

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 interests in the Wolfcamp 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 No. 707H to a depth sufficient to test the Wolfcamp 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 well to form a 200-acre oil horizontal spacing unit. The well has a first take point in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 12 and a last take point in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 13.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp 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 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 Wolfcamp

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 Wolfcamp 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 Wolfcamp 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. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the well's 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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