

**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  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
611 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720  
District III  
1000 Rio Brazos Road, Arree, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1229 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3461 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

API Number		Pool Code		Pool Name	
Property Code		Property Name		Well Number	
OGRID No.		Operator Name		Elevation	
		HORSESHOE FED COM		601H	
		CENTENNIAL RESOURCE PRODUCTION, LLC		3806.9'	

"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	21S	33E		300	NORTH	1995	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	21S	33E		100	NORTH	2310	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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.

**NAD 83 (SURFACE HOLE LOCATION)**  
LATITUDE = 32°28'15.00" (32.470834°)  
LONGITUDE = 103°36'34.67" (103.609632°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y: 535777.02' X: 764324.98'  
UTM, NAD 83 (ZONE 13)  
Y: 11789599.87' X: 2069882.71'

**NAD 83 (PP/FTP)**  
LATITUDE = 32°28'18.96" (32.471934°)  
LONGITUDE = 103°36'38.39" (103.610664°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y: 536175.23' X: 764306.58'  
UTM, NAD 83 (ZONE 13)  
Y: 11789996.02' X: 2068761.88'

**NAD 83 (LTP/BHL)**  
LATITUDE = 32°29'09.21" (32.485892°)  
LONGITUDE = 103°36'38.39" (103.610664°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y: 541252.98' X: 764169.40'  
UTM, NAD 83 (ZONE 13)  
Y: 11795072.65' X: 2068692.97'

**"OPERATOR CERTIFICATION"**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

**"SURVEYOR CERTIFICATION"**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2018

Date of Survey  
Signature and Seal of Professional Surveyor

PAUL BUCHELE  
NEW MEXICO  
03-13-18  
PROFESSIONAL SURVEYOR

Certificate Number \_\_\_\_\_

● = SURFACE HOLE LOCATION  
○ = LTP/BHL  
◊ = PP/FTP  
▲ = SECTION CORNER LOCATED

NOTE:  
• Distances referenced on plat to section lines are perpendicular  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°57'00"

SCALE  
DRAWN BY: M.F.S. 03-02-18

REV: 2 03-13-18 J.N. (ACREAGE CHANGE)

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name 65	
4 Property Code		5 Property Name HORSESHOE FED COM		6 Well Number 602H	
7 OGRID No.		8 Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC		9 Elevation 3793.0'	

10 Surface Location

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

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	21S	33E		100	NORTH	990	EAST	LEA
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation 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.

**NAD 83 (SURFACE HOLE LOCATION)**  
LATITUDE - 32°28'14.95" (32.470829°)  
LONGITUDE - 103°36'19.27" (103.605352°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y - 514794.34' X - 765444.75'  
UTM, NAD 83 (ZONE 13)  
Y - 11789613.44' X - 20700812.21'

**NAD 83 (PP/FTP)**  
LATITUDE - 32°28'18.95" (32.471930°)  
LONGITUDE - 103°36'22.95" (103.606376°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y - 516182.52' X - 765526.34'  
UTM, NAD 83 (ZONE 13)  
Y - 11790011.56' X - 20700812.36'

**NAD 83 (LTP/BHL)**  
LATITUDE - 32°27'09.19" (32.452525°)  
LONGITUDE - 103°36'22.98" (103.606384°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y - 541259.49' X - 765489.15'  
UTM, NAD 83 (ZONE 13)  
Y - 11795087.41' X - 20700812.45'

**LINE TABLE**

LINE	DIRECTION	LENGTH
L1	N38°24'27"W	509.83'
L2	S89°55'29"W	2638.56'

**NOTE:**  
• Distances referenced on plat to section lines are perpendicular  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W 103°53'00"

● = SURFACE HOLE LOCATION  
◆ = PP/FTP  
○ = LTP/BHL  
▲ = SECTION CORNER LOCATED

SCALE  
DRAWN BY: M.F.S. 03-05-18

**11 OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

**12 SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2018  
Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_

REV: 2 03-13-18 J.N. (ACREAGE CHANGE)

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name	6 Well Number
7 UGRID No.	8 Operator Name	9 Elevation
	CENTENNIAL RESOURCE PRODUCTION, LLC	3806.9'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	21S	33E		300	NORTH	1965	EAST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	18	21S	33E		100	NORTH	1650	EAST	LEA

11 Dedicated Acres	12 Joint or Infill	13 Consolidation Code	14 Order No.
160			

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.

