# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING MARCH 15, 2018

### CASE NO. 16016, 16017, 16018, AND 15988

HORSESHOE FED COM NO. 601H WELL HORSESHOE FED COM NO. 602H WELL HORSESHOE FED COM NO. 701H WELL HORSESHOE FED COM NO. 702H WELL

### LEA COUNTY, NEW MEXICO



District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (573) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Anessa, NM 88210
Phone: (573) 748-1283 Fax: (575) 748-9720
District III
1000 Ris Rizzos Road, Artec, NM 87410
Phone: (593) 334-6170
District IV
1228 S. St. Francis Dr., Sanus Fe, NM 87565
Phone: (593) 376-3461 Fax: (393) 478-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

HORSESHOE FED COM

OGRID No.

OGRID No.

CENTENNIAL RESOURCE PRODUCTION, LLC

Surface Location

UL or lot no.

B 19 21S 33E

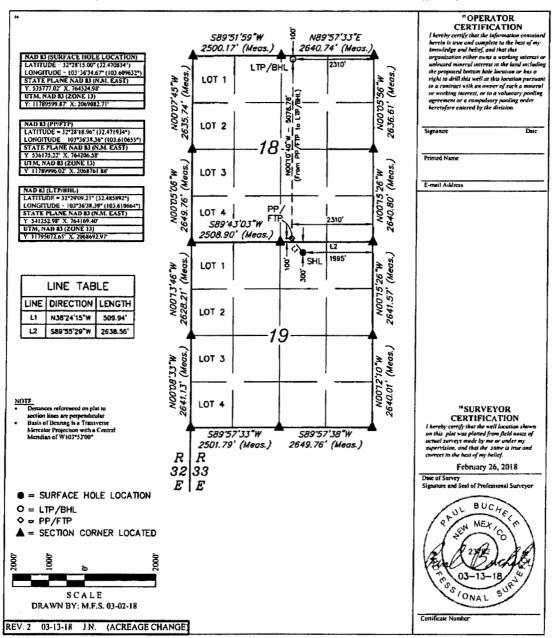
"Bottom Hole Location If Different From Surface

"Bottom Hole Location If Different From Surface

UL or lot no. Section Township Range Let Idn Feet from the North/South fine B 18 21S 33E Let Idn Feet from the NORTH 2310 EAST LEA

"Dedicated Acres 100 Joint or Infill Consolidation Code 100 NORTH 160 Leavily East Leavily Eas

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District 1
1623 N. French Dr., Hobbs, NM 8R240
Phone: (373) 393-6161 Fax: (375) 393-0720
District II
H1 S. Firns St., Artenia, NM 8R210
Phone. (573) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazon Road, Aziec, NM 87410
Phone: (505) 334-6178 Fax: (305) 334-6170
District IV
1220 S. Si. Francia Dr., Santa Fe, NM 87505
Phone: (509) 376-3460 Fax: (305) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	TELE EGGITTOTTION TERESTO	DEDICATION
API Numbe	r <sup>3</sup> Peol Ceds	'Poel NES
Property Code	Property Name HORSESHOE FED CO!	* Well Number 602H
OGRID No.	* Uperator Name CENTENNIAL RESOURCE PRODU	CTION, LLC S793.0°

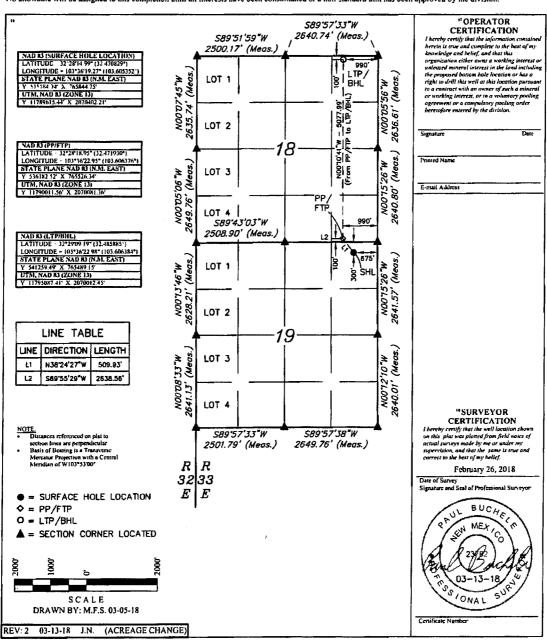
\*\*Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South like Feet from the 19 21S 33E 300 NORTH 675 EAST LEA

\* Bottom Hole Location If Different From Surface

	UL ur let no.	Section 18	Township 21S	Range 33E	Lot (dn	Feet from the 100	North/South line NORTH	Feet from the 990	East/West line EAST	County LEA
ſ	1 Dedicated Acres Julian or Infili		14 Conse	olidation Code	15 Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District 1
1623 N. French Dr., Hobbs, NIAI RR240
Phone: (575) 393-4161 Fax: (575) 393-0720
District II
811.5. Firm St., Arnesia, NIAI 8R210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazion Road, Artee, NIM 87410
Phone: (503) 334-6178 Fax: (503) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NIM 87505
Phone: (505) 476-3401 Fax: (505) 476-3462

#### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

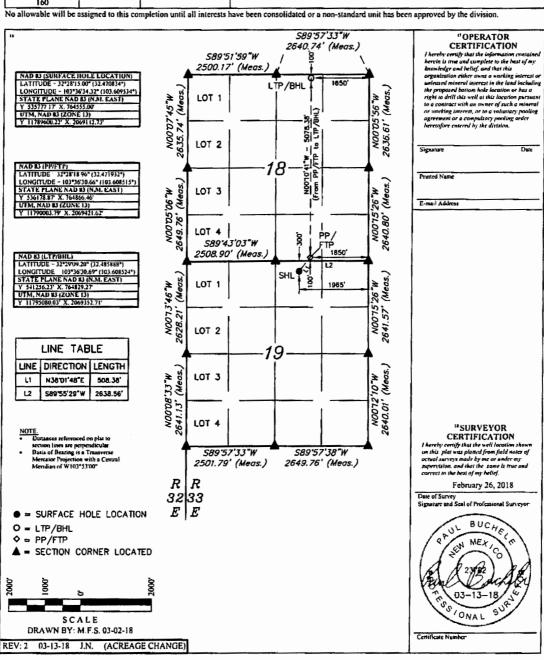
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT we

API Number Property Code Vell Numb 701 H HORSESHOE FED COM COCRID No. 3806.9 Operator Name
CENTENNIAL RESOURCE PRODUCTION, LLC "Surface Location East/West Iline County NORTH

"Bottom Hole Location If Different From Surface t from the 100 LEA 215 33E NORTH 1650 18 EAST 160



District 1 1625 N. French Dr., Hobbs, NAI 882-10 Phone (575) 393-6161 Fax. (575) 393-0720 Phone: (373) 373-1000.

<u>District II</u>

811 S First St., Artesta, NM 88210

Phone: (375) 748-1283 Fax: (575) 748-9720

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone. (505) 334-6178 Fax. (505) 334-6170 1220 South St. Francis Dr. Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr. Santo Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Revised August 1, 2011 Submit one copy to appropriate

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION BLAT

	WEEL EOCATION AND ACREAGE DEDICATION TEAT							
1 API Number	Pool Cede	Pool Cede Pool Name W						
* Property Code		Property Name HORSESHOE FED COM						
OGRID No.		* Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC						

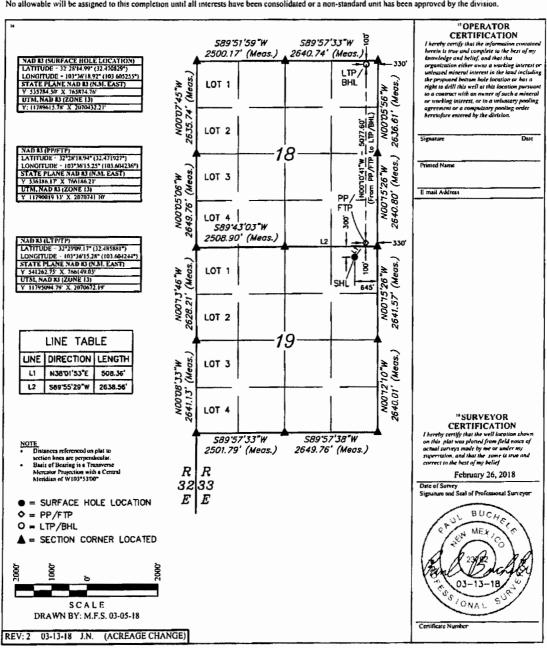
"Surface Location

UL or lot no.	Section	Township	Range	Let Ide	Feet from the	North/South line	Feet from the	Enst/West Nac	County
۸ ا	19	215	33E		300	NORTH	645	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or let no.	Section 18	Township 21S	Range 33E	Lot fdn	Feet from the 100	Nerth/South line NORTH	Feet from the 330	East/West line EAST	County LEA
17 Dedicated Acre	11 30	13 Joint or Infill 14 Con		olidation Code	19 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





INTREPID 707-17th Street, Suite 4200 Denver, CO 80202 303,296,3006

March 9, 2018

Centennial Resource Development, Inc. 1001 17th St., Suite 1800 Denver, CO 80202

Attention: Bryan Troester

Re:

Horseshoe Fed Com 601H

T21S-R33E, Section 19, 300 FNL, 1995 FEL

Lea County, New Mexico and Horseshoe Fed. Com 602H

T21S-R33E, Section 19: 300 FNL, 675 FEL

Lea County, New Mexico

Dear Mr. Troester.

Intrepid is in receipt of your surveys for the referenced wells. We hereby waive the twenty-day notice period as set forth in Order No. R-111P and further have no objection to the drilling of your surveyed surface locations as they have no impact on Intrepid's reserves.

By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the well into the environment, including into underground mine workings, arising out of or attributable to Centennial's, operation, plugging and abandoning of the well.

Sincerely,

Intrepid Potash-New Mexico, LLC

Margaret McCandless

MMM CQ\_\_

VP and General Counsel, Corporate Secretary

#### **TIMELINE OF EVENTS**

September 26, 2017:	Ascent proposes Trucker Fed Com #501H with <u>incorrect</u> E/2 320-acre spacing unit.
October 20, 2017:	Meeting at Centennial offices to discuss development of E/2 of Section 18.
November 1, 2017:	Centennial proposes Horseshoe #601H (3d BS) in W/2 E/2 and provides proposed E/2 operating agreement.
November 14, 2017:	Meeting at Centennial offices to discuss development proposal.
December 7, 2017:	Centennial proposes first acreage trade to Ascent - Ascent declines a few weeks later via phone call.
January 19, 2018:	Centennial proposes Horseshoe 602H, 701H, & 702H to develop 3d BS and Wolfcamp.
January 22, 2018:	Ascent proposes Trucker 502H, 601H, 701H, & 702H wells and amends 501H proposal to W/2 E/2 spacing unit
January 23, 2018:	Centennial files <u>timely</u> force pooling application for #601H (3d BS) well Ascent files <u>untimely</u> force pooling application for five wells
February 2, 2018:	Centennial proposes a second acreage trade, which Ascent rejects.
February 15, 2018:	Centennial sends amended well proposals noting off-lease surface location in Section 19.
February 23, 2018:	Centennial files <u>timely</u> force pooling applications for 602H, 701H and 702H wells, and amends <u>timely</u> application for 601H to reflect Section 19 surface hole location.



November 1, 2017

Ascent Energy, LLC Attn: Lee Zink 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

RE: Horseshoe Fed Com #601H

W/2 E/2 Section 18, Township 21 South, Range 33 East

Lea County, New Mexico

Dear Mr. Zink:

Centennial Resource Production, LLC ("Centennial") proposes to drill the Horseshoe Fed Com #601H as a horizontal well to test the Third Bone Spring Formation.

Accordingly, enclosed are the following:

- 1. Original AFE in the amount of \$8,256,674.00
- 2. Plat for the Horseshoe Fed Com #601H Well
- 3. Joint Operating Agreement covering the W/2 Sec. 18

Centennial is proposing this well under the terms of the Joint Operating Agreement attached. If you choose to make an election please execute and acknowledge the attached Operating Agreement.

In the space provided below, please indicate your participation election and return one original copy of this letter along with an original copy of the enclosed AFE and JOA or feel free to email me a copy at gavin.smith@cdevinc.com

Should you have any questions, please call me at 720-499-1474.

Best Regards,

Gavin Smith, RPL

Savie Sind

Landman



THE UNDERSIGNED HEREBY ELECTS TO PARTICIPATE IN THE CAPTIONED HORSEESHOE FED COM #601H WELL.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_\_, 2017.

ASCENT ENERGY, LLC

By:\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_

THE UNDERSIGNED HEREBY ELECTS NOT TO PARTICIPATE IN THE CAPTIONED HORSESHOE FED COM #601H WELL.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_\_, 2017.

ASCENT ENERGY, LLC

By:\_\_\_\_\_\_\_

Title:\_\_\_\_\_\_\_

### Centennial Resource Production, LLC AUTHORIZATION FOR EXPENDITURE

AFE NO.. STATE 300967 AFE DESC: DATE HORSESHOE FED COM 601H - [ FIELD PROPERTY # 11/01/2017 OPERATOR AFE TYPE: PROPERTY NAME DRILL AND 200 - CENTENNIAL COMPLETE RESOURCE STATE/COUNTY

DETAIL OF EVENDITURES	TOTAL BUDGET
FAC - STAKING & SURVEYING	TOTAL BUDGET
FAC - LEGAL TITLE SERVICES	0.00
FAC - SURFACE DAMAGE / ROW	0.00
FAC - ROAD LOCATIONS PITS	40,000 00
FAC - MATERIALS & SUPPLIES	\$0,000,00
FAC - TRANSPORTATION TRUCKING	40,000 00
FAC - RENTAL EQUIPMENT	25,000 00
FAC - FUEL / POWER	0.00
FAC - WATER DISPOSAL / SWD	00,000,01
FAC - WASTE DISPOSAL	0.00
FAC - INSPECTION & TESTING	5,900.00
FAC - CONTRACT LABOR / ROUSTAB	125,000.00
FAC - FRAC TANK RENTAL	0.00
FAC - SUPERVISION	5,000.00
FAC - CONSULTING SERVICES	0.00
FAC - INJECTION PUMP	0.00
FAC - P-LINE F-LINE LINEPIPE	250,000.00
FAC - WELLHEAD EQUIPMENT	30,000.00
FAC - TANK BATTERY	175,000.00
FAC - HEATER TREATER/SEPERATOR	100,000,001
FAC - DEHYDRATOR EQUIPMENT	0.00
FAC - VALVES FITTINGS & PIPE	125,000.00
FAC - CIRCULATING TRNSFER PUMP	20,000.00
FAC - METER & DRIPS	170,000.00
FAC - COMPRESSOR	0.00
FAC - POWER GENERATION	150,000.00
FAC - COMM TELEMETRY & AUTOMAT	50,000.00
FAC - OTHER SURFACE EQUIPMENT	45,000.00
FAC - EQUIPMENT INSTALLATION	0.00
FAC - SAFETY / ENVIRONMENTAL	[0,000.00
FAC - INSURANCE	0 00
FAC - CONTINGENCY	50,000.00
	TOTAL: 1,475,000.00
ICC - STAKING & SURVEYING	5,000 00
ICC - ROAD, LOCATIONS, PITS	25,000.00
ICC - COMPLETION RIG	0.00
ICC - PROD LINER & EQUIPMENT	0.00
ICC - WIRELINE OPEN/CASED HOLE	15,000.00
ICC - FUEL / POWER	0.00
ICC - COILED TUBING	150,000.00
ICC - CEMENTING & SERVICES	120,000.00
ICC - WATER DISPOSAL / SWD	80,000.00
ICC - INSPECTION & TESTING	2,500.00
ICC - TRUCKING/VACUUM/TRANSP	35,000.00
ICC - CORE ANALYSIS	0.00
ICC - ELECTRIC LOGGING / PERFORATING	186,400.00
ICC - COMPLETION FLUIDS	7,500.00
ICC - CASING CREW AND TOOLS	37,000 00

### Centennial Resource Production, LLC AUTHORIZATION FOR EXPENDITURE

AFE NO. AFE DESC 300967 STATE HORSESHOE FED COM 601H - I FIELD OPERATOR 200 - CENTEN DATE 11/01/2017 PROPERTY # 200 - CENTENNIAL PROPERTY NAME AFE TYPE: DRILL AND COMPLETE RESOURCE STATE/COUNTY

DETAIL OF EXPENDITURES	TOTAL BUDGET
ICC - WELL STIMULATION/FRACTUR	1.805.000.00
ICC - CONTRACT LABOR/ROUSTABOUT	20,000.00
ICC - MISCELLANEOUS	0.00
ICC - MATERIALS & SUPPLIES	0.00
ICC - WELL TESTING / FLOWBACK	£50,000 nO
ICC - WATER HANDLING	518,929.00
ICC - WELLHEAD/FRACTREE REPAIR	2,500.00
ICC - FISHING TOOLS & SERVICES	0.00
ICC - COMMUNICATIONS	0.00
ICC - RENTAL EQUIPMENT	100,000.00
ICC - WELLSITE SUPERVISION	75,000.00
ICC - SUPERVISION/ENGINEERING	0.00
ICC - SAFETY / ENVIRONMENTAL	0.00
ICC - OVERHEAD	10,000.00
ICC - OVERHEAD - SPECIAL RATE	0.00
ICC - WELL CONTROL INSURANCE	0.00
ICC - CONTINGENCY	125,000.00
	TOTAL: 3,469,829.00
IDC - PERMITS,LICENSES,ETC	8,500.00
IDC - STAKING & SURVEYING	10,000.00
IDC - LEGAL, TITLE SERVICES	10,000.00
IDC - SURFACE DAMAGE / ROW	30,000 00
IDC - ROAD, LOCATIONS, PITS	97,500.00
IDC - RIG MOB / TRUCKING	90,000,00
IDC - RIG MOB / STANDBY RATE	56,700.00
IDC - DAYWORK CONTRACT	597,851.00
IDC - FOOTAGE CONTRACT	0000
IDC - DIRECTNL DRILL & SURVEY	184,986.00
IDC - CONDUCTOR HOLE & SERVICE	25,000 00
IDC - WIRELINE SVCS CASED&OPEN	0.00
IDC - BITS, TOOLS, STABILIZERS	85,500.00
IDC - FUEL / POWER	79,714.00
IDC - RIG WATER	36,000 00
IDC - MUD/CHEMICALS/ACIDIZING	134,822.00
IDC - MUD LOGGING	49,894.00
IDC - INSPECTION & TESTING	53,500.00
IDC - CORE ANALYSIS	0.00
IDC - OPEN/CASED HOLE LOGGING	0.00
IDC - CEMENT SERV/FLOAT EQUIP	85,000.00
IDC - CASING CREW & TOOLS	14,000.00
IDC - CONTRACT LABOR/ROUSTABOUT	36,000.00
IDC - MISCELLANEOUS	0.00
IDC - MATERIALS & SUPPLIES	9,000.00
IDC - TRUCKING/VACUUM/ TRANSP	21,500.00
IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	6R,000 GO
IDC - DISPOSAL	77,000.00
IDC - WELLHEAD PREPARE/REPAIR	10,500.00
IDC - FISHING TOOLS & SERVICES	0.00

