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August 16, 2018

Case 16410

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Ascent Energy, LLC is an application for a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set this matter for the September 20, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Ascent Energy, LLC

Parties Being Pooled

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

Attention: Matt Brown

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16410

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 33, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 33, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Wolfcamp formation:
 - (a) the Gavilon Fed. Com. Well No. 701H; and
 - (b) the Gavilon Fed. Com. Well No. 702H.

Applicant will dedicate the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 33 to the wells to form a 320-acre horizontal spacing unit in the Wolfcamp formation. The wells are all horizontal wells, with a first take point in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 33, and a last take point in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 28 and the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 33 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 Wolfcamp formation in the E½E½ of Section 28 and the E½E½ of Section 33, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the E½E½ of Section 28 and the E½E½ of Section 33 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 Wolfcamp formation underlying the E½E½ of Section 28 and the E½E½ of Section 33;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. 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,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Ascent Energy, LLC

PROPOSED ADVERTISEMENT

Case No. 16410:

Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico.
Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying a 320-acre horizontal spacing unit in the Wolfcamp formation comprised of the E/2E/2 of Section 28 and the E/2E/2 of Section 33, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Gavilon Fed. Com. Well No. 701H and the Gavilon Fed. Com. Well No. 702H, horizontal Wolfcamp wells with first take points in the SE/4SE/4 of Section 33, and last take points in the NE/4NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The unit is located approximately 3-1/2 miles east-southeast of Halfway, New Mexico.

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