

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING AND APPROVAL
OF AN UNORTHODOX WELL LOCATION, LEA
COUNTY, NEW MEXICO.**

Case No. _____

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill its Big Moose Fed. Com. Well Nos. 505H, 506H, and 604H to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13 to the wells to form a 200-acre oil horizontal spacing unit. The wells have first take points in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 12 and last take points in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13.

The wellbore of the Big Moose Fed. Com. Well No. 505H will be located 1254 feet from the west line of Sections 12 and 13, and applicant requests approval thereof.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13, for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests.

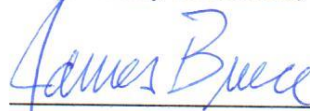
Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 and the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13;
- B. Approving an unorthodox location for the Big Moose Fed. Com. Well No. 505H;
- C. Designating applicant as operator of the wells;
- D. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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