## Centennial Resource Production, LLC AUTHORIZATION FOR EXPENDITURE

AFE NO 300967 STATE

AFE DESC HORSESHOE FED COM 601H • L FIELD

DATE 11:01/2017 OPERATOR PROPERTY •

AFE TYPE DRILL AND 200 • CENTENNIAL PROPERTY NAME:

COMPLETE RESOURCE STATE:COUNTY:

DETAIL OF EXPENDITURES	TOTAL BUDGET
IDC - COMMUNICATIONS	0.00
IDC - RENTAL EQUIPMENT	100,986.00
IDC - MANCAMP	56,644.00
IDC - WELLSITE SUPERVISION	125,876.00
IDC - SUPERVISION/ENGINEERING	0.00
IDC - SUPERVISION / GEOLOGY	4,920 00
IDC - SAFETY / ENVIRONMENTAL	26,522.00
IDC - CONSULTING SERVICES	0 00
IDC - OVERHEAD	2,500 00
IDC - OVERHEAD - SPECIAL RATE	0.00
IDC - WELL CONTROL INSURANCE	16,000.00
IDC - CONTINGENCY	281,000.00
	TOTAL: 2,485,415.00
TCC - CASING - PRODUCTION	0.00
TCC - TUBING	60,000,00
TCC - SUCKER RODS & ACCESSORY	0.00
TCC - ARTIFICIAL LIFT EQUIPMENT	25,000 00
TCC - SUBSURFACE PUMPS	0.00
TCC - PROD LINER & EQUIPMENT	0.00
TCC - PACKER/DOWNHOLE TOOLS	0.00
TCC - P-LINE F-LINE LINEPIPE	0.00
TCC - PUMPING UNITS	0,00
TCC - WELLHEAD EQUIPMENT	0.00
TCC - COMBUSTERS	0.00
TCC - TANK BATTERY	0.00
TCC - HEATER TREATER/SEPERATR	0.00
TCC - DEHYDRATOR EQUIPMENT	0.00
TCC - VALVES/CONNECTIONS/FTGS	0.00
TCC - METER & DRIPS	0.00
TCC - MISCELLANEOUS	0.00
TCC - COMPRESSOR	0.00
TCC - POWER GENERATION	0.00
TCC - TRANSPORTATION	0.00
TCC - MEASURMENT EQUIPMENT	0.00
TCC - COMM, TELEMETRY & AUTOMA	0,00
TCC - OTHER SURFACE EQUIPMENT	0.00
TCC - CONTRACT LABOR INSTALL	0.00
TCC - CONTINGENCY	0.00
	TOTAL: 85,000.00
TDC - CASING - CONDUCTOR	0.00
TDC - CASING - SURFACE - 13 3/8	67,150 00
TDC - CASING - INTERMEDIATE - 9 5/8	102,200.00
TDC - CASING - INTERMEDIATE 2 - 7 5/8	136,080.00
TDC - CASING - PRODUCTION - 5 1/2 AND 5	386,000.00
TDC - WELLHEAD EQUIPMENT	50,000.00
TDC - VALVES/CONNECTIONS/FTGS	0.00
TDC - MISCELLANEOUS	9.00
TDC - CONTINGENCY	0.00

## Centennial Resource Production, LLC AUTHORIZATION FOR EXPENDITURE

AFE NO. AFE DESC DATE AFE TYPE	300967 HORSESHOE PED CO 11-01-2017 DRILL AND COMPLETE	M 601H - I OPERATOR 200 - CENTENNIAL RESOURCE	STATE FIELD PROPERTY • PROPERTY NAME STATE/COUNTY	
DETAIL	OF EXPENDITURES		TOTAL BU	JDGET 741,430.00
TOTAL TH	IIS AFE:			8,256,674.0
REMARKS	s AFE is an estimate only	By returning one signed copy, you a	Non Operator Approval	
Prepared By  Approved By		DATE COMPAN' BY TITLE		
		COMPANY.		



#### February 15, 2018

Ascent Energy, LLC Attn: Lee Zink 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

RE: Horseshoe Fed Com #601H

W/2 E/2 Section 18, Township 21 South, Range 33 East

Lea County, New Mexico

Dear Mr. Zink:

Reference is made to the Horseshoe Fed Com #601H well proposal dated November 1, 2017, by Centennial Resource Production, LLC ("CRP"). CRP would like to amend the following location of the subject well and the spacing unit of the subject well and clarify the estimated true vertical depth of the subject well as follows:

Surface Hole Location: 300' FNL of Sec. 19 T21S R33E & 1995' FEL of Sec. 19, T21S R33E

Bottom Hole Location: 330' FNL of Sec. 18 T21S R33E & 2310' FEL of Sec. 18, T21S R33E

Spacing Unit: W/2 E/2 Section 18, Township 21 South, Range 33 East, covering 160 acres as to the applicable Bone Spring pool at a TVD of 11,800 feet.

Should you have any questions, please call me at 720-499-1474.

Best Regards,

Gavin Smith, RPL

Landman



January 19, 2018

Ascent Energy 1621 18th Street, Suite 200 Denver, CO 80202

RE: Horseshoe Fed Com #602H

T21S - R33E - Sec. 18 Lea County, New Mexico

To Whom It May Concern:

Centennial Resource Production, LLC ("Centennial") proposes to drill the Horseshoe Fed Com #602H as a horizontal well to test the Third Bone Spring Formation.

Accordingly, enclosed are the following:

1. Original AFE in the amount of \$8,192,483.00

The above well is subject to the already sent Joint Operating Agreement dated November 1, 2017, covering Township 21 South, Range 33 East, Section 18: E/2. You will have 30 days from the time you receive this letter to make your election in the JOA and above described well. The JOA provides for a non-consent penalty of 100%/300%/300% and an overhead rate of \$7500 per month for drilling and \$750 per month for producing.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE to the address listed in the footer or feel free to just email me a copy at carl.messina@cdevinc.com. If an agreement is not reached in a timely manner, then CRP will apply to the NMOCD for compulsory pooling.

Should you have any questions, please call me at 720-499-1411.

Best Regards,

Carl Messina Land Coordinator

Centennial Resource Production, LLC 1001 Seventeenth Street, Suite 1800, Denver, Colorado 80202



THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED HORSESHOE FED COM #602H WELLBORE, TO WAIVE THE 30-DAY ELECTION PERIOD AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
Ву:
Title:
THE UNDERSIGNED HEREBY ELECTS <u>NOT TO PARTICIPATE</u> IN THE HORSESHOE FED COM #602H WELLBORE, AND TO GO NONCONSENT.
AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
Ву:
Title:

## Centennial Resource Production, LLC AUTHORIZATION OF EXPENDITURE

STATE
FIELD
PROPERTY #:
PROPERTY NAME:
STATE/COUNTY:

Cost Code (NEW)	Line Item Description (NEW)	AFE Item Cost Estimate (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	8,500.00
8015.1100	IDC - STAKING & SURVEYING	10,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	10,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	30,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	97,500.00
8015.1500	IDC - RIG MOB / TRUCKING	90,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	56,700.00
8015.1700	IDC - DAYWORK CONTRACT	597,851.00
8015.1800	IDC - FOOTAGE CONTRACT	0.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	184,986.00
3015.2000	IDC - CONDUCTOR HOLE & SERVICE	25,000.00
3015.2100	IDC - WIRELINE SVCS CASED&OPEN	0.00
3015.2200	IDC - BITS, TOOLS, STABILIZERS	85,500.00
3015.2300	IDC - FUEL / POWER	79,714.00
3015.2400	IDC - RIG WATER	36,000.00
3015.2500	IDC - MUD/CHEMICALS/ACIDIZING	134,822.00
015.2600	IDC - MUD LOGGING	49,894.00
015.2700	IDC - INSPECTION & TESTING	53,500.00
015.2800	IDC - CORE ANALYSIS	0.00
015.2900	IDC - OPEN/CASED HOLE LOGGING	0.00
015.3000	IDC - CEMENT SERV/FLOAT EQUIP	160,000.00
015.3100	IDC - CASING CREW & TOOLS	34,000.00
015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	36,000.00
015.3300	IDC - MISCELLANEOUS	0.00
015.3400	IDC - MATERIALS & SUPPLIES	9,000.00
015.3500	IDC - TRUCKING/VACUUM/ TRANSP	21,500.00
015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	68,000.00
015.3700	IDC - DISPOSAL	77,000.00
015,3800	IDC - WELLHEAD PREPARE/REPAIR	10,500.00
015.3900	IDC - FISHING TOOLS & SERVICES	0.00
015.4000	IDC - COMMUNICATIONS	0.00
015.4100	IDC - RENTAL EQUIPMENT	100,986.00
015.4200	IDC - MANCAMP	56,644.00
015.4300	IDC - WELLSITE SUPERVISION	125,876.00
015.4400	IDC - SUPERVISION/ENGINEERING	0.00
015.4500	IDC - SUPERVISION / GEOLOGY	4.920.00
015.4600	IDC - SAFETY / ENVIRONMENTAL	26,522.00
015.4700	IDC - CONSULTING SERVICES	0.00
015.4800	IDC - OVERHEAD	2,500.00
015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
15.5000	IDC - WELL CONTROL INSURANCE	16,000.00
15.5200	IDC - CONTINGENCY	281,000.00
20.1000	TDC - CASING - CONDUCTOR	F-02/000-00
20.1100	TDC - CASING - CONDUCTOR  TDC - CASING - SURFACE - 13 3/8	67,150.00
20.1200	TDC - CASING - INTERMEDIATE - 9 5/8	102,200.00
220.1300	TDC - CASING - INTERMEDIATE 2 - 7 5/8	136,080.00
20.1400	TDC - CASING - PRODUCTION - 5 1/2 AND 5	386,000.00
20.1500	TDC - WELLHEAD EQUIPMENT	50,000.00
20.1600	TDC - VALVES/CONNECTIONS/FTGS	§

10000 4000	The Control Process	CONTRACTOR OF A STATE OF THE ST
8020.1800 8025.1000	TDC - CONTINGENCY ICC - STAKING & SURVEYING	5,000.00
	ICC - ROAD, LOCATIONS, PITS	10,000.00
8025.1100		
8025.1200 8025.1300	ICC - COMPLETION RIG ICC - PROD LINER & EQUIPMENT	20,000.00
	ICC - WIRELINE OPEN/CASED HOLE	5,000.00
8025.1400		168,000.00
8025.1500	ICC - FUEL / POWER	
8025.1600	ICC - COILED TUBING	99,750.00
8025.1700	ICC - CEMENTING & SERVICES ICC - WATER DISPOSAL / SWD	75,000.00
8025.1800	ICC - INSPECTION & TESTING	2,500.00
8025.1900 8025.2000	ICC - TRUCKING/VACUUM/TRANSP	30,000.00
	ICC - CORE ANALYSIS	30,000.00
8025.2100 8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	181,125.00
	ICC - COMPLETION FLUIDS	7,500.00
8025.2300	ICC - CASING CREW AND TOOLS	7,300.00
8025.2400		1 800 000 00
8025.2500	ICC - WELL STIMULATION/FRACTUR	1,890,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	20,000.00
8025.2700	ICC - MISCELLANEOUS	
8025.2800	ICC - MATERIALS & SUPPLIES	140 000 00
8025.2900	ICC - WELL TESTING / FLOWBACK	140,000.00
8025.3000	ICC - WATER HANDLING	427,013.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	20,000.00
8025.3200	ICC - FISHING TOOLS & SERVICES	
8025.3300	ICC - COMMUNICATIONS	
8025.3400	ICC - RENTAL EQUIPMENT	99,750.00
8025.3500	ICC - WELLSITE SUPERVISION	75,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	
8025.3700	ICC - SAFETY / ENVIRONMENTAL	5,000.00
8025.3800	ICC - OVERHEAD	10,000.00
8025.3900	ICC - OVERHEAD - SPECIAL RATE	
8025.4000	ICC - WELL CONTROL INSURANCE	
8025.4200	ICC - CONTINGENCY	125,000.00
8030.1000	TCC - CASING - PRODUCTION	
8030.1100	TCC - TUBING	60,000.00
8030.1200	TCC - SUCKER RODS & ACCESSORY	
8030.1300	TCC - ARTIFICIAL LIFT EQUIPMENT	25,000.00
8030.1500	TCC - SUBSURFACE PUMPS	
8030.1600	TCC - PROD LINER & EQUIPMENT	
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	
8030.1800	TCC - P-LINE F-LINE LINEPIPE	
8030.1900	TCC - PUMPING UNITS	
8030.2000	TCC - WELLHEAD EQUIPMENT	ALAN BARAN STAN AND STAN AND AND STAN AND AND AND AND AND AND AND AND AND A
8030.2100	TCC - COMBUSTERS	
8030.2200	TCC - TANK BATTERY	
8030.2300	TCC - HEATER TREATER/SEPERATR	AND THE RESIDENCE OF THE PROPERTY OF THE PROPE
8030.2400	TCC - DEHYDRATOR EQUIPMENT	
8030.2500	TCC - VALVES/CONNECTIONS/FTGS	
8030.2600	TCC - METER & DRIPS	
8030.2700	TCC - MISCELLANEOUS	
8030.2800	TCC - COMPRESSOR	
8030.2900	TCC - POWER GENERATION	44.000
8030.3000	TCC - TRANSPORTATION	
8030.3100	TCC - MEASURMENT EQUIPMENT	
8030.3200	TCC - COMM, TELEMETRY & AUTOMA	And the state of t
8030.3300	TCC - OTHER SURFACE EQUIPMENT	The second secon
8030.3400	TCC - CONTRACT LABOR INSTALL	
8030.3500	TCC - CONTINGENCY	
8035.1100	FAC - STAKING & SURVEYING	0.00
8035.1200	FAC - LEGAL TITLE SERVICES	0.00
8035.1300	FAC - SURFACE DAMAGE / ROW	0.00
	many water from the contract of the contract o	

8035.1400	FAC - ROAD LOCATIONS PITS	40,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	50,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	40,000.00
8035.1700	FAC - RENTAL EQUIPMENT	25,000.00
8035.1800	FAC - FUEL / POWER	0.00
8035.1900	FAC - WATER DISPOSAL / SWD	10,000.00
8035.2000	FAC - WASTE DISPOSAL	0.00
8035.2100	FAC - INSPECTION & TESTING	5,000.00
8035,2200	FAC - CONTRACT LABOR / ROUSTAB	125,000.00
8035.2300	FAC - FRAC TANK RENTAL	0.00
8035.2400	FAC - SUPERVISION	5,000.00
8035.2500	FAC - CONSULTING SERVICES	0.00
8035.2600	FAC - INJECTION PUMP	0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	200,000.00
8035.2800	FAC - WELLHEAD EQUIPMENT	30,000.00
8035.2900	FAC - TANK BATTERY	175,000.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	15,000.00
8035.3400	FAC - METER & DRIPS	170,000.00
8035.3500	FAC - COMPRESSOR	0.00
8035.3600	FAC - POWER GENERATION	100,000.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	50,000.00
8035.3800	FAC - OTHER SURFACE EQUIPMENT	45,000.00
8035.3900	FAC - EQUIPMENT INSTALLATION	0.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	10,000.00
8035.4300	FAC - INSURANCE	0.00
8035.4500	FAC - CONTINGENCY	50,000.00
		8,192,483.00

\*\*\* This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual cost incurred. \*\*\*

#### REMARKS

Non Operator Approval	
_	Total Operator Approve



February 15, 2018

Ascent Energy, LLC Attn: Lee Zink 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

RE: Horseshoe Fed Com #602H

E/2 E/2 Section 18, Township 21 South, Range 33 East

Lea County, New Mexico

Dear Mr. Zink:

Reference is made to the Horseshoe Fed Com #602H well proposal dated January 19, 2018, by Centennial Resource Production, LLC ("CRP"). CRP would like to amend the following location of the subject well and the spacing unit of the subject well and clarify the estimated true vertical depth of the subject well as follows:

Surface Hole Location: 300' FNL of Sec. 19 T21S R33E & 675' FEL of Sec. 19, T21S R33E

Bottom Hole Location: 330' FNL of Sec. 18 T21S R33E & 990' FEL of Sec. 18, T21S R33E

Spacing Unit: E/2 E/2 Section 18, Township 21 South, Range 33 East, covering 160 acres as to the applicable Bone Spring pool at a TVD of 11,800 feet.

Should you have any questions, please call me at 720-499-1474.

Best Regards,

Gavin Smith, RPL

Landman

# CENTENNIAL

January 19, 2018

Ascent Energy 1621 18<sup>th</sup> Street, Suite 200 Denver, CO 80202

RE:

Horseshoe Fed Com #701H T21S - R33E - Sec. 18 Lea County, New Mexico

To Whom It May Concern:

Centennial Resource Production, LLC ("Centennial") proposes to drill the Horseshoe Fed Com #701H as a horizontal well to test the Wolfcamp.

Accordingly, enclosed are the following:

1. Original AFE in the amount of \$9,093,849.00

The above well is subject to the already sent Joint Operating Agreement dated November 1, 2017, covering Township 21 South, Range 33 East, Section 18: E/2. You will have 30 days from the time you receive this letter to make your election in the JOA and above described well. The JOA provides for a non-consent penalty of 100%/300%/300% and an overhead rate of \$7500 per month for drilling and \$750 per month for producing.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE to the address listed in the footer or feel free to just email me a copy at carl.messina@cdevinc.com. If an agreement is not reached in a timely manner, then CRP will apply to the NMOCD for compulsory pooling.

