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the S/2 N/2 of Section 28, S/2 N/2 of Section 29, and S/2 NE/4 of Section 30 of Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Taco 28-30 Federal Com 201H** and **Taco 28-30 Federal Com 301H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located in the Designated Potash Area approximately 21 miles northeast of Carlsbad, New Mexico.

In Case No. 21490, Apache seeks an order from the Division: (1) approving the creation of a horizontal spacing unit for wells located within its proposed Taco 28/30 Development Area in the Designated Potash Area; and (2) pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the N/2 N/2 of Section 28, N/2 N/2 of Section 29, and N/2 NE/4 of Section 30 of Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Taco 28-30 Federal Com 202H** and **Taco 28-30 Federal Com 302H** wells, to be horizontally drilled. The producing area for these wells will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located in the Designated Potash Area approximately 21 miles northeast of Carlsbad, New Mexico.

In Case No. 21491, Apache seeks an order from the Division: (1) approving the creation of a horizontal spacing unit for wells located within its proposed Taco 28/30 Development Area in the Designated Potash Area; and (2) pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the N/2 of Section 28, N/2 of Section 29, and NE/4 of Section 30 of Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Taco 28-30 Federal Com 401H** well, to be horizontally drilled. The producing area for this well will be orthodox. Also to be considered will be the cost of drilling, completing and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Apache as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located in the Designated Potash Area approximately 21 miles northeast of Carlsbad, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
TBD – Landman	Approx. 1 Hour	Approx. 15
TBD – Geologist	Approx. 1 Hour	Approx. 10
TBD – Reservoir Engineer	Approx. 1 Hour	Approx. 10

PROCEDURAL ISSUES

Pursuant to Order Nos. R-21454 and R-21454-A from the Commission, these cases have been consolidated with the Ascent’s competing Case Nos. 16481, 16482, 21393, and Mewbourne’s competing Case Nos. 21394, 21361 – 21364. While Case Nos. 16481 and 16482 are not to be reheard by the Division, the remaining case are to be heard together by the Division. Accordingly, Apache requests a status conference in order to determine the date and manner in which these competing applications will be heard. It also worth noting that, today, Ascent filed a Motion to Dismiss Case Nos. 21489, 21490, 21491, 21362, and 21364, which should be fully briefed before being addressed by the Division.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Lance D. Hough

Earl E. DeBrine, Jr.
Deana M. Bennett
Lance D. Hough
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
dmb@modrall.com
ldh@modrall.com
Attorney for Applicant Apache Corporation

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 October 29, 2020:

Dana S. Hardy
Dioscoro "Andy" Blanco
HINKLE SHANOR LLP
dhardy@hinklelawfirm.com
dblanco@hinklelawfirm.com
Counsel for Mewbourne Oil Company

Darin C. Savage
Andrew D. Schill
William E. Zimsky
ABADIE & SCHILL, PC
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com
Counsel for Ascent Energy, LLC

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Lance D. Hough
Lance D. Hough

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