

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

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

Case No. _____

APPLICATION

Ascent Energy, LLC, (“Ascent”), OGRID No. 325830, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) establishing a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (WC-015 G-07 S203032G; WOLFCAMP [Pool Code 97963]) underlying said unit.

In support of its Application, Ascent states the following:

1. This is a competing application for the applications filed by Mewbourne Oil Company (“Mewbourne”) in Case Nos. 21363 and 21364, which seek an order to create two horizontal spacing units in the E/2 W/2 and the W/2 W/2 of Sections 28 and 33, thereby conflicting with Ascent’s current Development Area and Plan, approved by the BLM for the entire W/2 of Sections 28 and 33. Ascent submits its application as an integral component of its continuing effort to develop the entire W/2 pursuant to its prior development of the W/2 W/2 of said Sections and ongoing plans secured under federal rights for these federal lands.

2. Ascent is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.

3. Ascent seeks to dedicate to the HSU one well identified herein to test the Wolfcamp formation.

4. Ascent proposes the **Anvil Fed Com 703H Well**, to be horizontally drilled from a surface location in NE/4 NE/4 (Lot 1) of Section 4, Township 21 South, 29 East, NMPM, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 28.

5. The **Anvil Fed Com 703H Well** will have an orthodox, standard location for the take points, conforming to the Division’s state-wide rules.

6. Ascent has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Wolfcamp formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Ascent requests that all uncommitted interests in this HSU be pooled and that Ascent be designated the operator of the proposed horizontal wells and HSU.

9. Ascent reserves the right to add additional wells to the HSU, pursuant to the Division’s state-wide rules, when and if deemed necessary by Ascent for the proper development of the HSU and its resources.

WHEREFORE, Ascent requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and after notice and hearing as required by law, the Division enter an order:

- A. Denying Mewbourne's Applications in Case Nos. 21363 and 21364;
- B. Acknowledging, pursuant to Division Order No. R-21258, ¶ 16, issued in Cases Nos. 16481 and 16482, for the W/2 W/2 of Sections 28 and 33, BLM's decision to grant federal development rights to Ascent for the entire W/2 of said Sections as a substantial consideration in the approval of Ascent's Application for the E/2 W/2 of the Sections covering all federal lands.
- C. Approving the creation of a 320-acre, more or less, spacing and proration unit comprising the E/2 W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico;
- D. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU;
- E. Approving the proposed well in the HSU;
- F. Designating Ascent as operator of this HSU and the horizontal well to be drilled thereon;
- G. Authorizing Ascent to recover its costs of drilling, equipping and completing these wells;
- H. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures;
- I. Setting a 200% charge for the risk assumed by Ascent in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Ascent Energy, LLC, for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2W/2 of Sections 28 and 33, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (WC-015 G-07 S203032G; WOLFCAMP [Pool Code 97963]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Anvil Fed Com 703H Well**, to be horizontally drilled from a surface location in NE/4 NE/4 (Lot 1) of Section 4, Township 21 South, 29 East, NMPM, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 28. The completed interval of the **703H Well** will meet requirements for an orthodox, standard location. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and unit are located approximately 16 1/2 miles northeast of Carlsbad, New Mexico.