Should you have any questions, please call me at 720-499-1411.

Best Regards,

Carl Messina Land Coordinator

#### C CENTENNIAL

THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED HORSESHOE FED COM #701H WELLBORE, TO WAIVE THE 30-DAY ELECTION PERIOD AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
By:
Title:
THE UNDERSIGNED HEREBY ELECTS <u>NOT TO PARTICIPATE</u> IN THE HORSESHOE FED COM #701H WELLBORE, AND TO GO NONCONSENT.
AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
Ву:
Title:

# Centennial Resource Production, LLC AUTHORIZATION OF EXPENDITURE

AFE NO.:	STATE
AFE DESC: Harseshoe Fed Corn 701H	FIELD
DATE: 1/19/2018	PROPERTY #:
AFE TYPE: DRILL AND COMPLETE	PROPERTY NAME:
OPERATOR: 200 - CENTENNIAL RESOURCE	STATE/COUNTY:

Cost Code (NEW)	Line Item Description (NEW)	AFE Item Cost Estimate (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	8,500.00
8015.1100	IDC - STAKING & SURVEYING	10,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	10,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	97,500.00
8015.1500	IDC - RIG MOB / TRUCKING	90,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	56,700.00
8015.1700	IDC - DAYWORK CONTRACT	658,048.00
8015.1800	IDC - FOOTAGE CONTRACT	0.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	267,272.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	25,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	133,000.00
8015.2300	IDC - FUEL / POWER	87,740.00
8015.2400	IDC - RIG WATER	48,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	155,652.00
8015.2600	IDC - MUD LOGGING	61,606.00
8015.2700	IDC - INSPECTION & TESTING	49,000.00
8015.2800	IDC - CORE ANALYSIS	0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	225,000.00
8015.3100	IDC - CASING CREW & TOOLS	39,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	43,000.00
8015.3300	IDC - MISCELLANEOUS	0.00
8015.3400	IDC - MATERIALS & SUPPLIES	11,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	26,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	83,000.00
8015.3700	IDC - DISPOSAL	97,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	12,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	0.00
3015.4000	IDC - COMMUNICATIONS	0.00
3015.4100	IDC - RENTAL EQUIPMENT	105,765.00
3015.4200	IDC - MANCAMP	61,804.00
3015.4300	IDC - WELLSITE SUPERVISION	137,342.00
3015.4400	IDC - SUPERVISION/ENGINEERING	0.00
3015.4500	IDC - SUPERVISION / GEOLOGY	0.00
3015.4600	IDC - SAFETY / ENVIRONMENTAL	29,102.00
1015.4700	IDC - CONSULTING SERVICES	0.00
015.4800	IDC - OVERHEAD	2,500.00
015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
015.5000	IDC - WELL CONTROL INSURANCE	16,000.00
015.5200	IDC - CONTINGENCY	291,000.00
020.1000	TDC - CASING - CONDUCTOR	
020.1100	TDC - CASING - SURFACE - 13 3/8	76,500.00
020.1200	TDC - CASING - INTERMEDIATE - 9 5/8	310,430.00
020.1300	TDC - CASING - INTERMEDIATE 2 - 7 5/8	317,250.00
020.1400	TDC - CASING - INTERNEDIATE 2 - 7 3/8 TDC - CASING - PRODUCTION - 5 1/2 AND 5	480,500.00
020.1500	TDC - WELLHEAD EQUIPMENT	
	TDC - VALVES/CONNECTIONS/FTGS	65,000.00
	TDC - VALVES/CONNECTIONS/FIGS TDC - PACKER/DOWNHOLE TOOLS	

8020.1800	TDC - CONTINGENCY	
8025.1000	ICC - STAKING & SURVEYING	5,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	10,000.00
8025.1200	ICC - COMPLETION RIG	20,000.00
8025.1300	ICC - PROD LINER & EQUIPMENT	
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	5,000.00
8025.1500	ICC - FUEL / POWER	168,000.00
8025.1600	ICC - COILED TUBING	99,750.00
8025.1700	ICC - CEMENTING & SERVICES	
8025.1800	ICC - WATER DISPOSAL / SWD	75,000.00
8025.1900	ICC - INSPECTION & TESTING	2,500.00
8025.2000	ICC - TRUCKING/VACUUM/TRANSP	30,000.00
8025.2100	ICC - CORE ANALYSIS	
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	181,125.00
8025.2300	ICC - COMPLETION FLUIDS	7,500.00
8025.2400	ICC - CASING CREW AND TOOLS	
8025.2500	ICC - WELL STIMULATION/FRACTUR	1,890,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	20,000.00
8025.2700	ICC - MISCELLANEOUS	
8025.2800	ICC - MATERIALS & SUPPLIES	
8025.2900	ICC - WELL TESTING / FLOWBACK	140,000.00
8025.3000	ICC - WATER HANDLING	427,013.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	20,000.00
8025.3200	ICC - FISHING TOOLS & SERVICES	
8025.3300	ICC - COMMUNICATIONS	
8025.3400	ICC - RENTAL EQUIPMENT	99,750.00
8025.3500	ICC - WELLSITE SUPERVISION	75,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	
8025.3700	ICC - SAFETY / ENVIRONMENTAL	5,000.00
8025.3800	ICC - OVERHEAD	10,000.00
8025.3900	ICC - OVERHEAD - SPECIAL RATE	
8025.4000	ICC - WELL CONTROL INSURANCE	
8025.4200	ICC - CONTINGENCY	125,000.00
8030.1000	TCC - CASING - PRODUCTION	
8030.1100	TCC - TUBING	60,000.00
8030.1200	TCC - SUCKER RODS & ACCESSORY	
8030.1300	TCC - ARTIFICIAL LIFT EQUIPMENT	25,000.00
8030.1500	TCC - SUBSURFACE PUMPS	
8030.1600	TCC - PROD LINER & EQUIPMENT	
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	
8030.1800	TCC - P-LINE F-LINE LINEPIPE	
8030.1900	TCC - PUMPING UNITS	
8030.2000	TCC - WELLHEAD EQUIPMENT	
8030.2100	TCC - COMBUSTERS	
8030.2200	TCC - TANK BATTERY	
8030.2300	TCC - HEATER TREATER/SEPERATR	
8030.2400	TCC - DEHYDRATOR EQUIPMENT	
8030.2500	TCC - VALVES/CONNECTIONS/FTGS	
8030.2600	TCC - METER & DRIPS	
8030.2700	TCC - MISCELLANEOUS	
8030.2800	TCC - COMPRESSOR	
8030.2900	TCC - POWER GENERATION	
8030.3000	TCC - TRANSPORTATION	
8030.3100	TCC - MEASURMENT EQUIPMENT	
8030.3200	TCC - COMM, TELEMETRY & AUTOMA	
8030.3300	TCC - OTHER SURFACE EQUIPMENT	4
8030.3400	TCC - CONTRACT LABOR INSTALL	
8030.3500	TCC - CONTINGENCY	
8035.1100	FAC - STAKING & SURVEYING	0.00
8035.1200	FAC - LEGAL TITLE SERVICES	0.00
8035.1300	FAC - SURFACE DAMAGE / ROW	0.00
	1	

8035.1400	FAC - ROAD LOCATIONS PITS	40,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	50,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	40,000.00
8035.1700	FAC - RENTAL EQUIPMENT	25,000.00
8035.1800	FAC - FUEL / POWER	0.00
8035.1900	FAC - WATER DISPOSAL / SWD	10,000.00
8035.2000	FAC - WASTE DISPOSAL	0.00
8035.2100	FAC - INSPECTION & TESTING	5,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	125,000.00
8035.2300	FAC - FRAC TANK RENTAL	0.00
8035.2400	FAC - SUPERVISION	5,000.00
8035.2500	FAC - CONSULTING SERVICES	0.00
8035.2600	FAC - INJECTION PUMP	0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	200,000.00
8035.2800	FAC - WELLHEAD EQUIPMENT	30,000.00
8035.2900	FAC - TANK BATTERY	175,000.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	15,000.00
8035.3400	FAC - METER & DRIPS	170,000.00
8035.3500	FAC - COMPRESSOR	0.00
8035.3600	FAC - POWER GENERATION	100,000.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	50,000.00
8035.3800	FAC - OTHER SURFACE EQUIPMENT	45,000.00
8035.3900	FAC - EQUIPMENT INSTALLATION	0.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	10,000.00
	FAC - INSURANCE	0.00
8035.4300	THE MISSISHEE	
8035.4300 8035.4500	FAC - CONTINGENCY	50,000.00

<sup>•••</sup> This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual cost incurred.

#### REMARKS

Non Operator Approval		
DATE COMPANY		
BY TITLE		



#### February 15, 2018

Ascent Energy, LLC Attn: Lee Zink 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

RE: 1

Horseshoe Fed Com #701H

W/2 E/2 Section 18, Township 21 South, Range 33 East

Lea County, New Mexico

Dear Mr. Zink:

Reference is made to the Horseshoe Fed Com #701H well proposal dated January 19, 2018, by Centennial Resource Production, LLC ("CRP"). CRP would like to amend the following location of the subject well and the spacing unit of the subject well and clarify the estimated true vertical depth of the subject well as follows:

Surface Hole Location: 300' FNL of Sec. 19 T21S R33E & 1965' FEL of Sec. 19, T21S R33E

Bottom Hole Location: 330' FNL of Sec. 18 T21S R33E & 1650' FEL of Sec. 18, T21S R33E

Spacing Unit: W/2 E/2 Section 18, Township 21 South, Range 33 East, covering 160 acres as to the applicable Wolfcamp pool at a TVD of 12,000 feet.

Should you have any questions, please call me at 720-499-1474.

Best Regards,

Gavin Smith, RPL

Landman

#### C CENTENNIAL

January 19, 2018

Ascent Energy 1621 18<sup>th</sup> Street, Suite 200 Denver, CO 80202

RE:

Horseshoe Fed Com #702H T21S - R33E - Sec. 18 Lea County, New Mexico

To Whom It May Concern:

Centennial Resource Production, LLC ("Centennial") proposes to drill the Horseshoe Fed Com #702H as a horizontal well to test the Wolfcamp.

Accordingly, enclosed are the following:

1. Original AFE in the amount of \$9,093,849.00

The above well is subject to the already sent Joint Operating Agreement dated November 1, 2017, covering Township 21 South, Range 33 East, Section 18: E/2. You will have 30 days from the time you receive this letter to make your election in the JOA and above described well. The JOA provides for a non-consent penalty of 100%/300%/300% and an overhead rate of \$7500 per month for drilling and \$750 per month for producing.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE to the address listed in the footer or feel free to just email me a copy at carl.messina@cdevinc.com. If an agreement is not reached in a timely manner, then CRP will apply to the NMOCD for compulsory pooling.

Should you have any questions, please call me at 720-499-1411.

Best Regards.

Carl Messina Land Coordinator



THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED HORSESHOE FED COM #702H WELLBORE, TO WAIVE THE 30-DAY ELECTION PERIOD AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
Rv
By:
Title:
THE UNDERSIGNED HEREBY ELECTS <u>NOT TO PARTICIPATE</u> IN THE HORSESHOE FED COM #702H WELLBORE, AND TO GO NONCONSENT.
AGREED TO and ACCEPTED this day of January, 2018.
ASCENT ENERGY
Ву:
Title:

# Centennial Resource Production, LLC AUTHORIZATION OF EXPENDITURE

AFE NO.:	STATE
AFE DESC: Horseshoe Fed Com 702H	FIELD
DATE: 1/19/2018	PROPERTY #:
AFE TYPE: DRILL AND COMPLETE	PROPERTY NAME:
OPERATOR: 200 - CENTENNIAL RESOURCE	STATE/COUNTY:

Cost Code (NEW)	Line Item Description (NEW)	AFE Item Cost Estimate (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	8,500.00
8015.1100	IDC - STAKING & SURVEYING	10,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	10,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	97,500.00
8015.1500	IDC - RIG MOB / TRUCKING	90,000.00
8015,1600	IDC - RIG MOB / STANDBY RATE	56,700.00
8015.1700	IDC - DAYWORK CONTRACT	658,048.00
8015.1800	IDC - FOOTAGE CONTRACT	0.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	267,272.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	25,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	133,000.00
8015.2300	IDC - FUEL / POWER	87,740.00
8015.2400	IDC - RIG WATER	48,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	155,652.00
8015.2600	IDC - MUD LOGGING	61,606.00
8015.2700	IDC - INSPECTION & TESTING	49,000.00
8015.2800	IDC - CORE ANALYSIS	0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	225,000.00
8015.3100	IDC - CASING CREW & TOOLS	39,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	43,000.00
8015.3300	IDC - MISCELLANEOUS	0.00
8015.3400	IDC - MATERIALS & SUPPLIES	11,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	26,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	83,000.00
8015.3700	IDC - DISPOSAL	97,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	12,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	0.00
8015.4000	IDC - COMMUNICATIONS	0.00
8015.4100	IDC - RENTAL EQUIPMENT	105,765.00
8015.4200	IDC - MANCAMP	61,804.00
8015.4300	IDC - WELLSITE SUPERVISION	137,342.00
8015.4400	IDC - SUPERVISION/ENGINEERING	(0.00
8015.4500	IDC - SUPERVISION / GEOLOGY	0.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	29,102.00
8015.4700	IDC - CONSULTING SERVICES	0.00
8015.4800 8015.4800	IDC - OVERHEAD	2,500.00
8015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
8015.5000	IDC - WELL CONTROL INSURANCE	16,000.00
B015,5200	IDC - CONTINGENCY	291,000.00
Contract of the Contract of th	Andrew Million and Andrew Management and Control of the Control of	271,000.00
8020.1000	TDC - CASING - CONDUCTOR	75 500 00
8020.1100	TDC - CASING - SURFACE - 13 3/8	76,500.00
8020.1200	TDC - CASING - INTERMEDIATE - 9 5/8	310,430.00
8020.1300	TDC - CASING - INTERMEDIATE 2 - 7 5/8	317,250.60
3020.1400	TDC - CASING - PRODUCTION - 5 1/2 AND 5	480,500.00
3020.1500	TDC - WELLHEAD EQUIPMENT	65,000.00
3020.1600	TDC - VALVES/CONNECTIONS/FTGS	
3020. <b>1700</b>	TDC - PACKER/DOWNHOLE TOOLS	The second secon

9070 1900	TDC - CONTINCENCY	per properties of the properties of the period of the peri
8020.1800	TDC - CONTINGENCY	5,000.00
8025.1000	ICC - STAKING & SURVEYING ICC - ROAD, LOCATIONS, PITS	10,000.00
8025.1100		
8025.1200	ICC - COMPLETION RIG	20,000.00
8025.1300	ICC - PROD LINER & EQUIPMENT	E 000 00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	5,000.00
8025.1500	ICC - FUEL / POWER	168,000.00
8025.1600	ICC - COILED TUBING	99,750.00
8025.1700	ICC - CEMENTING & SERVICES	
8025.1800	ICC - WATER DISPOSAL / SWD	75,000.00
8025.1900	ICC - INSPECTION & TESTING	2,500.00
8025.2000	ICC - TRUCKING/VACUUM/TRANSP	30,000.00
8025.2100	ICC - CORE ANALYSIS	100 105 00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	181,125.00
8025.2300	ICC - COMPLETION FLUIDS	7,500.00
8025.2400	ICC - CASING CREW AND TOOLS	THE PARTY OF THE P
8025.2500	ICC - WELL STIMULATION/FRACTUR	1,890,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	20,000.00
8025.2700	ICC - MISCELLANEOUS	
8025.2800	ICC - MATERIALS & SUPPLIES	
8025.2900	ICC - WELL TESTING / FLOWBACK	140,000.00
8025.3000	ICC - WATER HANDLING	427,013.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	20,000.00
8025.3200	ICC - FISHING TOOLS & SERVICES	
8025.3300	ICC - COMMUNICATIONS	
8025.3400	ICC - RENTAL EQUIPMENT	99,750.00
8025.3500	ICC - WELLSITE SUPERVISION	75,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	
8025.3700	ICC - SAFETY / ENVIRONMENTAL	5,000.00
8025.3800	ICC - OVERHEAD	10,000.00
8025.3900	ICC - OVERHEAD - SPECIAL RATE	
8025.4000	ICC - WELL CONTROL INSURANCE	
8025.4200	ICC - CONTINGENCY	125,000.00
8030.1000	TCC - CASING - PRODUCTION	
8030.1100	TCC - TUBING	60,000.00
8030.1200	TCC - SUCKER RODS & ACCESSORY	
8030.1300	TCC - ARTIFICIAL LIFT EQUIPMENT	25,000.00
8030.1500	TCC - SUBSURFACE PUMPS	
8030.1600	TCC - PROD LINER & EQUIPMENT	
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	
8030.1800	TCC - P-LINE F-LINE LINEPIPE	
8030.1900	TCC - PUMPING UNITS	
8030.2000	TCC - WELLHEAD EQUIPMENT	
8030.2100	TCC - COMBUSTERS	
8030.2200	TCC - TANK BATTERY	
8030.2300	TCC - HEATER TREATER/SEPERATR	
8030.2400	TCC - DEHYDRATOR EQUIPMENT	
8030.2500	TCC - VALVES/CONNECTIONS/FTGS	
8030.2600	TCC - METER & DRIPS	
8030.2700	TCC - MISCELLANEOUS	
8030.2800	TCC - COMPRESSOR	
8030.2900	TCC - POWER GENERATION	
8030.3000	TCC - TRANSPORTATION	
8030.3100	TCC - MEASURMENT EQUIPMENT	основа в применения от отвенения от отвенения от отвенения от отвенения от отвенения от отвенения от
8030.3200	TCC - COMM, TELEMETRY & ALITOMA	
8030.3300	TCC - OTHER SURFACE EQUIPMENT	
8030.3400	TCC - CONTRACT LABOR INSTALL	
8030.3500	TCC - CONTINGENCY	
8035.1100	FAC - STAKING & SURVEYING	0.00
8035.1200	FAC - LEGAL TITLE SERVICES	0.00
8035.1300	FAC - SURFACE DAMAGE / ROW	0.00

B035.1400	FAC - ROAD LOCATIONS PITS	40,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	50,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	40,000.00
8035.1700	FAC - RENTAL EQUIPMENT	25,000.00
8035.1800	FAC - FUEL / POWER	0.00
8035.1900	FAC - WATER DISPOSAL / SWD	10,000.00
8035.2000	FAC - WASTE DISPOSAL	0.00
8035.2100	FAC - INSPECTION & TESTING	5,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	125,000.00
8035.2300	FAC - FRAC TANK RENTAL	0.00
8035.2400	FAC - SUPERVISION	5,000.00
8035.2500	FAC - CONSULTING SERVICES	0.00
8035.2600	FAC - INJECTION PUMP	0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	200,000.00
8035.2800	FAC - WELLHEAD EQUIPMENT	30,000.00
8035.2900	FAC - TANK BATTERY	175,000.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	15,000.00
8035.3400	FAC - METER & DRIPS	170,000.00
B035.3500	FAC - COMPRESSOR	0.00
8035.3600	FAC - POWER GENERATION	100,000.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	50,000.00
8035.3800	FAC - OTHER SURFACE EQUIPMENT	45,000.00
8035.3900	FAC - EQUIPMENT INSTALLATION	0.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	10,000.00
8035.4300	FAC - INSURANCE	0.00
8035.4500	FAC - CONTINGENCY	50,000.00
		9,093,849.00

\*\*\* This AFE is an estimate only. By returning one signed copy, you agree to pay your share of the actual cost incurred. \*\*\*

#### REMARKS

	Non Operator Approval	
DATE	·	
COMPANY		
ВУ		
TITLE		



February 15, 2018

Ascent Energy, LLC Attn: Lee Zink 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

RE: Horseshoe Fed Com #702H

E/2 E/2 Section 18, Township 21 South, Range 33 East

Lea County, New Mexico

Dear Mr. Zink:

Reference is made to the Horseshoe Fed Com #702H well proposal dated January 19, 2018, by Centennial Resource Production, LLC ("CRP"). CRP would like to amend the following location of the subject well and the spacing unit of the subject well and clarify the estimated true vertical depth of the subject well as follows:

Surface Hole Location: 300' FNL of Sec. 19 T21S R33E & 645' FEL of Sec. 19, T21S R33E

Bottom Hole Location: 330' FNL of Sec. 18 T21S R33E & 330' FEL of Sec. 18, T21S R33E

Spacing Unit: E/2 E/2 Section 18, Township 21 South, Range 33 East, covering 160 acres as to the applicable Wolfcamp pool at a TVD of 12,000 feet.

