

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 20323

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7, Township 21 South, Range 33 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Toque State Com. Well No. 701H to test the Wolfcamp formation. Applicant will dedicate the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7 to the well. The well is a horizontal well, with a first take point in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6 and a final take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7 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 Wolfcamp

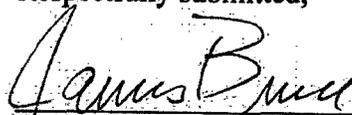
formation underlying the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests in the Wolfcamp formation underlying the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7 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 E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 7;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, 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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