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December 26, 2017

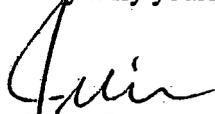
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 15949

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 January 25, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Ascent Energy, LLC

Parties Being Pooled

COG Operating LLC
600 West Illinois
Midland, Texas 79701

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF ASCENT ENERGY, LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

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Case No. 15949

APPLICATION

Ascent Energy, LLC applies for an order (i) approving a 143.56-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of Lots 1-4 (the W $\frac{1}{2}$ W $\frac{1}{2}$) of Section 18, Township 21 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 18, and has the right to drill a well thereon.
2. Applicant proposes to drill its Sombrero Fed. Com. Well No. 501H 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 18 to the well to form a non-standard 143.56-acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a horizontal well, with a surface location in Lot 4 of adjoining Section 7, and a terminus in Lot 4 of Section 18.
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 18 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 well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

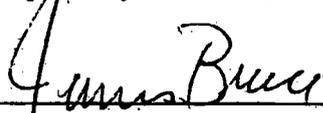
Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation in the W½W½ of Section 18, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the W½W½ of Section 18 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. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W½W½ of Section 18;
- B. Pooling all mineral interests in the Bone Spring formation underlying the W½W½ of Section 18;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Ascent Energy, LLC

PROPOSED ADVERTISEMENT

Case No. 15949 :

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 143.56-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2W/2) of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the Sombrero Fed. Com. Well No. 501H, a horizontal well with a surface location in Lot 4 of adjoining Section 7, and a terminus in Lot 4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 8-1/2 miles southeast of Halfway, New Mexico.

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