Should you have any questions, please call me at 720-499-1474.

Best Regards,

Gavin Smith, RPL

Landman





September 26, 2017

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE:

Trucker Fed Com #501H

T21S-R33E Sec. 18: E2

320 Gross Acres, more or less Lea County, New Mexico

Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the Trucker Fed Com #501H well (the "Well") to test the Bone Spring formation at a total vertical depth of 11,120' and a total measured depth of 16,488' ("Operation"). The estimated cost associated with the Operation is \$6,741,838, as outlined in the enclosed Authority for Expenditure dated September 15, 2017. Ascent's records indicate that Centennial Resource Development, Inc. ("Centennial") owns a 50.00% working interest in the Well, and Centennial's estimated costs associated with this Operation is approximately \$3,370,919.

The proposed surface location of the Well is 684' FSL & 2,252' FWL of Section 7, Township 21 South, Range 33 East with a proposed bottom hole location 330' FSL & 2,242' FEL of Section 18 Township 21 South, Range 33 East. Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area consisting of Township 21 South, Range 33 East, Section 18: E2, with Ascent listed as Operator ("Contract Area")
- 100%/300%/300% non-consent penalties
- \$7,000.00 \$700.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Centennial is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.







Ascent looks forward to working with Centennial on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us.

Lee Zink Land Manager Ascent Energy, LLC

1621 18th Street, Suite 200 Denver, CO 80202

Very Truly Yours,

Enci	osure	s)

Centennial Resource Development, Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Trucker Fed Com #501H AFE.
Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation.
Working Interest Owner:
Centennial Resource Development, Inc.
Ву:
Title:
Date





#### **Ascent Energy, LLC**

#### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST CENT	TER Trucker Fed COM #501H		BUD YEAR	2018	DATE	September 15, 2017	
AFE NO	NM100004		CATEGORY		SUPPLEMENT NO.		
FIELD	Hat Mesa	REGION	Delaware	Basin	LEGAL:	215 33E	
OPERATOR OBJECTIVE		WELL NO. STATE	501H NM		W 1	. /	
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January 22, 2018

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE: Amendment to Contract Area

Trucker Fed Com #501H

<u>T21S-R33E</u> Sec. 18: W2E2

160.00 Gross Acres, more or less

Lea County, New Mexico

Dear Working Interest Owner:

Reference is made to the Trucker Fed Com #501H well proposal dated September 26, 2017, by Ascent Energy, LLC ("Ascent") ("Original Proposal"). Ascent hereby revises the Original Proposal to amend the Contract Area as follows:

#### Contract Area

The Contract Area from the Original Proposal is hereby stricken and replaced as Township 21 South, Range 33 East, Section 18: W2E2, covering 160 acres, with Ascent listed as Operator ("Revised Contract Area").

All other terms and dates of the Original Proposal remained unchanged. If you have any questions or concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or <a href="mailto:link@ascentenergy.us">link@ascentenergy.us</a>.

Very Truly Yours,

Lee Zink Land Manager



January 22, 2018

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE: Trucker Fed Com #502H

T21S-R33E Sec. 18: E2E2

160.00 Gross Acres, more or less

Lea County, New Mexico

#### Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the Trucker Fed Com #502H well (the "Well") to test the Bone Spring formation at a total vertical depth of 11,030' and a total measured depth of 15,910' ("Operation"). The estimated cost associated with the Operation is \$6,864,106, as outlined in the enclosed Authority for Expenditure dated January 22, 2018. Ascent's records indicate that Centennial Resource Development, Inc. ("Centennial") owns a 50.00% working interest in the Well, and Centennial's estimated costs associated with this Operation is approximately \$3,432,053.

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The proposed surface location of the Well is 431' FSL & 378' FEL of Section 7, Township 21 South, Range 33 East with a proposed bottom hole location 330' FSL & 360' FEL of Section 18 Township 21 South, Range 33 East. Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area consisting of Township 21 South, Range 33 East, Section 18: E2E2, with Ascent listed as Operator ("Contract Area")
- 100%/300%/300% non-consent penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Centennial is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

January 22, 2018 Trucker Fed Com #502H Page 2 of 2

Date: \_\_\_\_\_

Ascent looks forward to working with Centennial on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or <a href="mailto:lizink@ascentenergy.us">lizink@ascentenergy.us</a>.

Very Truly Yours, Lee Zink Land Manager Ascent Energy, LLC 1621 18th Street, Suite 200 Denver, CO 80202 Enclosure(s) Centennial Resource Development, Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Trucker Fed Com #502H AFE. Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation. Working Interest Owner: Centennial Resource Development, Inc. By:\_\_\_\_\_ Title:

# Ascent Energy, LLC

#### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST	CENTER	Sombrero Fed COM #502H		BUD YEAR	2018	DATE	January 22, 2018	
AFE NO				CATEGORY		SUPPLEMENT NO.		
FIELD		Hat Mesa	REGION	Delaware I	Basin	LEGAL:	21S 33E	
OPERA		Ascent Energy, LLC	WELL NO.	502H NM		W.I. MD/TVD	+/-15,910'/11,030'	
OBJEC		2nd Bone Spring ROJECT START DATE: 3Q2018	SIATE	MPI		PID/ : VD	+/-15,510 / 11,030	
		Drill a 4600' lateral in the 2nd Bone Spring and	d frac with 33 st	ages. Assumes 4	string desig	n.		
		INTANGIBLE DRILLING COSTS	3	100 100 100	,			
	ст.	DESCRIPTION		Rate	Units	DRYHOLE		TOTAL WELL COST
8305 8305	101	Rig Move - MIRU, RDMO				\$145,000 \$180,000		\$145,000
8305	103	Rig Contractor-Daywork/FT		\$ 20,000	25	\$500,000		500,003
8305	104	Rig Contractor-Turnkey				AAFO ROS	No. 10 to the second state of the	0
8305	105	Power & Fuel Drill Fluids & Chemicals				\$110,000		310,000 95,000
8305 8305	105	Bits, Reamer, Stabilizers				\$85,000		05, HITE
8305	108	Cement & Cementing Services				\$165,000	Majorina namena viri de la financia con cario della della	1/65/70(#)
8305	109	Mud Logging				\$44,000 \$30,000		43,000 70,000
8305 8305	110	Open Hole Logging Csg Crews & Tools		-		\$70,000		70,000
8305	112	Directional Tools & Service				\$210,000		210,000
8305	114	Form Eval - Well Testing DST - Coring, Sar	mpling			#70 ADO		70,070
8305 8305	115	Tubular Inspection Equipment Rentals		-	-	\$20,000	and in the second of the secon	2m) (re
8305	117	Contract Labor & Services				\$100,000		(87,000)
8305	118	Wellsite Consultants		\$ 2,000	50	\$100,000		910,000
8305 8305	119	Company Supervison & Labor Transportation		-		\$15,000	white was the same and the same	15.02
8305	121	Mud,Cuttings & Water Disposal				\$50,000		F(1,76)(8)
8305	122	Insurance		1.9243	15,900	\$80,596		31,545
8305 8305	123	Overhead Water & Water Well		-		\$25,000 \$25,000	Name of the state	25,000 25,000
8305	125	Unanticipated MirExp (Fishing)						0
8305	126	Legal				\$50,000		50,000
8305	127	Outside Operated Other Permits		-		\$10,000	The state of the s	10,600
8305 8305	128	Environmental & Safety				\$20,000		20,000
8305	130	Plugging				10.000 500	(a) 1	1
8305	199	SUBTOTAL CONTINGENCY (%) 10.00%				\$2,289,596 228,960		\$2,289,596 228,960
8303	199	SUB-TOTAL INTANGIBLE DRILLING COSTS				\$2,518,556	310 000	\$2,518,556
	- 1	INTANGIBLE COMPLETION COST	TS			THE REAL PROPERTY.	THE PARTY OF THE	1613 C
AC	CT.	DESCRIPTION		Rate	Units		COMPLETION	TOTAL WILLIAM
8306	201	DESCRIPTION Location & Cleanup		Rate	Units		\$10,000	\$10,000
8306 8306	201 202	Location & Cleanup Power & Fuel		Rate	Units		- \$16,000 10,000	\$10,000 70,000
8306 8306 8306	201 202 203	Location & Cleanup Power & Fuel Compl Fluids & Chemicals		Rate	Units		\$10,000	\$10,000
8306 8306	201 202	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs		Rate	Units		\$10,008 \$0,000 45,000	\$19,000 (2,000) 65,000 0
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8306 8306 8306 8306 8306 8306 8306 8306	201 202 203 204 205 206 207 207 210 211 212 213 214 215 217 218 219 220 221 221 222 223 224 225 227 228	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testling Legal & Permits Environmental & Safety Costs Pluggling Completion Rig  SUBTOTAL CONTINGENCY (%) 5.00% SUB-TOTAL INTANGIBLE COMPLETION COSTS SUB-TOTAL INTANGIBLE COSTS TANGIBLE DRILLING COSTS DESCRIPTION DESCRIPTION DIVER POR CONTINGENCY SUFFACE Casing Intermediate Casing Liner Casing Intermediate Casing Intermediate Casing Intermediate		\$	0	DRYROLE 320,000	\$16,006 \$10,000 \$15,000 \$159,000 \$1,900,000 \$165,002 \$43,500 \$13,500 \$13,500 \$15,000 \$	\$10,000 (a),000 (b),000 (c),000 (d) (d) (d) (d) (d) (d) (d) (d)
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8306 8306 8306 8306 8306 8306 8306 8306	201 202 203 204 205 206 207 208 209 210 211 212 213 215 216 217 218 220 221 221 222 223 224 225 226 227 227 228 227 228	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatin Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MaiExp Fishing Coll Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugding Completion Rig  SUBTOTAL CONTINGENCY (%) SUB-TOTAL INTANGIBLE COMPLETION COSTS SUB-TOTAL INTANGIBLE COMPLETION COSTS DESCRIPTION Drive Pipe Conductor Casing Surface Casing Intermediate Casing Liner Casing Subs File Eqpt Centralizers Etc Casinghead Drilling Spool		S -	0 0 Units 0 0	DRIHOLE \$20,000 450,000 \$125,000	\$16,006 \$10,000 \$15,000 \$159,000 \$1,900,000 \$165,002 \$43,500 \$13,500 \$13,500 \$15,000 \$	\$10,000 12,000 13,000 14,500,000 1,500,0
8306 8306 8306 8306 8306 8306 8306 8306	201 202 203 204 205 206 207 207 210 212 213 214 215 216 217 218 220 221 221 222 223 223 224 225 227 228 229 229 220 27 27 28 28 29 20 20 20 20 20 20 20 20 20 20 20 20 20	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatin Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugding Completion Rig  SUBTOTAL CONTINGENCY (%) 5.00% SUB-TOTAL INTANGIBLE COMPLETION COSTS SUB-TOTAL INTANGIBLE COSTS TANGIBLE DRILLING COSTS DESCRIPTION Drive Pipe Conductor Casing Surface Casing Intermediate Casing Liner Casing Subs Fit Eppt Centralizers Etc		S -	0 0 Units 0 0	DEFINITE  370,000  500,000  5125,000  5150,000	\$16,006 \$10,000 \$15,000 \$159,000 \$1,900,000 \$165,002 \$43,500 \$13,500 \$13,500 \$15,000 \$	\$10,000 10,00

AC	ст.	TANGIBLE COMPLETION COSTS DESCRIPTION		Rate	Units		EDMPLETION	TOTAL SOCIETY
8309	401	Production Casing		\$ -	0		250,000	10/10/20
8309	402	Tubing	-	\$ -	0		40,000	GM GM
8309	403	Subs Flt Eqpt Centralizers Etc		9	1		40,000	
8309	404	Sub Surface Equipment					30,000	99.0
8309	405	Xmas Tree Upper Section					60,000	10,0
8309	406	Outside Operated Other						COLUMN TO SERVICE STATE OF THE PERSON NAMED IN COLUMN TO SERVICE STATE OF THE PERSON NAMED STATE OF THE PERSON NAMED STATE OF THE PERSON NAMED STATE OF THE PERSON NAM
		SUB-TOTAL TANGIBLE COMPLETION COSTS					\$380,000	\$380,00
-		SUB-TOTAL TANGIBLE COSTS				\$405,000	\$380,000	\$785,00
-		SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$2,923,556	\$3,415,550	\$6,339,10
		PRODUCTION EQUIPMENT COSTS	-			42,523,550	45,415,550	40,333,1
-		PRODUCTION EQUIPMENT COSTS	•					
8311	501	Artificial Lift Equipment				THE PROPERTY OF THE PROPERTY O	00MPLETRON \$15,000	BISE
8311	502	Prime Mover Electric Gas						
8311	503	Sales Gathering Line						
8311	504	Separation Equipment					50,000	50,0
8311	505	Oil Treating Heating Equipment						
8311	506	Gas Treating Dehy Equipment				Approximation of the party of t		
8311	507	Tanks					70,000	70,0
8311 .	508	Meters		A111400			55,000	E5/()
8311	509	Electrical Equip Install					20,000	70,0
8311	510	Compressor						
8311	511	Flowlines					50,000	50,6
8311	512	Labor					130,000	110,0
8311	513	Trucks Hauling Transportation						
8311	514	Buildings						
8311	515	Roads & Locations			-		10,000	10.0
8311	516	Manifolds & Headers					15,000	15.0
8311	517	Chemical Injection System					50,800	50,0
8311	518	Piping & Valves				The second secon	50,000	30/0
3311	519	Welding Surface Dumos				The state of the s	5,000	5.0
3311	520	Surface Pumps Filters		***		area of the state	3,000	
B311 B311	521 522	Outside Operated Other					The state of the s	
8311	523	Environmental & Safety				The second of th	10,000	10.0
8311	524	Engineering Supervision				The state of the s	38,000	30,0
8311	525	Surface Facilities					15,000	100
		SUB-TOTAL PRODUCTION EQUIPMENT					\$525,000	\$525,0
		SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,518,556	\$3,035,550	\$5,554,1
	-							
		SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$405,000	\$380,000	\$785,0
		GRAND T	TOTAL		-	\$2,923,556	\$3,940,550	\$6,864,1
		LESS OU	TSIDE INTERESTS			\$2,923,556	\$3,940,550	\$6,864,1
		TOTAL N	ET COSTS			\$0	\$0	
		ator: Costs shown on this form are estimates only. Nor vill be required to perform the proposed operation.	noperators should n	not consider th	ese estimates	as establishing any limit		
REPARED	- I		DATE		-	GROSS AFE AMOUNT -	DRY HOLE	\$2,923,5
TE POLICE								
			DATE			NET DRYHOLE AFE AMO		
PROVED			DATE			NET ASSET TRANSFERS		
		The second secon				CASH OUTLAY THIS AF		
PROVED			DATE			PREVIOUS AFE'S ISSUE	D	
						TOTAL CASH OUTLAY		
PROVED	,		DATE					
				-				
		WORKING INTEREST APPROVAL						
		COMPANY WORKING INTE	REST			APPROVED BY		DATE



January 22, 2018

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE: Trucker Fed Com #601H

T21S-R33E Sec. 18: E2E2

160.00 Gross Acres, more or less Lea County, New Mexico

Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the Trucker Fed Com #601H well (the "Well") to test the Bone Spring formation at a total vertical depth of 11,700' and a total measured depth of 16,590' ("Operation"). The estimated cost associated with the Operation is \$6,944,467, as outlined in the enclosed Authority for Expenditure dated January 22, 2018. Ascent's records indicate that Centennial Resource Development, Inc. ("Centennial") owns a 50.00% working interest in the Well, and Centennial's estimated costs associated with this Operation is approximately \$3,472,233.

