

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

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

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

OCD Case Nos. 21361-21364

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

OCD Case Nos. 21393 and 21394

**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, 21490, and 21491

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

**OCD Case Nos. 16481 and 16482
OCC Case Nos. 21277 and 21278**

**AMENDED APPLICATIONS OF APACHE
CORPORATION FOR COMPULSORY POOLING
AND APPROVAL OF HORIZONTAL SPACING
UNIT AND POTASH DEVELOPMENT AREA,
EDDY COUNTY, NEW MEXICO**

**OCD Case Nos. 20171 and 20202
OCC Case Nos. 21279 and 21280**

ORDERS OF THE COMMISSION

**Order Nos. R-21454 and
R-21454-A**

JOINT STATEMENT OF DISPUTED AND UNDISPUTED FACTS

Pursuant to the Pre-Hearing Order, Mewbourne Oil Company (“Mewbourne”), Ascent Energy LLC (“Ascent”), and Apache Corporation (“Apache”) jointly submit this statement identifying: (a) material facts not in dispute; and (b) disputed facts and issues.

A. Undisputed Material Facts

1. In Case No. 21361, Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 33 and the E/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 B3NC Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit C in Section 28, Township 20 South, Range 30 East. The completed interval of the well will be orthodox.
2. In Case No. 21362, Mewbourne seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 33 and the W/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 B3MD Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit D in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval of the well will be orthodox.
3. In Case No. 21363, Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Section 33 and the E/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 W0NC Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit C in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval of the well will be orthodox.
4. In Case No. 21364, Mewbourne seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 33 and the W/2 W/2 of Section 28, Township 20 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Sidecar 33/28 W0MD Fed Com #1H well, which will be horizontally drilled from a surface location in Lot 1 in Section 4, Township 21 South, Range 29 East to a bottom hole location in Unit D in Section 28, Township 20 South, Range 30 East in Eddy County. The completed interval of the well will be orthodox.
5. In Case No. 21393, Ascent seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East

- in Eddy County, New Mexico. Ascent proposes to dedicate the horizontal spacing unit to the Anvil Fed Com 502H, 503H, and 602H Wells. The Anvil Fed Com 503H and 602H Wells will have orthodox locations, and the location of the Anvil Fed Com 502H Well will be unorthodox.
6. In Case No. 21394, Ascent seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East in Eddy County, New Mexico. Ascent proposes to dedicate the horizontal spacing unit to the Anvil Fed Com 703H Well.
 7. In Case No. 21489, Apache seeks an order: (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.
 8. In Case No. 21490, Apache seeks an order: (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.
 9. In Case No. 21491, Apache seeks an order: (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. This well will utilize the proximity tract rule in forming an 800-acre Wolfcamp spacing unit.
 10. In August of 2019, the Division heard Ascent's applications in Case Nos. 16481 and 16482 and Apache's applications in Case Nos. 20171 and 20202 and subsequently issued Order No. R-21258 granting Ascent's applications. Apache and Mewbourne filed applications for de novo hearing, and these matters are currently pending before the Oil Conservation Commission.

11. Mewbourne claims a 62.5% interest in its proposed spacing units and in the spacing units proposed by Ascent.
12. Ascent claims a 34.1% interest in its proposed spacing units and in the spacing units proposed by Mewbourne.
13. Apache does not claim an interest in the spacing units proposed by Mewbourne and Ascent.
14. Apache claims a 38.42% interest in its proposed spacing unit.
15. Ascent claims a 16.4% interest in the spacing unit proposed by Apache.
16. Mewbourne does not claim an interest in the spacing unit proposed by Apache.

B. Disputed Facts and Issues

The disputed facts and issues relate to which of the three competing proposed development plans will best prevent waste, protect correlative rights, and prevent the drilling of unnecessary wells, including the facts incumbent to those issues that are considered by the Division in competing pooling matters, which include, but are not limited to, the following:

- (a) Which competing development plan will most efficiently recover the oil and gas reserves underlying the property?
- (b) Whether there is greater risk associated with the parties' respective development proposals?
- (c) Whether the applicant negotiated in good faith to reach voluntary pooling before filing its application for compulsory pooling?
- (d) Whether differences in the ability of each party to prudently operate the property and, thereby, prevent waste, favor designation of one operator over another?
- (e) Whether difference in well cost estimates (AFEs) and other operational costs among the proposals favor one development plan over another?
- (f) Whether differences in the mineral interest ownership held by each party favor designating that party as operator?
- (g) Whether differences in the ability of the applicants to timely locate well sites and to operate on the surface favors one development plan over another?

The parties are not submitting a list of disputed facts relevant to each of these elements but will discuss these elements and provide the facts in dispute with respect to these elements in the testimony and exhibits each party files.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of February, 2021, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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