

**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**

**Case No. 22007**

**ASCENT ENERGY, LLC'S PREHEARING STATEMENT**

Ascent Energy, LLC ("Ascent"), OGRID No. 325830, through its undersigned attorneys, submits the following Prehearing Statement for the above-referenced case pursuant to the rules of the Oil Conservation Division ("Division"). Ascent is protesting the application of Mewbourne Oil Company ("Mewbourne") in this case for the reasons stated herein.

**APPEARANCES**

**APPLICANT**

Mewbourne Oil Company

**ATTORNEY**

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**OPPOSING PARTY**

Ascent Energy, LLC

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## **OPPOSING PARTY'S STATEMENT OF CASES**

In Case No. 22007, Mewbourne is applying for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 22 and the N/2 of Section 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. Mewbourne proposes to dedicate the Papa Grande 22/21 W0AD Fee Well No. 1H and the Papa Grande 22/21 W0HE Fee Well No. 1H to this unit.

Ascent owns 100% working interest in the N/2 of Section 21. Ascent intends to apply for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of the N/2 of Section 21 and the N/2 of Section 20. Thus, Ascent's application will be in competition with Mewbourne's proposed plan.

There are a number of substantive factors that favor Ascent's development plan over Mewbourne's. First, Ascent owns 100% working interest in the Waltherthon No. 1, an active vertical well that is producing from the Wolfcamp, the same formation targeted by Mewbourne. The spacing unit for the Waltherthon No. 1 is the N/2 of Section 21. Ascent also owns 100% working interest in another well in Section 21, the Waltherthon No. 2, which is producing from the Morrow formation. Ascent's ownership of the Waltherthon No. 1 implicates a number of Division Rules, in particular NMAC 19.15.16.15B(9). These rules become factors in the selection of the best plan and operations of Section 21. Ascent is in the best position to make decisions for the development and operations of its unit that includes Section 21 because its ownership of the wells would allow Ascent to retain control over the operational decisions that must be made efficiently for optimal production and the mitigation of risk, including environmental risk.

Mewbourne, with its proposed development of N/2 of Sections 21 and 22, is not in a position, nor would it be in a position as an operator, to provide the necessary control, decision-

making, and responsiveness to optimize production and avoid operational risk. Not only does Mewbourne face protests from working interest owners under the rules because of the Walterthon No. 1 well, but Mewbourne's completion of its horizontal wells in close proximity to the existing wells could be a greater threat to the integrity of the wells without full control over operational decisions for the wells in the Wolfcamp. Sections 20, 21 and 22 are on the outskirts of Carlsbad, in close proximity with residential areas. Ascent with its ownership of the wells in the best position to implement precautionary measures that would protect both operations of the unit and the surrounding area.

Furthermore, Mewbourne's plan leaves only a 1-mile unit option for developing the lands of Section 20, which is a sub-economic option. Section 19, adjacent to the west, covers a residential area where operations become more restricted due to increased risks to that population and potential objections from the municipality and residents. Ascent's plan for the prudent development of the resources in Section 20 and 21 maintains the prerequisite distance and spacing for safe operations while extracting hydrocarbons that would otherwise result in sub-optimal production under Mewbourne's plan.

Therefore, Ascent provides the better plan for the prevention of waste, the protection of correlative rights, the avoidance of unnecessary risks to residential areas, and the integrity of existing wells.

#### **APPLICANT'S PROPOSED EVIDENCE**

WITNESS

ESTIMATED TIME

EXHIBITS

**OPPONENT'S PROPOSED EVIDENCE**

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Lee Zink	30 min	Approx. 10
Geologist: Ben Metz	30 min	Approx. 8
Reservoir Engineer: Jaime Hecht	30 min	Approx. 6
Drilling Engineer: Joshua Mallery	30 min	Approx. 4

**PROCEDURAL MATTERS**

Ascent respectfully requests a status conference on the scheduled July 1, 2021, hearing date to set a new date that would accommodate the submission of Ascent's application for its competing development plan.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys 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, or on the party of record, if no counsel was provided, via electronic mail on June 24, 2021:

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*Attorney for Mewbourne Oil Company*

/s/ Darin C. Savage

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