36 B5

The proposed surface location of the Well is 360' FSL & 2,130' FEL of Section 7, Township 21 South, Range 33 East with a proposed bottom hole location 330' FSL & 1,120' FEL of Section 18 Township 21 South, Range 33 East. Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area consisting of Township 21 South, Range 33 East, Section 18: E2E2, with Ascent listed as Operator ("Contract Area")
- 100%/300%/300% non-consent penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Centennial is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

January 22, 2018 Trucker Fed Com #601H Page 2 of 2

Date:

Ascent looks forward to working with Centennial on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or

concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us. Very Truly Yours, Lee Zink Land Manager Ascent Energy, LLC 1621 18th Street, Suite 200 Denver, CO 80202 Enclosure(s) Centennial Resource Development, Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Trucker Fed Com #601H AFE. Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation. Working Interest Owner: Centennial Resource Development, Inc. Title:

## **Ascent Energy, LLC**

#### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

		Trucker Fed COM #601H			2018	DATE	January 22, 2018	
AFE NO	).	Hat Mesa	REGION	Delaware		SUPPLEMENT NO.  LEGAL:	21S 33E	
OPERA	TOR	Ascent Energy, LLC	WELL NO.	601H		W.I.		
OBJECT		3rd Bone Spring	STATE	NM		MD/TVD	+/-16,590'/11,700'	
		OJECT START DATE: 3Q2018	c with 33 stans	Accumes 4 st	ring design			
DESCR	IPTION:	Drill a 4600' lateral in the 3rd Bone Spring and frac	C WITH 33 STAYE	es. Assumes 4 s	tring design.			
		INTANGIBLE DRILLING COSTS					- 4	
AC	CT.	DESCRIPTION		Rate	Units	DRYHOLE	S	THE REWALL COST
8305	101	Location Cleanup & Damages				\$145,000		21,42,000
8305 8305	102	Rig Move - MIRU, RDMO Rig Contractor-Daywork/FT		\$ 20,000	26	\$100,000		100(001) 530(001)
8305	104	Rig Contractor-Turnkey		\$ 20,000	2.0			T.
8305	105	Power & Fuel				\$110,008		210,000
8305 8305	106	Drill Fluids & Chemicals Bits, Reamer, Stabilizers		-	-	\$100,000	Commence of the commence of th	7(4), (40) (40), (40)
8305	107	Cement & Cementing Services				\$165,000		165,000
8305	109	Mud Logging				\$44,600		44,000
8305	110	Open Hole Logging		1		\$30,000   \$70,000	The best of the best of the section	70 pm)
8305 8305	111	Csg Crews & Tools Directional Tools & Service				\$220,000		210,000
8305	114	Form Eval - Well Testing DST - Coring, Sam	pling					0
8305	115	Tubular Inspection				\$20,000	· interessed in the state of th	701
8305 8305	116	Equipment Rentals Contract Labor & Services		-		\$300,000	Bet Black in a series of the s	560 000 i
8305	118	Wellsite Consultants		\$ 2,000	52	\$104,000		104,000
8305	119	Company Supervison & Labor					**	0
8305	120	Transportation Mud,Cuttings & Water Disposal				\$15,000 ( \$50,000 )	COLUMN TO THE PROPERTY OF THE PARTY OF THE P	35,002 50,000
8305 8305	121	Insurance		1.9243	16,590	\$31,924		31,004
8305	123	Overhead				\$25,800		21,1600
8305	124	Water & Water Well Unanticipated MjrExp (Fishing)		-	-	\$25,000	SHIPS WITH DAVID AND VIOLENCE OF THE PARTY O	25(000)
8305 8305	125	Legal	-			\$50,080		40,000
8305	127	Outside Operated Other						0
8305	128	Permits Contact Section 19 Conta				\$10,000   \$20,000		10,000 70,000
8305 8305	129	Environmental & Safety Plugging				\$20,000		
0505	130	SUBTOTAL				\$2,339,924		\$2,339,924
8305	199	CONTINGENCY (%) 10.00%				233,992		233,992
-		SUB-TOTAL INTANGIBLE DRILLING COSTS		-		\$2,573,917		\$2,573,917
40	CT.	INTANGIBLE COMPLETION COSTS DESCRIPTION		Rate	Units		COMPLETION	100/A WELL COST
8306	201	Location & Cleanup		Rate	Onics		\$10,000	\$10,600
8306	202	Power & Fuel						5(0,000)
8306	203					The same and the s	10,000	
		Compl Fluids & Chemicals				The state of the s	45,000	05,[161]
8306	204	Bits, Reamer, Stabilizers						
8306	204	Bits, Reamer, Stabilizers Cement & Cementing Svcs					45,000	AS/FIELD
8306 8306	204 205 206 207	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer						
8306 8306 8306	204 205 206 207 208	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs					45,000 159,000	AS/1901 C 155,THE U
8306 8306 8306 8306	204 205 206 207 208 209	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac					45,000	AS/FIELD
8306 8306 8306	204 205 206 207 208 209 210	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs					45,000 159,700 1,000,000	95,000 9 155,002 9 9 9,000,031
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals					45,000 159,000	AS/1901 C 155,THE U
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services		\$ -	0		45,000 159,000 1,900,000 1,65,000	45,000 9 955,000 9 9,000,000 9 100,000 110,000
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals		\$ -	0		45,000 159,700 1,000,000	45,000 9 155,000 9 5,000,000 100,0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation		\$ -	0		45,000 159,700 1,900,000 265,000 43,500 20,000	A5,000 9 \$55,000 9 5,000,000 10 10,000 11,000 0 0 0 0 0 0 0 0 0 0 0 0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal		3 -	0		45,000 159,000 1,600,000 165,000 43,500	45,000 9 155,000 9 5,000,000 100,0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation		\$ -	0		45,000 159,700 1,000,000 268,000 43,500 20,000 35,000	A5,600 9 955,000 9 9,900,000 10,000 110,000 A15,600 20,000 15,000
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well		\$ -	0		45,000 159,700 1,900,000 265,000 43,500 20,000	A5,000 9 \$55,000 9 5,000,000 10 10,000 11,000 0 0 0 0 0 0 0 0 0 0 0 0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing		\$ -	0		45,000 159,000 1,900,000 168,000 43,500 26,000 35,000	#5,000 #55,000 #55,000 #5,000,000 #5,000,000 #5,000 #5,000 #5,000 #5,000 #5,000 #5,000
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coll Tubing Services		\$ -	0		45,000 159,000 1,600,000 265,000 43,500 20,000 35,000 33,500 35,000	A5,000 955,000 955,000 95,000,000 105,000 105,000 15,000 15,000 0 0 0 0 0 0 0 0 0 0 0 0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing		\$ -	0		45,000 159,000 1,900,000 168,000 43,500 20,000 35,000 313,500 63,500 76,500	#5,000 #55,000 #55,000 # 5,000,000 # 10,000 # 10,000 # 15,000 # 15,00
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coll Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits		\$ -	0		45,000 159,000 1,600,000 265,000 43,500 20,000 35,000 33,500 35,000	A5,000 955,000 955,000 95,000,000 105,000 105,000 15,000 15,000 0 0 0 0 0 0 0 0 0 0 0 0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Miss Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs		\$ -	0		45,000 159,000 1,900,000 168,000 43,500 20,000 35,000 313,500 63,500 76,500	#5,re0
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 220 221 222 222 223 224 225 226 227	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg. Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coll Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits		\$ -	0		45,000 159,000 1,900,000 168,000 43,500 20,000 35,000 313,500 63,500 76,500	#5,000 #55,000 #55,000 # 5,000,000 # 10,000 # 10,000 # 15,000 # 15,00
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8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 212 213 214 215 216 217 218 220 221 222 222 223 224 225 226	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugging Completion Rig Subrotal					45,000 159,000 1,600,000 265,000 20,000 313,500 63,500 35,000 76,500 8,000 8	A5,000  155,000  155,000  9  9  9  10  11  10  20  11  15  15  15  15  17  17  17  17  17
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8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 212 213 214 215 216 217 218 220 221 222 222 223 224 225 226	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Miss Supplies & Materials Flowback Testing Legal & Permits Ernironmental & Safety Costs Pluggling Completion Rig  SUBTOTAL COMTINGENCY (%) 5.00%				\$2,573,917	45,000 159,000 1,600,000 265,000 23,590 20,000 313,500 33,500 35,000 76,500 8,000 30,000	A J. 100  155 me  155 me  3 500 cer  11. (53  20.000  15,000  33. J. 100  33. J. 100  35. J. 100  37. 500  37. 500  38. J. 100  39. J. 100  44.550
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 212 213 214 215 216 217 218 220 221 222 222 223 224 225 226	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulant Acid Frac Formation Stimulant Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Pluggling Completion Rig SUBTOTAL CONTINGENCY (%) S.00% SUB-TOTAL INTANGIBLE COMPLETION COSTS				\$2,573,917	45,000 159,000 1,900,000 165,000 20,900 35,000 313,500 63,500 35,000 76,500 8,000 10,000 \$2,891,000 144,550 \$3,035,550	A J. 100  \$15, 100  \$15, 100  \$1, 100
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 209 210 211 212 212 213 214 215 216 227 220 221 222 222 223 224 225 227 228	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MaiExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugding Completion Rig  SUBTOTAL CONTINGENCY (%) 5.00% SUB-TOTAL INTANGIBLE COMPLETION COSTS SUB-TOTAL INTANGIBLE COMPLETION COSTS				\$2,573,917 DRYBOIE	45,000 159,000 1,900,000 165,000 20,900 35,000 313,500 63,500 35,000 76,500 8,000 10,000 \$2,891,000 144,550 \$3,035,550	A J. 100  \$15, 100  \$15, 100  \$1, 100
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8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 208 208 209 210 211 212 213 214 215 216 227 228 229 229 299 299 277.	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurence Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Miss Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Pluggling Completion Rig  SUBTOTAL CONTINGENCY (%) 5.00% SUB-TOTAL INTANGIBLE COMPLETION COSTS  DESCRIPTION Drive Pipe Conductor Casing Surface Casing Surface Casing Intermediate Casing		Rate \$ \$ \$ \$ \$	0 Units 0 0	beynole \$20,000 4.50,000 \$12,5000	45,000 159,000 1,900,000 165,000 20,900 35,000 313,500 63,500 35,000 76,500 8,000 10,000 \$2,891,000 144,550 \$3,035,550	# 1,000 F 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 207 208 209 210 211 212 214 215 216 217 218 217 218 217 222 223 223 224 227 228 229 200 303 303 303 304 305 306 307 307 305 306 306 307 307 20 20 20 20 20 20 20 20 20 20 20 20 20	Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulant Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugging Completion Rig Subortal Intansible Completion Costs Sub-Total Intansible Costs Sub-Total Intansible Costs Description Drive Pipe Conductor Casing Surface Casing Internediate Spool Sub Surface Equipment		Rate \$ \$ \$ \$ \$	0 Units 0 0	520,000 5,50,000 5,1,50,00 5,1,50,00	45,000 159,000 1,900,000 165,000 20,900 35,000 313,500 63,500 35,000 76,500 8,000 10,000 \$2,891,000 144,550 \$3,035,550	A5,000  155,000  155,000  17,000  17,000  17,000  15,000  15,000  144,550  \$3,035,550  \$5,609,467
8306 8306 8306 8306 8306 8306 8306 8306	204 205 206 207 207 208 209 210 211 212 214 215 216 217 218 217 218 217 222 223 223 224 227 228 229 200 303 303 303 304 305 306 307 307 305 306 306 307 307 20 20 20 20 20 20 20 20 20 20 20 20 20	Bits, Reamer, Stabilizers  Cement & Cementing Svcs Logging & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Miss Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Pluggling Completion Rig Suberotal. Intransible Completion Costs Subetotal. Intransible Completion Costs Subetotal. Intransible Completion Costs Subetotal. Intransible Costs Description Drive Pipe Conductor Casing Surface Casing Liner Cas		Rate \$ \$ \$ \$ \$	0 Units 0 0	520,000 5,50,000 5,1,50,00 5,1,50,00	45,000 159,000 1,900,000 165,000 20,900 35,000 313,500 63,500 35,000 76,500 8,000 10,000 \$2,891,000 144,550 \$3,035,550	15, 100  155, 100  155, 100  155, 100  16, 100  17, 100  15, 100  15, 100  17, 100  18, 100  144, 550  \$3,035,550  \$5,609,467

		DESCRIPTION		Rate	Units		COMPLETION	TUTRE WISH DOST
	CT.			T	Units		275 (III	1275 B
8309	401	Production Casing		\$ -	0		40,000	
8309 8309	402	Tubing Subs Flt Eqpt Centralizers Etc		3 -	-		40,000	(4. [1
8309	404	Sub Surface Equipment		-			36,40010	200
8309	405	Xmas Tree Upper Section					60,000	(1/9)
8309	406	Outside Operated Other					A Comment of the Comm	
		SUB-TOTAL TANGIBLE COMPLETION COSTS					\$405,000	\$405,00
		SUB-TOTAL TANGIBLE COSTS				\$405,000	\$405,000	\$810,00
	-	SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$2,978,917	\$3,440,550	\$6,419,46
		PRODUCTION EQUIPMENT CO	STS			42,570,527	45,440,550	\$0,415,40
-							COMPLETION	TOTAL WELL COM
8311	501	Artificial Lift Equipment					515,000	\$15,01
8311	502	Prime Mover Electric Gas						
8311	503	Sales Gathering Line Separation Equipment					50,000	1,0,00
		Oil Treating Heating Equipment					50000	
8311	505 506	Gas Treating Dehy Equipment		-				
8311 8311	507	Tanks					76,000	75/6
3311	508	Meters		-			55,000	5,00
8311	509	Electrical Equip Install					20 000	21(1)
3311	510	Compressor	,			70-40 Miles   100		
9311	511	Flowlines					50,960	
8311	512	Labor					130,000	330,00
8311	513	Trucks Hauling Transportation						
8311	514	Buildings				STREET, STREET		
8311	515	Roads & Locations				The second second second	20,000	10,00
8311	516	Manifolds & Headers				photographic and the second	15,000	3- [10]
3311	517	Chemical Injection System						10 miles
3311	518	Piping & Valves					50,000	10/00
8311	519	Welding					The second second	
3311	520	Surface Pumps					5,000	5,00
3311	521	Filters						
8311	522	Outside Operated Other						
8311		Environmental & Safety					10,000	15,00
8311	524	Engineering Supervision				PROCESS AND	30,000	30,00
8311	525	Surface Facilities				and the same of th	15,000	15/18
_	-							
	_	SUB-TOTAL PRODUCTION EQUIPMENT				-	\$525,000	\$525,00
		SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,573,917	\$3,035,550	\$5,609,46
		SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$405,000	\$405,000	\$810,00
		GRA	ND TOTAL			\$2,978,917	\$3,965,550	\$6,944,46
						\$2,978,917	\$3,965,550	\$6,944,46
	-		S OUTSIDE INTERESTS					
-	-	TOT	AL NET COSTS			\$0	\$0	5
otice to	Nonopera	ator: Costs shown on this form are estimates only.	Nonoperators should	not consider th	nese estimates	as establishing any limit		
monle	s which v	will be required to perform the proposed operation.						
REPARED	D BY		DATE			GROSS AFE AMOUNT - D	RY HOLE	\$2,978,91
						NET DRYHOLE AFE AMOU		\$
0000	. 1		DATE					
PROVE						NET ASSET TRANSFERS		\$
	1					CASH OUTLAY THIS AFE		\$
PROVE	D		DATE			PREVIOUS AFE'S ISSUED		\$
		100				TOTAL CASH OUTLAY		\$
PROVE	D		DATE					
	L							
		WORKING INTEREST APPROVAL	HTEDECT			APPROVED BY		DATE
		COMPANY WORKING I	NIEKESI			APPROVED BY		DATE



January 22, 2018

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE: Trucker Fed Com #701H

T21S-R33E Sec. 18: W2E2 160.00 Gross Acres, more or less Lea County, New Mexico

#### Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the Trucker Fed Com #701H well (the "Well") to test the Wolfcamp formation at a total vertical depth of 11,875' and a total measured depth of 16,750' ("Operation"). The estimated cost associated with the Operation is \$7,494,705, as outlined in the enclosed Authority for Expenditure dated January 22, 2018. Ascent's records indicate that Centennial Resource Development, Inc. ("Centennial") owns a 50.00% working interest in the Well, and Centennial's estimated costs associated with this Operation is approximately \$3,747,352.

