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October 2, 2018

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

Case 16481

Dear Florene:

Enclosed for filing, on behalf of Ascent Energy, LLC, is an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the November 1, 2018 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Ascent Energy, LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 16480

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the $W\frac{1}{2}W\frac{1}{2}$ of Section 28 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 33, Township 20 South, Range 30 East, N.M.P.M., Eddy 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 28 and the $W\frac{1}{2}W\frac{1}{2}$ 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 Bone Spring formation:
 - (a) The Anvil Fed. Com. Well No. 401H;
 - (b) The Anvil Fed. Com. Well No. 501H; and
 - (c) The Anvil Fed. Com. Well No. 601H.

Applicant will dedicate the $W\frac{1}{2}W\frac{1}{2}$ of Section 28 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 33 to the wells to form a 320-acre horizontal spacing unit in the Bone Spring formation. The wells are all horizontal wells, with first take points in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 33 and final take points in the $NW\frac{1}{4}NW\frac{1}{4}$ of Section 28.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the $W\frac{1}{2}W\frac{1}{2}$ of Section 28 and the $W\frac{1}{2}W\frac{1}{2}$ 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

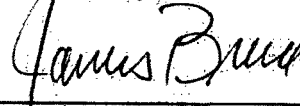
the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 28 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 33, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Bone Spring formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 28 and the W $\frac{1}{2}$ W $\frac{1}{2}$ 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 Bone Spring formation underlying the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 28 and the W $\frac{1}{2}$ W $\frac{1}{2}$ 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,



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Attorney for Ascent Energy, LLC