State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer Deputy Cabinet Secretary

May 7, 2018

BUREAU OF LAND MANAGEMENT ATT: James S. Rutley 620 E Greene Street Carlsbad, NM 88220 STATE LAND OFFICE ATT: Stephen Wust PO BOX 1148 Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ASCENT ENERGY, LLC. LEASE NAME: TOQUE STATE # 502H

PROPOSED LOCATION: U/L L Lot 17 Sec 6 T21S R33E 2516 FSL 320 FWL

PROPOSED DEPTH: 18275' MD

Gentleman:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve that are filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please Return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

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Heather Riley, Division Director Oil Conservation Division



HOTTS CTTY MAY 162018 RECEIVED

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OIL CONSERVATION DIVISION

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (26) Syear) -----The above referenced pocation is within the Buffer Zone-----Yes

Signed

Printed Signature

Representing



May 3, 2018

Oil Conservation Division 1625 N. French Drive Hobbs, NM 88240

Attn: Paul Kautz

Hobbs District Geologist

RE: T21S-33E Sections 6 & 7 Lea County, New Mexico

- 1. Toque State Com 301H
- 2. Toque State Com 502H
- 3. Toque State Com 601H
- 4. Toque State Com 401H
- Toque State Com 401H
- 5. Toque State Com 701H
- 6. Toque State Com 201H
- 7. Toque State Com 302H
- 8. Toque State Com 503H
- 9. Toque State Com 702H
- 10. Toque State Com 303H
- 11. Toque State Com 602H
- 12. Toque State Com 202H
- 13. Toque State Com 203H
- 14. Toque State Com 402H
- 15. Toque State Com 703H
- 16. Toque State Com 704H
- 17. Toque State Com 304H

Dear Mr. Kautz:

Ascent Energy, LLC ("Ascent") has submitted the application for permit to drill for the seventeen above referenced Toque State Com wells (the "Wells") to the New Mexico Oil Conservation Commission on May 3, 2018. Since the Well is located within the Designated Potash Area, Ascent has researched the Bureau of Land Management and New Mexico State Land Office records and has not located any active potash lease(s) within 1 mile of the Well.

If you have any questions or concerns, please do not hesitate to contact the undersigned at (720) 710-8923.

Kindest Regards.

Lee Zink Land Manager