The proposed surface location of the Well is 360' FSL & 2,080' FEL of Section 7, Township 21 South, Range 33 East with a proposed bottom hole location 330' FSL & 1,870' FEL of Section 18 Township 21 South, Range 33 East. Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area consisting of Township 21 South, Range 33 East, Section 18: W2E2, with Ascent listed as Operator ("Contract Area")
- 100%/300%/300% non-consent penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Centennial is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

January 22, 2018 Trucker Fed Com #701H Page 2 of 2

Date:

Ascent looks forward to working with Centennial on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or

concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us. Very Truly Yours, Lee Zink Land Manager Ascent Energy, LLC 1621 18th Street, Suite 200 Denver, CO 80202 Enclosure(s) Centennial Resource Development, Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Trucker Fed Com #701H AFE. Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation. Working Interest Owner: Centennial Resource Development, Inc. By:\_\_\_\_\_ Title:

# Ascent Energy, LLC

## ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST	ENTER	Trucker Fed COM #701H		BUD YEAR	2018	DATE	January 22, 2018	
AFE NO	).	Hat Mesa REGIO		CATEGORY		SUPPLEMENT ND.	246 225	
OPERA"	rop.	Ascent Energy, LLC	WELL NO.	701H	Basin	LEGAL: W.I.	21S 33E	
OBJECT		Wolfcamp	STATE	NM		MD/TVD	16,750'/11,875'	
ESTIMA	TED PR	OJECT START DATE: 3Q2018						
DESCR	PTION	: Drill a 4600' lateral in the Wolfcamp and frac wit	th 33 stages. A	ssumes 4 string	design.			
	1	INTANGIBLE DRILLING COSTS				THE RESERVE OF THE PERSON NAMED IN COLUMN		
AC	CT.	DESCRIPTION		Rate	Units	DEVHOLE		TOTAL WELLEDST
8305	101	Location Cleanup & Damages				- 1: (a) (a)		9 (45 (500)
8305 8305	102	Rig Move - MIRU, RDMO Rig Contractor-Daywork/FT		\$ 20,000	27	\$100,000 \$540,000	Charles County of the county o	- 116.000 - 10.000
8305	104	Rig Contractor-Turnkey						
8305 8305	105	Power & Fuel Drill Fluids & Chemicals				\$180,000		130,000 160,000
8305	107	Bits, Reamer, Stabilizers				\$95,000	Part of the body of the same before the ball of the ba	95,000
8305	108	Cement & Cementing Services Mud Logging				\$180,000 \$54,000	(/Ac-Pac plt)- (gra-Anna shanainne-Physi	(3) (4) (1) 5-4 (4) (1)
8305 8305	109	Open Hole Logging				\$80,000		32 (1971)
8305	111	Csq Crews & Tools				\$80,000	and an analysis of the state of	80,-111 i 2 11 (81)
8305 8305	112	Directional Tools & Service Form Eval - Well Testing DST - Coring, San	npling			5200,000		
8305	115	Tubular Inspection		-		\$20,000 { \$300,000 }		20,000 min (e.e.)
8305 8305	116	Equipment Rentals Contract Labor & Services			-	\$100,000		1907.
8305	118	Wellsite Consultants		\$ 2,000	54	\$1.08,000		104(101)
8305 8305	119	Company Supervison & Labor Transportation	-	-		\$15,000		19,000
8305	121	Mud, Cuttings & Water Disposal				\$100,000		100/000
8305 8305	122	Insurance Overhead		1.9243	16,750	\$32,232   \$25,000 \$	Committee of	33.7.10 75,000
8305	124	Water & Water Well				\$25,000		25,003
8305	125	Unanticipated MjrExp (Fishing)				\$50,000	water from the contract of the thirt is the said of th	File
8305 8305	126	Legal Outside Operated Other						0
8305	128	Permits				\$10,000	MARKET WAR AND	10-071
8305 8305	129	Environmental & Safety Plugging				\$20,000		an/Halli
		SUBTOTAL				\$2,549,232		\$2,549,232 254,923
8305	199	CONTINGENCY (%) 10.00%  SUB-TOTAL INTANGIBLE DRILLING COSTS				254,923 \$2,804,155		\$2,804,155
		INTANGIBLE COMPLETION COST	S	- 14.5		SERVICE CONTRACTOR		
AC	CT.	DESCRIPTION		Rate	Units		COMPLETION	TOTAL WELL COST
8306	201	Location & Cleanup					\$10,000	310.000
						Combined the State of the State		
8306	202	Power & Fuel					10,000	10,000 45,000
8306 8306	203	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers						10,000
8306 8306 8306	203 204 205	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs					10,000 45,000	10,0 m 45,031 0
8306 8306	203	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csg Crews & Tools-Drive Hammer					10,000	10,000
8306 8306 8306 8306 8306 8306	203 204 205 206 207 208	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs					10,000 45,000 169,000	10(1.0.) 45(15) 1 1 2(72(pm) 1
8306 8306 8306 8306 8306 8306 8306	203 204 205 206 207	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csg Crews & Tools-Drive Hammer					10,000 45,000	10,0 m 45,031 0
8306 8306 8306 8306 8306 8306 8306 8306	203 204 205 206 207 208 209 210 211	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logding & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation Tubular Inspection					10,000 45,000 169,000	10,00 45,000 1,000 2,000 1,000
8306 8306 8306 8306 8306 8306 8306 8306	203 204 205 206 207 208 209 210 211 212	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Fueluation Tubular Inspection Equipment Rentals					10,000 45,000 169,000 2,000,000	10(1.0.) 45(15) 1 1 2(72(pm) 1
8306 8306 8306 8306 8306 8306 8306 8306	203 204 205 206 207 208 209 210 211 212 213 214	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant		\$ -	0		10,000 45,000 169,000	10,00 45,000 1,000 2,000 1,000
8306 8306 8306 8306 8306 8306 8306 8306	203 204 205 206 207 208 209 210 211 212 213 214 215	Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Csq Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatin Acid Frac Formation Stimulatin Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor		\$ -	0		10,000 45,000 169,000 2,000,000	10,000 45,000 0 1,000,000 0,000,000 0,000,000 1,000,000
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ACC	0.00	TANGIBLE COMPLETION COST		Rate	Units	manufacture of the second seco	EDMPLESTON	TETAL WHILE ISST
		DESCRIPTION		s -	0		409,000	5423.60
8309	401	Production Casing		\$ -	0		45 000	(12.1)
8309	402	Subs Fit Eqpt Centralizers Etc	0.00	3	-			
3309	403	Sub Surface Equipment			-		30.000	
3309	405	Xmas Tree Upper Section					66,000	50)
8309	406	Outside Operated Other						
		SUB-TOTAL TANGIBLE COMPLETION COSTS					\$535,000	\$535,00
		SUB-TOTAL TANGIBLE COSTS				\$490,000	\$535,000	\$1,025,00
		SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$3,294,155	\$3,675,550	\$6,969,70
	-	PRODUCTION EQUIPMENT COST	rs					
	_	PRODUCTION EQUIPMENT COS			100		EDMPLETION	TOTAL CHEST CHEST
8311	501	Artificial Lift Equipment					315,600	
8311	502	Prime Mover Electric Gas						
8311	503	Sales Gathering Line			jan jan			
8311	504	Separation Equipment		-	-	Name and Address of the Owner, where	30 000	50,00
8311	505	Oil Treating Heating Equipment			1		ALC: UNKNOWN DESIGNATION OF THE PARTY OF THE	200
8311	506	Gas Treating Dehy Equipment					Company of the last of the las	-
8311	507	Tanks					25,006	70.0
8311	508	Meters					55,000	55.0
8311	509	Electrical Equip Install			-		20,000	3/1/1
8311	510	Compressor			100			-
8311	511	Flowlines		-			50 000	50,00 130,00
8311	512	Labor			1000		136,000	
8311	513	Trucks Hauling Transportation						
8311		Buildings			14.00		20,000	10.0
8311		Roads & Locations			-		15,000	11.0
8311		Manifolds & Headers			-		33,000	
8311	517	Chemical Injection System		-	5000		50,000	50.00
8311	518	Piping & Valves			30.00			
8311	519 520	Welding Surface Pumps				·····	5,000	
8311 8311	521	Filters						
8311	522	Outside Operated Other						THE PERSON NAMED IN
8311	523	Environmental & Safety					18,000	-10.01
8311	524	Engineering Supervision					38,000	
8311	525	Surface Facilities				The state of the s	15,000.	15.6
		SUB-TOTAL PRODUCTION EQUIPMENT					\$525,000	\$525,00
		SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,804,155	\$3,140,550	\$5,944,7
	_	SUB-TOTAL TANGIBLE COSTS (PAGE 2)	-			\$490,000	\$535,000	\$1,025,00
						\$3,294,155	\$4,200,550	\$7,494,70
			D TOTAL					
		LESS	OUTSIDE INTERESTS	5		\$3,294,155	\$4,200,550	\$7,494,7
		TOTAL	NET COSTS			\$0	\$0	
otice to		rator: Costs shown on this form are estimates only. will be required to perform the proposed operation.	Nonoperators should	d not consider t	hese estimates as	establishing any limit		
monle			DATE			GROSS AFE AMOUNT - DRY HOLE		\$3,294,1
					1			40/25-1/2
	D BY							
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January 22, 2018

Centennial Resource Development, Inc. 1001 Seventeenth Street, Suite 1800 Denver, CO 80202

Attn: Mr. Aaron Tenenholz

RE: Trucker Fed Com #703H

T21S-R33E Sec. 18: E2E2

160.00 Gross Acres, more or less

Lea County, New Mexico

Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the Trucker Fed Com #703H well (the "Well") to test the Wolfcamp formation at a total vertical depth of 11,850' and a total measured depth of 16,740' ("Operation"). The estimated cost associated with the Operation is \$7,494,705, as outlined in the enclosed Authority for Expenditure dated January 22, 2018. Ascent's records indicate that Centennial Resource Development, Inc. ("Centennial") owns a 50.00% working interest in the Well, and Centennial's estimated costs associated with this Operation is approximately \$3,747,352.

The proposed surface location of the Well is 431' FSL & 328' FEL of Section 7, Township 21 South, Range 33 East with a proposed bottom hole location 330' FSL & 370' FEL of Section 18 Township 21 South, Range 33 East. Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area consisting of Township 21 South, Range 33 East, Section 18: E2E2, with Ascent listed as Operator ("Contract Area")
- 100%/300%/300% non-consent penalties
- \$7,000.00/\$700.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Centennial is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

January 22, 2018 Trucker Fed Com #703H Page 2 of 2

Date:

Ascent looks forward to working with Centennial on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or

concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us. Very Truly Yours, Lee Zink Land Manager Ascent Energy, LLC 1621 18th Street, Suite 200 Denver, CO 80202 Enclosure(s) Centennial Resource Development, Inc. hereby elects to participate in the proposed Operation by paying its proportionate share of the costs outlined on the Trucker Fed Com #703H AFE. Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation. Working Interest Owner: Centennial Resource Development, Inc. By:\_\_\_\_ Title:

# **Ascent Energy, LLC**

#### ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

	Trucker Fed COM #703H		BUD YEAR		DATE	January 22, 2018	
AFE NO.	Hat Mesa	REGION	Delaware I		SUPPLEMENT NO, LEGAL:	215 33E	
OPERATOR	Ascent Energy, LLC	WELL NO.	703H		w.i.		
OBJECTIVE	Wolfcamp	STATE	NM		MD/TVD	16,740'/11,850'	
ESTIMATED PR	OJECT START DATE: 3Q2018						
	Drill a 4600' lateral in the Wolfcamp and frac v	with 33 stages. A	ssumes 4 string	design.			
	INTANGIBLE DRILLING COSTS				-	N 12 20 20 20 20 20 20 20 20 20 20 20 20 20	
1007		5	T Parts	Units	DRYHOLE		Total Well Cost
ACCT. 8305 101	Location Cleanup & Damages		Rate	Units	\$145,000	Million Comment with Committee of	\$145,070
8305 102	Rig Move - MIRU, RDMO			-	\$100,000		<u> </u>
8305 103	Rig Contractor-Daywork/FT		\$ 20,000	27	\$540,000,	Controlled Controlled Controlled	5-0.00a
8305 104 8305 105	Rig Contractor-Turnkey Power & Fuel				\$130,000	Mr. Alle Survey Mis Assurance and Control of Mills Survey	#22.00E)
8305 106	Drill Fluids & Chemicals				\$160,000		107 0111
8305 107	Bits, Reamer, Stabilizers				\$95,000	n takene and a common to a common	43/1301 180/0001
8305 108 8305 109	Cement & Cementing Services Mud Logging				\$180,000 \$54,000	A participation of the second	190 990 54 (He)
	Open Hole Logging				\$30,000		A THEFT
8305 111	Csq Crews & Tools				580,080		\$0.7(m)
	Directional Tools & Service	line	-	-	\$230,000	Amminia esta de la compania del la compania de la compania del la compania de la	200,000
8305 114 8305 115	Form Eval - Well Testing DST - Coring, Sa Tubular Inspection	ampling	-		\$20,000	1000) Minorary 144 12 And 1507 149 120 120 120 120 120 120 120 120 120 120	20100
8305 116	Equipment Rentals				\$300,000		(H) (P)
8305 117	Contract Labor & Services				\$100.000		100/001
	Wellsite Consultants		\$ 2,000	54	\$108,000	An east of the Alabamata delations.	10,000
8305 119 8305 120	Company Supervison & Labor Transportation				\$15,000	THE PERSON NAMED IN COLUMN TWO IS NOT THE OWNER.	15,000
8305 121	Mud, Cuttings & Water Disposal				\$100,000		101.000
8305 122	Insurance		1.9243	16,750	\$32,232		12 (A11)
	Overhead Water Wall		-		\$25,000	A Delivery of the second of th	27 (90)
8305 124 8305 125	Water & Water Well Unanticipated MjrExp (Fishing)				523,000	the transfer of the second	- 2/1
8305 126	Legal				\$50,000		
8305 127	Outside Operated Other						1
8305 128	Permits Environmental & Safety				\$10,000 \$20,000	Appropriate the second	10,001U ED(0)EU
8305 129 8305 130	Plugging				320,000		101100
0000	SUBTOTAL				\$2,549,232		\$2,549,232
8305 199	CONTINGENCY (%) 10.00%				254,923		254,923
	SUB-TOTAL INTANGIBLE DRILLING COSTS				\$2,804,155		\$2,804,155
	INTANGIBLE COMPLETION COS	15					
					the second secon		WARRIST STATE OF THE PARTY OF T
ACCT.	DESCRIPTION		Rate	Units		COMPLETION	TOTAL WILL LOST
8306 201	Location & Cleanup		Rate	Units		\$10,000	910,000
8306 201 8306 202	Location & Cleanup Power & Fuel		Rate	Units		THE RESIDENCE AND ADDRESS OF THE PARTY OF TH	
8306 201 8306 202 8306 203 8306 204	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers		Rate	Units		\$10,000 10,000	1, 5, 11 (a) n (
8306 201 8306 202 8306 203 8306 204 8306 205	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs		Rate	Units		\$10,000 10,000 45,000	930\gov. 10,000 0,250\gv 0,250\gv
8306 201 8306 202 8306 203 8306 204 8306 205 8306 206	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs		Rate	Units		\$10,000 10,000	1, 5, 11 (a) n (
8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 207	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Logqing & Perforation Fvcs Cag Crews & Tools-Drive Hammer		Rate	Units		\$10,000 10,000 45,000 359,000	930\gov. 10,000 0,250\gv 0,250\gv
8306 201 8306 202 8306 203 8306 204 8306 205 8306 205 8306 206 8306 207 8306 208 8306 209	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logaing & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac		Rate	Units		\$10,000 10,000 45,000	930\gov. 10,000 0,250\gv 0,250\gv
8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 207 8306 208 8306 209 8306 209	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Logqing & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation		Rate	Units		\$10,000 10,000 45,000 359,000	11(1,00) 11(10) 13(0) 14(10) 14(10) 14(10)
8306 201 8306 202 8306 203 8306 204 8306 205 8306 205 8306 207 8306 208 8306 209 8306 209 8306 211	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logating & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubulat Inspection		Rate	Units		\$16,000 10,000 45,000 159,000 2,000,000	19/1/80% 11/1/97 01/592 0 17 193/202 193/2
8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 207 8306 207 8306 208 8306 209 8306 210 8306 211 8306 211	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logqing & Perforation Svcs Logqing & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation		Rate			\$10,000 10,000 45,000 159,000 2,000,000 165,000	11(1,00) 11(10) 13(0) 14(10) 14(10) 14(10)
8306 201 8306 202 8306 203 8306 204 8306 205 8306 205 8306 207 8306 208 8306 209 8306 211 8306 211 8306 213 8306 213	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logaing & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant		Rate	Units		\$16,000 10,000 45,000 159,000 2,000,000	19/1/80% 11/1/97 01/592 0 17 193/202 193/2
8306 201 8306 202 8306 203 8306 204 8306 205 8306 205 8306 206 8306 207 8306 208 8306 209 8306 210 8306 211 8306 212 8306 213 8306 213	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor					\$10,000 10,000 45,000 \$59,000 2,000,000 165,000 43,500	99(1,00) 11,00) 0 400 9 9 1,69,000 1 2,000,000 0 1 1,000,000 1 1 1,000,000 1 1 1,000,000 1
8306 201 8306 202 8306 203 8306 204 8306 205 8306 205 8306 206 8306 207 8306 208 8306 208 8306 211 8306 211 8306 212 8306 213 8306 214 8306 214 8306 214	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logating & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation					\$10,000 10,000 45,000 159,000 2,000,000 2,000,000 43,500 20,000	49(1,00) 11,00) 0 400 13 14 15 10 10 10 10 10 10 10 10 10 10
8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 207 8306 207 8306 208 8306 211 8306 211 8306 213 8306 213 8306 213 8306 213 8306 214 8306 215 8306 215 8306 215	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulath Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor					\$10,000 10,000 45,000 \$59,000 2,000,000 165,000 43,500	99(1,00) 11,00) 0 400 9 9 1,69,000 1 2,000,000 0 1 1,000,000 1 1 1,000,000 1 1 1,000,000 1
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8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 206 8306 207 8306 207 8306 209 8306 210 8306 211 8306 211 8306 213 8306 214 8306 215 8306 215 8306 215 8306 216 8306 216 8306 216 8306 217 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logaing & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatin Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellisite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing					\$16,000 10,000 45,000 159,000 2,000,000 165,000 43,500 20,000 25,000	93(1,00) 31,00) 0 4 00 31 493(00) 1 2,000,000 31 20,000 1 4,500 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 1 20,000 20,00
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8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 207 8306 207 8306 209 8306 209 8306 210 8306 211 8306 211 8306 212 8306 214 8306 215 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218 8306 218 8306 221 8306 220 8306 220 8306 221 8306 222 8306 223 8306 224 8306 225 8306 225	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logain & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatn Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Misc Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs			0		\$10,000 \$10,000 \$5,000 \$59,000 \$2,000,000 \$165,000 \$3,500 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000	900,000 10,000 0 1,000 1 1,000 1 1,000 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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8306 201 8306 202 8306 203 8306 204 8306 205 8306 206 8306 206 8306 207 8306 208 8306 210 8306 210 8306 211 8306 212 8306 213 8306 214 8306 213 8306 214 8306 215 8306 225 8306 225 8306 225 8306 225 8306 225 8306 225 8306 225 8306 225 8306 225	Location & Cleanup Power & Fuel Compl Fluids & Chemicals Bits, Reamer, Stabilizers Cement & Cementing Svcs Logaina & Perforation Svcs Cag Crews & Tools-Drive Hammer Directional Tools & Svcs Formation Stimulatin Acid Frac Formation Evaluation Tubular Inspection Equipment Rentals Contract Labor & Services Wellsite Consultant Company Supervision & Labor Transportation Mud Cuttings & Water Disposal Insurance Overhead Water & Water Well Unanticipated MajExp Fishing Coil Tubing Services Miss Supplies & Materials Flowback Testing Legal & Permits Environmental & Safety Costs Plugging Completion Rig SUSTOTAL COMPINGENCY (%) 5.00%		5 -	0		\$10,000 10,000 45,000 159,000 20,000 165,000 20,000 15,000 313,500 63,500 35,000 75,500 50,000 35	49 (100) 11 (17) 12 (17) 13 (17) 14 (17) 15 (17) 16 (17) 17 (17) 18 (17) 19 (1
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		TANGIBLE COMPLETION COST				The state of the s		
ACC		DESCRIPTION		Rate	Units		EOMPLETION	THIRL WHILE SHET
8309	401	Production Casing		\$ -	0		400,000	Care An
B309 B309	402	Tubing Subs Flt Egpt Centralizers Etc		\$ -	- 0		45,000	93.00
3309	404	Sub Surface Equipment		_			38 000	911.00
309	405	Xmas Tree Upper Section					60,000	50 00
3309	406	Outside Operated Other						
		SUB-TOTAL TANGIBLE COMPLETION COSTS					\$535,000	\$535,00
		SUB-TOTAL TANGIBLE COSTS				\$490,000	\$535,000	\$1,025,000
		SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$3,294,155	\$3,675,550	\$6,969,70
		PRODUCTION EQUIPMENT COST	rs					
3311	501	Artificial Lift Equipment					COMPLETION SIS DOU	Humanamanan R IV Du
		Prime Mover Electric Gas						
		Sales Gathering Line						
	504	Separation Equipment					50,000	507.00
	505	Oil Treating Heating Equipment						
	506	Gas Treating Dehy Equipment						
	507	Tanks				30	70.000	21,1-1
	508 509	Meters Electrical Equip Install					57 000 26 000	57/01
		Compressor					10,000	20/51
		Flowlines					50,000	TO (DR
	512	Labor					130,000	2017 (01)
311	513	Trucks Hauling Transportation						
311		Buildings						1
		Roads & Locations					10,008	10,94
		Manifolds & Headers					15,000	15(9)
		Chemical Injection System						
	518 519	Piping & Valves Welding					50,000	50,50
		Surface Pumps					5,000	5,000
		Filters					5,800	- 1/1/02
		Outside Operated Other						AND RESIDENCE
311		Environmental & Safety					10,000	10,02
311 !		Engineering Supervision					30,000	70/008
311 5	525	Surface Facilities					15,000	45 600
	-		-					
		SUB-TOTAL PRODUCTION EQUIPMENT					\$525,000	\$525,00
		SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,804,155	\$3,140,550	\$5,944,70
		SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$490,000	\$535,000	\$1,025,00
		GRAND	TOTAL			\$3,294,155	\$4,200,550	\$7,494,70
			UTSIDE INTERESTS			\$3,294,155	\$4,200,550	\$7,494,70
			NET COSTS			\$0	\$0	
_	$\rightarrow$	TOTAL	NET COSTS			30	50	\$
		stor: Costs shown on this form are estimates only. A	Nonoperators should n	not consider t	hese estimates	as establishing any limit		
*	_							
EPARED I	BY		DATE			GROSS AFE AMOUNT - DRY HOLE		\$3,294,15
						NET DRYHOLE AFE AMOUNT		\$1
PROVED			DATE			NET ASSET TRANSFERS		\$0
110 120	1					CASH OUTLAY THIS AFE		
00.00	H		DATE					\$1
PROVED			55.12			PREVIOUS AFE'S ISSUED		\$1
	H	W	DATE			TOTAL CASH OUTLAY		\$
PROVED								
		WORKING INTEREST APPROVAL						
		COMPANY WORKING INT	EREST			APPROVED BY		DATE

# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 16016** 

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 16017** 

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 16018** 

AMENDED APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

**CASE NO. 15988** 

### **AFFIDAVIT**

STATE OF NEW MEXICO ) ss. COUNTY OF SANTA FE )

Michael H. Feldewert, attorney in fact and authorized representative of Centennial Resources Production, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Michael H. Feldewert

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 6
Submitted by:CENTENNIAL RESOURCES, LLC
Hearing Date: March 15, 2018

SUBSCRIBED AND SWORN to before me this 14th day of March 2018, by Michael H.

Feldewert.

ly Commission Expires:

Motary Publi



February 13, 2018

#### <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Amended Application of Centennial Resource Production, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Horseshoe Fed Com No. 601H Well

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on March 22, 2018, or on a special hearing date. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Gavin Smith, at (720) 499-1474 or gavin.smith@cdevinc.com.

Sincerely.

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

February 2, 2018

# VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Centennial Resource Production, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Horseshoe Fed Com No. 601H Well

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If you have any questions about this matter please contact Gavin Smith, at (720) 499-1474 or gavin.smith@cdevinc.com.

Sincerely,

Jordan L. Kessler
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC



February 13, 2018

#### <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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Horseshoe Fed Com No. 602H Well

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Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



February 13, 2018

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TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Centennial Resource Production, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Horseshoe Fed Com No. 701H Well

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on March 22, 2018, or on a special hearing date. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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Sincerely,

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



February 13, 2018

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Horseshoe Fed Com No. 702H Well

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Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



February 13, 2018

### <u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: OFFSETTING LESSEES AND OPERATORS

RE: Amended Application of Centennial Resource Production, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County,

New Mexico.

Horseshoe Fed Com No. 601H Well

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Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

February 2, 2018

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

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Sincerely,

Jordan L. Kessler
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION,



February 13, 2018

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

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If you have any questions about this matter please contact Gavin Smith, at (720) 499-1474 or gavin.smith@cdevinc.com.

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Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION,



February 13, 2018

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: OFFSETTING LESSEES AND OPERATORS

RE: Application of Centennial Resource Production, LLC for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Horseshoe Fed Com No. 701H Well

This letter is to advise you that Centennial Resource Production, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on March 22, 2018 or on a special hearing date. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Gavin Smith, at (720) 499-1474 or gavin.smith@cdevinc.com.

Sincerely

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE



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Sincerely,

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE

Horseshoe Fed Com No. 601H Well Case No. 15988 Pooled Party (1)

Ascent Energy, LLC 1621 18th St., Suite 200 Denver, CO 80202

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# Horseshoe Fed Com No. 601H Well Case No. 15988 Offsets (6)

EOG Resources, Inc. 5509 Champions Dr. Midland, TX 79706

Concho Operating, LLC One Concho Center 600 W. Illinois Ave. Midland, TX 79701

Ascent Energy, LLC 1621 18<sup>th</sup> St., Suite 200 Denver, CO 80202

Cimarex Energy Co. 600 N. Marienfeld St., Suite 600 Midland, TX 79701

Advance Energy Partners, LLC 11490 Westheimer Road, Suite 950 Houston, TX 77077

Devon Energy Corporation 333 W. Sheridan Ave. Oklahoma City, OK 73102



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PS Form 3811, July 2015 PSN 7530-02-000-9053

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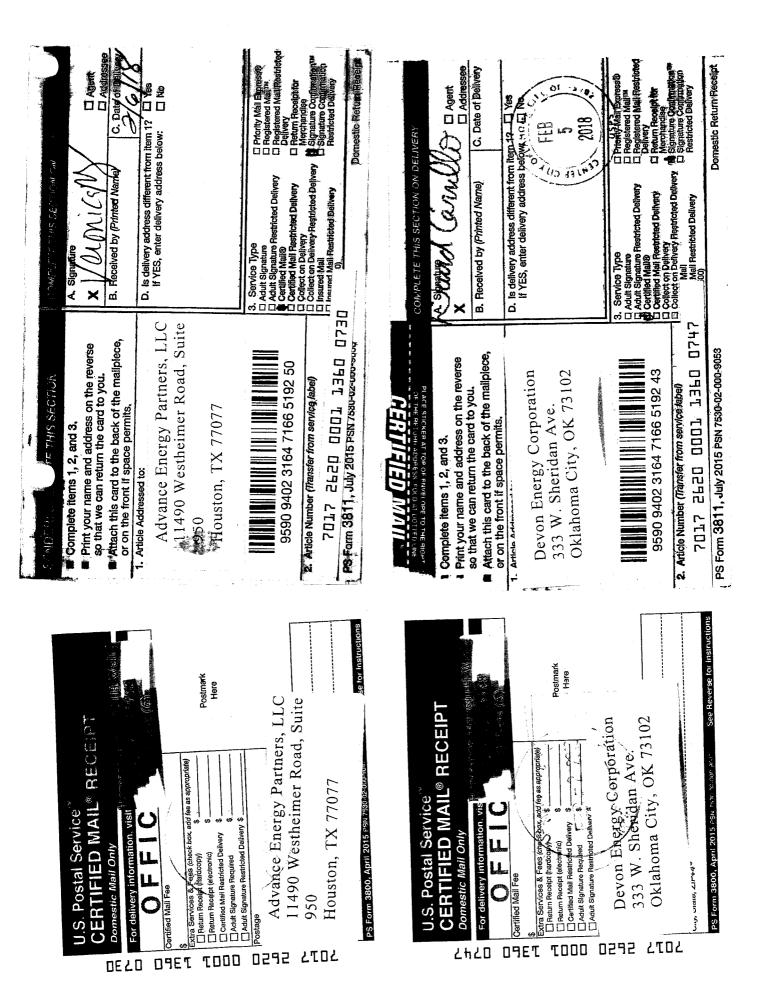
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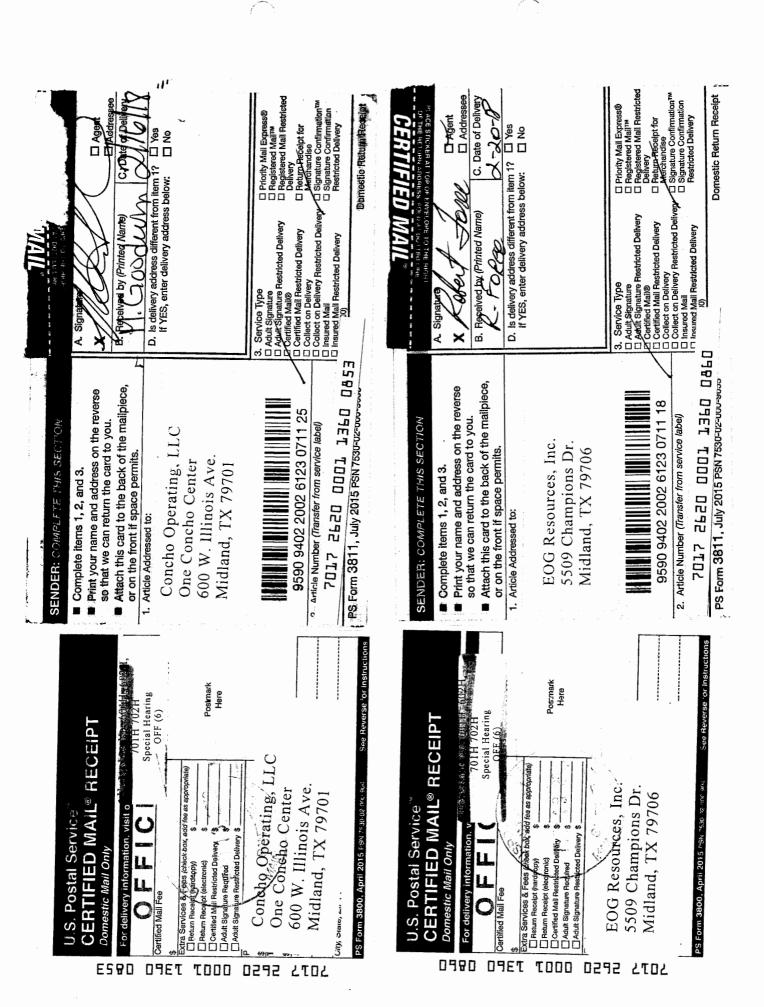
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SENDER: COMPLETE THIS SECTION Postmark Here Postmark /UTH\*\*702FF Special Hearing OFF (6) Advance Energy Partners, LLC 11490 Westheimer Road, Suite 701H 702H Special Hearing CERTIFIED MAIL® RECEIPT **CERTIFIED MAIL® RECEIPT** Devon Energy Corporation Oklahoma City, OK 73102 Houston, TX 77077 333 W. Sheridan Ave. ss & Fees (check box, add fee as appro-PS Form 3800, April 2015 PSN 7536-72-000-U.S. Postai Service" 00/8 Min For delivery information, visit or U.S. Postal Service OFFIC PS Form 3800, April 2015 PSN For delivery information Domestic Mail Only Domestic Mail Only City, State, ZIP+4® City, State, ZIP+4® Sertified Mail Fee Certified
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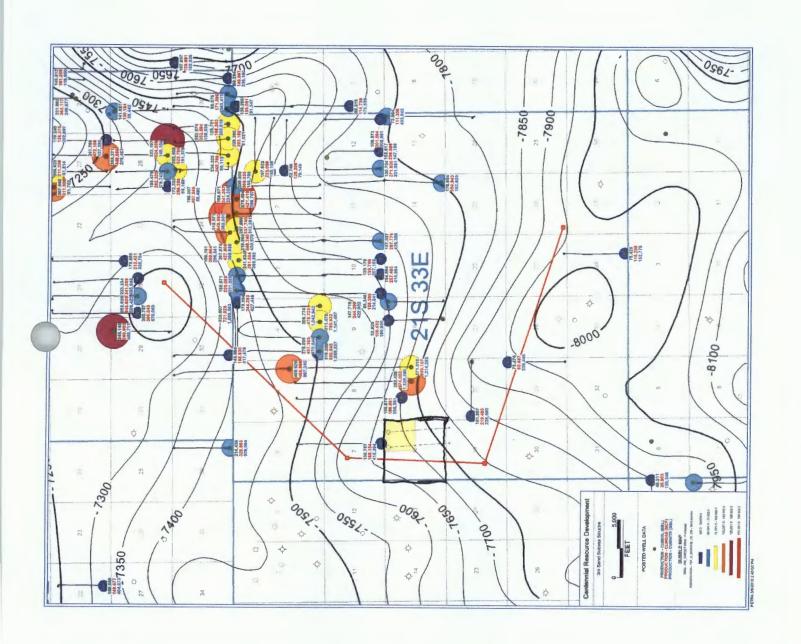
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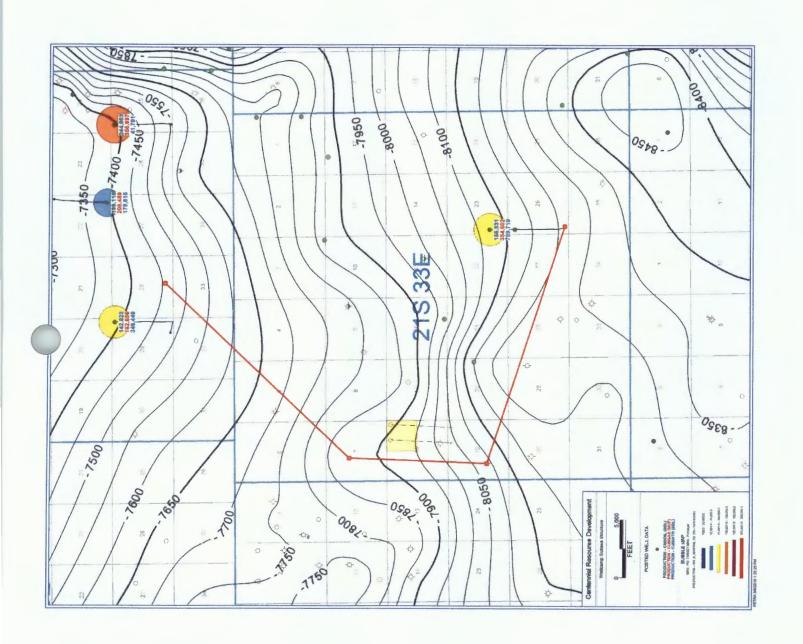
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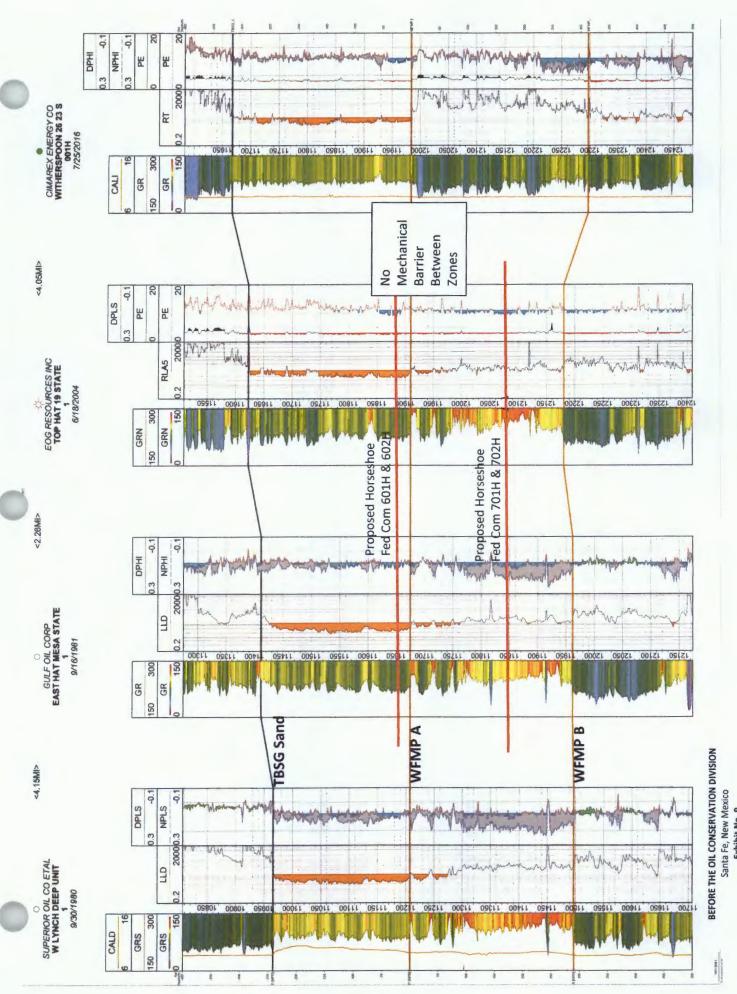
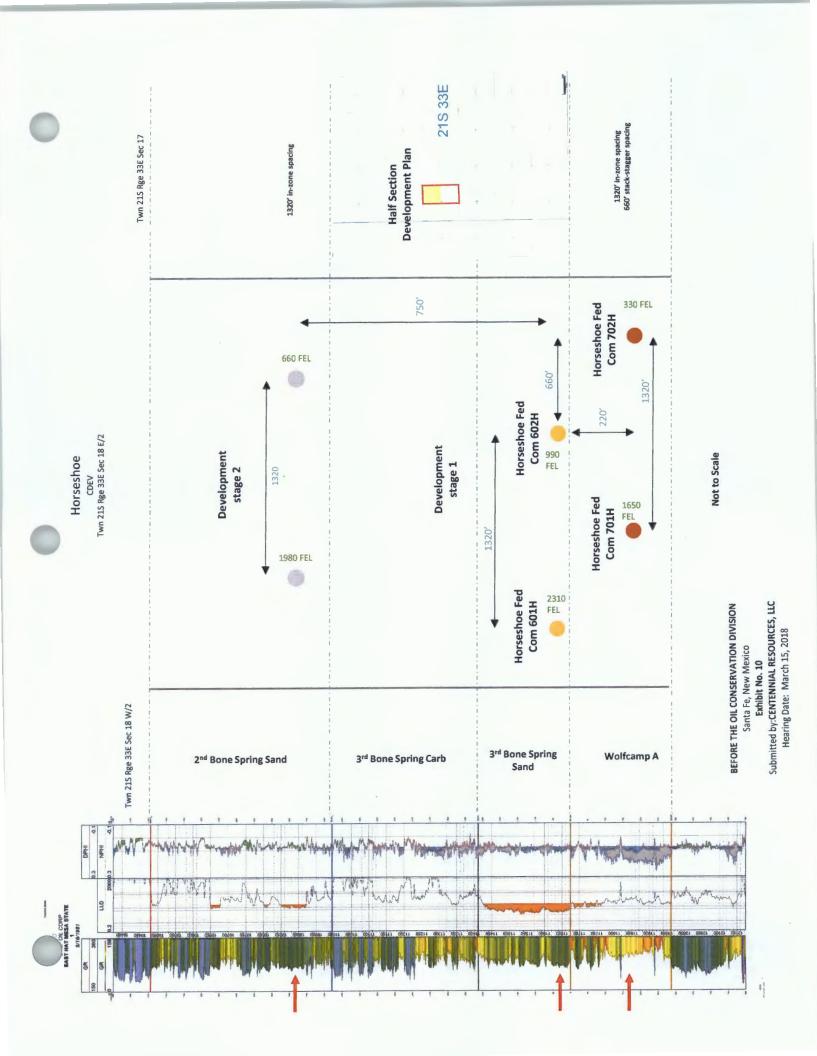
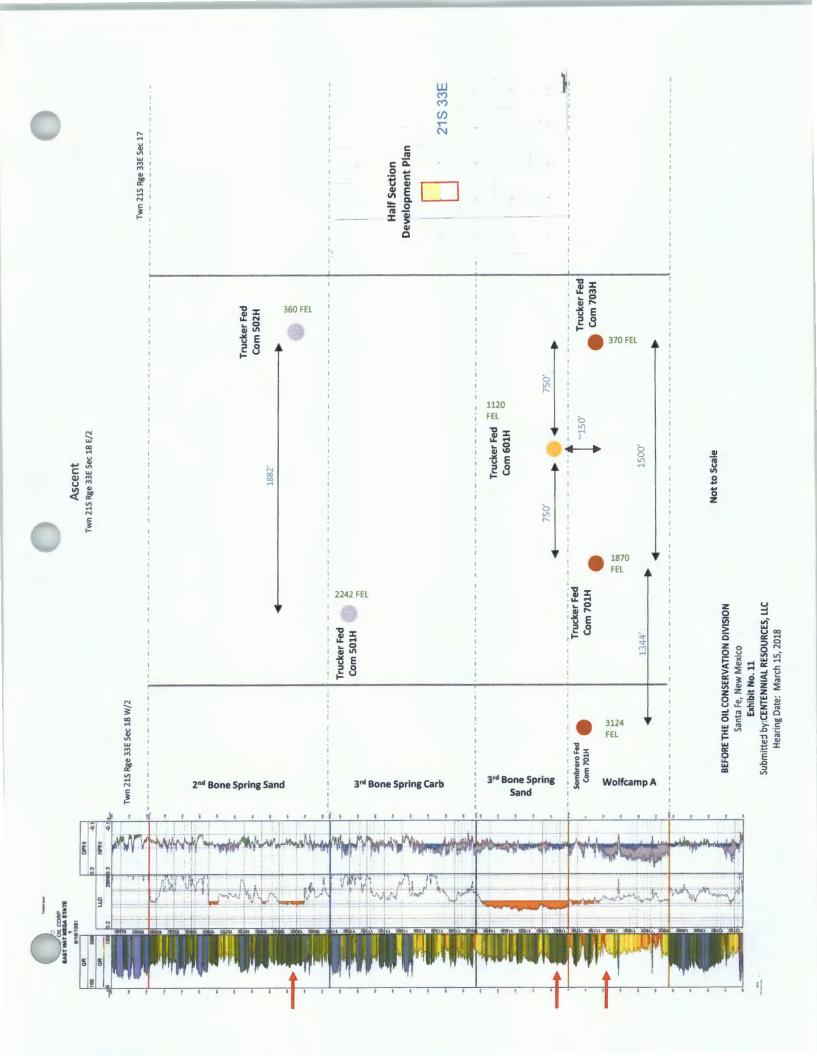


