

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION****APPLICATION OF ASCENT ENERGY, LLC  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

Case No. \_\_\_\_\_

**APPLICATION**

Ascent Energy, LLC applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , and E $\frac{1}{2}$ SW $\frac{1}{4}$  (the W $\frac{1}{2}$ W $\frac{1}{2}$ ) of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 9, 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 $\frac{1}{2}$ W $\frac{1}{2}$  of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 9, and has the right to drill a well or wells thereon.

2. Applicant proposes to drill the following wells to test the Bone Spring formation:

(a) The Silver Fed. Com. Well No. 503H; and

(b) The Silver Fed. Com. Well No. 602H.

The wells are horizontal wells, with first take points in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 9 and final take points in Lot 3 of Section 4. Applicant will dedicate the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 9 to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 9 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

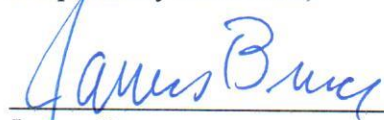
formation underlying the E½W½ of Section 4 and the E½W½ of Section 9 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the E½W½ of Section 4 and the E½W½ of Section 9 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 interest owners in the Bone Spring formation underlying the E½W½ of Section 4 and the E½W½ of Section 9;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping 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, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



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