Exhibit No. 9
Submitted by:CENTENNIAL RESOURCES, LLC
Hearing Date: March 15, 2018





## DRILLING: Directional Plan

100% utilization of minerals with off-lease location:

### 100' Setback

- 5080' completable lateral
- 80 deg Inclination @ First Take Point

### 330' Setback

- 4620' completable lateral
- 92 deg Inclination @ First Take Point

DRILLING: Capitan Reef map

### **Michael Feldewert**



Michael Feldewert Four String Area Description 092112.docx

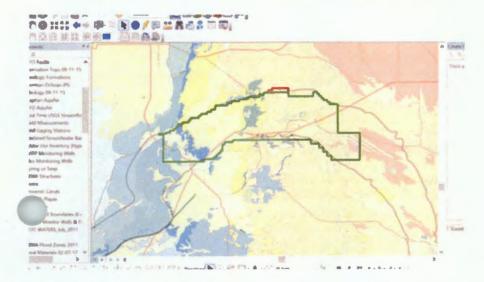
From: Salaz, Robert < rsalaz@blm.gov>

Sent: Wednesday, November 29, 2017 1:09 PM
To: Aldo Gurmendi <Aldo.Gurmendi@cdevinc.com>

Subject: Re: -EXTERNAL- Re: Zekes contact data - Zekes help.

Aldo,

I'll send this to you via email then when you are ready, you can call me to discuss over the phone.



Attached is an image of the 4 string area in a regional setting. This area is outlined in green which covers the Capitan Reef.

The other attachment is a word document that details the sections that are subject to this rule and also outlines any areas that are exempt from this rule.

Call me when you can.

Thanks, Zeke

Robert Zeke Salaz
Geologist
Bureau of Land Management
Carlsbad Field Office
75) 234-5918

### FOUR STRING CASING AREA Revised 9/21/2012

Note: The only areas that will be approved for three casing strings are the following:

- 1. Recommend 4 casing strings in S2 of section 8, all of sections 9-12 T. 19 S., R. 31 E will review on case by case basis for three string.
- 2. Sections 19-24 of T. 19 S., R. 32 E., the BLM recommends 4 casing strings, but will approve 3.

T. 19 S., R. 29 E., NMPM

Full: 25, 26, 31-36; partial: S2 of 27

T. 19 S., R. 30 E., NMPM

Potash stips control, set first intermediate for salt protection string, second intermediate for Reef.

Full: 21-36; partial: S2 of 13, 19 and 20

T. 19 S., R. 31 E., NMPM

Full: 13-36; recommend 4 strings in S2 of 8, all of 9-12.

T. 19 S., R. 32 E., NMPM

Full: 19-36

T. 19 S., R. 33 E., NMPM

Full: 18-20, 28-36; partial SW4 of 17,21; all but NE4 of 27

T. 20 S., R. 26 E., NMPM

Partial: S2S2 sec 35-36

T. 20 S., R. 27 E., NMPM

Full: 23-27, 32-36; partial: SE4 of 13, S2 of 22, 31, exclude NW4 of 28

T. 20 S., R. 28 E., NMPM

Full: 1, 10-36; partial: S2 of 2, exclude NW4 of 9

T. 20 S., R. 29 E., NMPM

All sections

T. 20 S., Rgs. 30 thru 33 E., NMPM

Potash stips control, set first intermediate for salt protection string, second intermediate for Reef. . All sections,

T. 21 S., R. 26 E., NMPM

All sections.

T. 21 S., R. 27 E., NMPM All sections – exclude S2 of 35-36

T. 21 S., R. 28 E., NMPM

Full: 1-9, 17-20, 29-30; partial: N2 of 10, 11, W2 of 16, NW4 of 21, 29 and 31

T. 21 S., R. 29 E., NMPM Secs. 1-6

T. 21 S., R. 30-31 E., NMPM

Secs 1-6 – potash stips, set first intermediate for salt protection, second intermediate for Reef.

T. 21 S., R. 32 E., NMPM Secs 1-12, 13-16, 22-26, 36

T. 21 S., R. 33 E., NMPM

Potash stips control, set first intermediate for salt protection string, second intermediate for Reef. . All sections.

Reviewed based on Hiss map of Capitan Reef. 19S 31/32E sections are somewhat south of the northern boundary of the Hiss depiction.

# DRILLING: BLM - Wellbore design requirements

Township 215 – Range 33E

4 String Casing Area per BLM "Avalon & Bone Spring"

Salt section & Capitan Reef must be cased after drilling thru

Capitan Reef considered a fresh water aquifer

Casing Requirements

**Bone Spring** 

Surface

1st Intermediate – Salt Section

2<sup>nd</sup> Intermediate – Capitan Reef

• Production

Wolfcamp

Surface

1st Intermediate – Salt Section

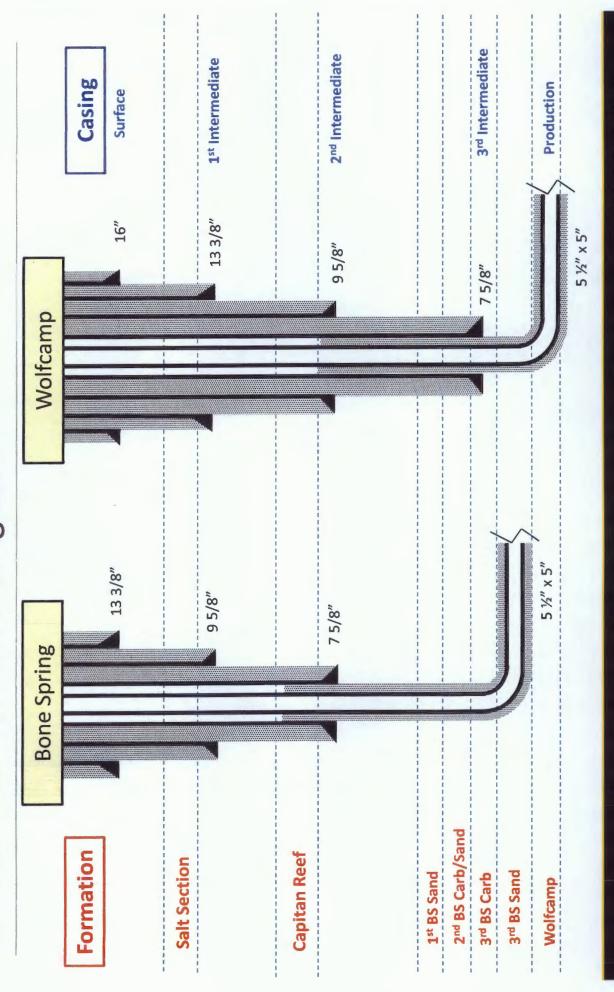
2<sup>nd</sup> Intermediate – Capitan Reef

3<sup>rd</sup> Intermediate – Pressure transition

Production

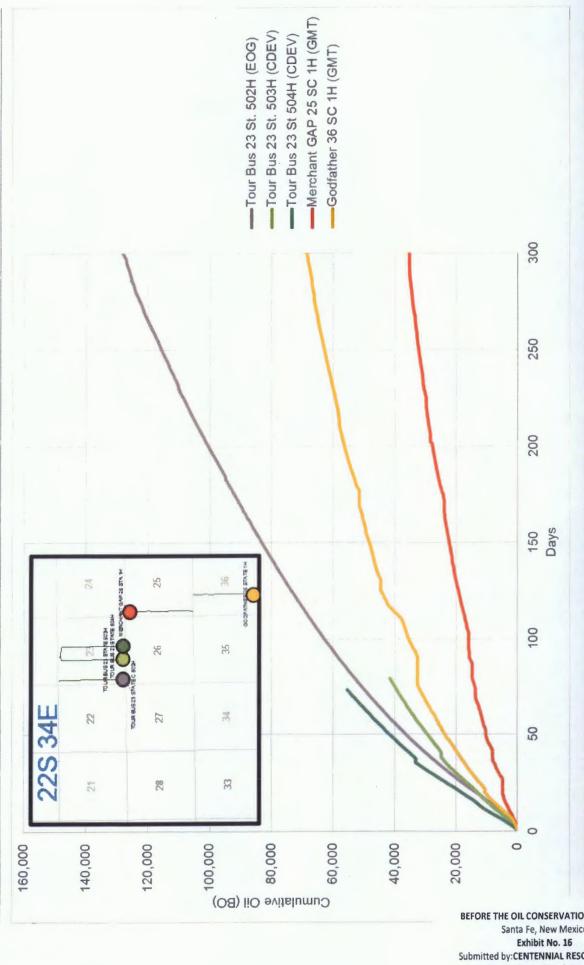
Permit will not be approved without these casing strings.

## DRILLING: Wellbore Diagrams



CENTENNIAL

### Pryor 2nd Bone Spring Sand



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 16 Submitted by:CENTENNIAL RESOURCES, LLC Hearing Date: March 15, 2018

Santa Fe, New Mexico Exhibit No. 17 Submitted by:CENTENNIAL RESOURCES, LLC Hearing Date: March 15, 2018

Solomon 2nd Bone Spring Sand

### Solomon Wolfcamp A



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 18 Submitted by: CENTENNIAL RESOURCES, LLC Hearing Date: March 15, 2018

# Della 29 Fed Com 602H & 701H: Co-Development

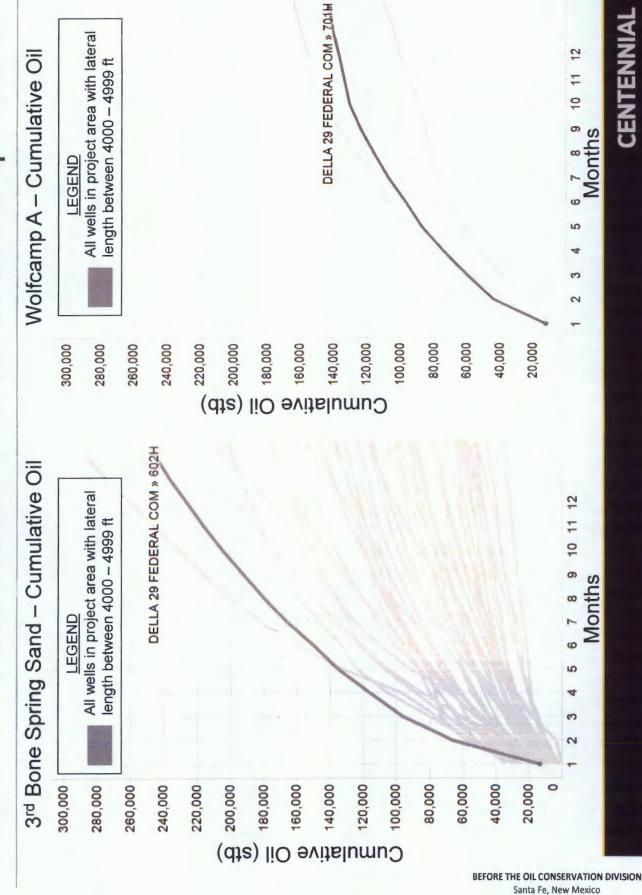


Exhibit No. 19
Submitted by: CENTENNIAL RESOURCES, LLC
Hearing Date: March 15, 2018

RETURN TO OCD MAIN PAGE

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Log Files

Administrative & Environmental Orders

Hearing Orders

Case Files

### **OCD** Imaging

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Well File Search

### Well FileSearch Results: 17 Records Found

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API Number	Well Name	Operator	Location
3001510465	EMPEROR OIL CO FEDERAL GAS B COM No. 001	ASCENT ENERGY, LLC.	F -28-20S-30E (1980 FNL & 1980 FWL)
3001520200	EDDY BD STATE No 001	ASCENT ENERGY, LLC	P -32-20S-30E (660 FSL & 990 FEL)
3001531797	WALTERTHON FEE No 001	ASCENT ENERGY, LLC.	A -21-22S-27E ( 860 FNL & 948 FEL)
3001532374	WALTERTHON FEE No. 002	ASCENT ENERGY LLC	D -21-22S-27E ( 855 FNL & 660 FWL)
3001535194	EDDY BD STATE No 002	ASCENT ENERGY. LLC	B -32-20S-30E (660 FNL & 1980 FEL)
3001538144	EDDY BD STATE No. 003	ASCENT ENERGY. LLC	G-32-20\$-30E (1980 FNL & 1980 FEL)
3002524417	GAVILAN FEDERAL No 001	ASCENT ENERGY LLC	L -33-20S-33E ( 1980 FSL & 660 FWL)
3002540727	MONGOOSE FEE No. 001H	ASCENT ENERGY LLC	L-1-19S-34E ( 1980 FSL & 460 FWL)
3002544148	TQQUE STATE COM No. 501H	ASCENT ENERGY, LLC.	N -7-21S-33E (684 FSL & 2202 FWL)
3002544310	BROTOSAURUS No. 301H	ASCENT ENERGY, LLC.	M -15-21S-35E (235 FSL & 640 FWL)
3002544380	SAN DIEGO No 501H	ASCENT ENERGY, LLC	D -6-18S-36E (130 FNL & 1088 FWL)
3002544381	SAN DIEGO No 502H	ASCENT ENERGY, LLC	C -6-18S-36E (130 FNL & 1113 FWL)
3002544382	PISTOLERO No 502H	ASCENT ENERGY, LLC	D -36-19S-35E ( 130 FNL & 1249 FWL)
3002544412	HONEY BADGER No. 501H	ASCENT ENERGY. LLC	M -1-19S-34E (825 FSL & 90 FWL)
3002544413	HONEY BADGER No 502H	ASCENT ENERGY, LLC.	M -1-19S-34E (875 FSL & 90 FWL)
3002544414	HONEY BADGER FEE No. 601H	ASCENT ENERGY. LLC	M -1-19S-34E (800 FSL & 90 FWL)
3002544415	HONEY BADGER FEE No 701H	ASCENT ENERGY, LLC	M -1-19S-34E (850 FSL & 90 FWL)

Displaying screen 1 of 1

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