<p>NAD 83 (SURFACE HOLE LOCATION)</p> <p>LATITUDE - 32°28'15.00" (32.470834°)</p> <p>LONGITUDE - 103°36'30.66" (103.609534°)</p> <p>STATE PLANE NAD 83 (N.M. EAST)</p> <p>Y 535777.17' X 764555.00'</p> <p>UTM, NAD 83 (ZONE 13)</p> <p>Y 11789600.23' X 206912.73'</p>	<p>NAD 83 (PP/FTP)</p> <p>LATITUDE - 32°28'18.96" (32.471932°)</p> <p>LONGITUDE - 103°36'30.66" (103.609534°)</p> <p>STATE PLANE NAD 83 (N.M. EAST)</p> <p>Y 536178.87' X 764866.46'</p> <p>UTM, NAD 83 (ZONE 13)</p> <p>Y 11790003.79' X 2069421.62'</p>	<p>NAD 83 (LTP/BHL)</p> <p>LATITUDE - 32°29'09.20" (32.485888°)</p> <p>LONGITUDE - 103°36'30.69" (103.609524°)</p> <p>STATE PLANE NAD 83 (N.M. EAST)</p> <p>Y 541256.23' X 764829.27'</p> <p>UTM, NAD 83 (ZONE 13)</p> <p>Y 11795080.03' X 2069352.71'</p>	<p>LINE TABLE</p> <table border="1"> <tr> <th>LINE</th> <th>DIRECTION</th> <th>LENGTH</th> </tr> <tr> <td>L1</td> <td>N38°01'48"E</td> <td>508.38'</td> </tr> <tr> <td>L2</td> <td>S89°55'29"W</td> <td>2638.56'</td> </tr> </table>	LINE	DIRECTION	LENGTH	L1	N38°01'48"E	508.38'	L2	S89°55'29"W	2638.56'	<p>NOTE</p> <ul style="list-style-type: none"> <li>Distances referenced on plat to section lines are perpendicular.</li> <li>Datum of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°33'00"</li> </ul>	<p>● = SURFACE HOLE LOCATION</p> <p>○ = LTP/BHL</p> <p>◇ = PP/FTP</p> <p>▲ = SECTION CORNER LOCATED</p>	<p>SCALE</p> <p>DRAWN BY: M.F.S. 03-02-18</p> <p>REV: 2 03-13-18 J.N. (ACREAGE CHANGE)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unitized mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct in the best of my belief.</p> <p>February 26, 2018</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>PAUL BUCHELE NEW MEXICO PROFESSIONAL SURVEYOR 03-13-18</p> <p>Certificate Number _____</p>
LINE	DIRECTION	LENGTH															
L1	N38°01'48"E	508.38'															
L2	S89°55'29"W	2638.56'															

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <b>WC</b>	
4 Property Code		5 Property Name <b>HORSESHOE FED COM</b>		6 Well Number <b>702H</b>	
7 UGRID No.		8 Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>		9 Elevation <b>3792.9'</b>	

"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	21S	33E		300	NORTH	645	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	21S	33E		100	NORTH	330	EAST	LEA
11 Dedicated Acres 160		12 Joint or Infill		13 Consolidation Code		14 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.

**NAD 83 (SURFACE HOLE LOCATION)**  
LATITUDE - 32°38'14.99" (32.6374997°)  
LONGITUDE - 103°36'18.92" (103.60525°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y 535784.30' X 763874.70'  
UTM, NAD 83 (ZONE 13)  
Y 11789615.78' X 20704332.21'

**NAD 83 (PP/FTP)**  
LATITUDE - 32°38'18.94" (32.6371927°)  
LONGITUDE - 103°36'15.25" (103.604236°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y 536186.17' X 766166.21'  
UTM, NAD 83 (ZONE 13)  
Y 11790819.33' X 2070741.10'

**NAD 83 (LTP/BHL)**  
LATITUDE - 32°29'09.17" (32.485881°)  
LONGITUDE - 103°36'15.28" (103.604244°)  
STATE PLANE NAD 83 (N.M. EAST)  
Y 541262.75' X 766149.03'  
UTM, NAD 83 (ZONE 13)  
Y 11795094.79' X 2070672.19'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N38°01'53"E	508.36'
L2	S69°55'29"W	2638.56'

**NOTE**  
• Distances referenced on plat to section lines are perpendicular.  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W 103°53'00"

● = SURFACE HOLE LOCATION  
◇ = PP/FTP  
○ = LTP/BHL  
▲ = SECTION CORNER LOCATED

2000' 1000' 0 2000'  
SCALE  
DRAWN BY: M.F.S. 03-05-18

REV: 2 03-13-18 J.N. (ACREAGE CHANGE)

**"OPERATOR CERTIFICATION"**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E mail Address \_\_\_\_\_

**"SURVEYOR CERTIFICATION"**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2018  
Date of Survey  
Signature and Seal of Professional Surveyor

Certificate Number \_\_\_\_\_



**INTREPID**  
*Essential Minerals for Success*

**INTREPID**  
707 17<sup>th</sup> Street, Suite 4200  
Denver, CO 80202  
303.296.3006

March 9, 2018

Centennial Resource Development, Inc.  
1001 17<sup>th</sup> 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  
VP and General Counsel, Corporate Secretary

### **TIMELINE OF EVENTS**

- September 26, 2017: Ascent proposes Trucker Fed Com #501H with incorrect 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 timely force pooling application for #601H (3d BS) well  
Ascent files untimely 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 timely force pooling applications for 602H, 701H and 702H wells, and amends timely 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](mailto:gavin.smith@cdevinc.com)

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

Best Regards,

A handwritten signature in black ink that reads 'Gavin Smith'.

Gavin Smith, RPL  
Landman





THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED HORSESHOE  
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.:	300967	STATE
AFE DESC:	HORSESHOE FED COM 601H - I	FIELD
DATE	11/01/2017	PROPERTY #
AFE TYPE:	DRILL AND	PROPERTY NAME
	COMPLETE	STATE/COUNTY
	OPERATOR	
	200 - CENTENNIAL	
	RESOURCE	

DETAIL OF EXPENDITURES	TOTAL BUDGET
FAC - STAKING & SURVEYING	0.00
FAC - LEGAL TITLE SERVICES	0.00
FAC - SURFACE DAMAGE / ROW	0.00
FAC - ROAD LOCATIONS PITS	40,000.00
FAC - MATERIALS & SUPPLIES	50,000.00
FAC - TRANSPORTATION TRUCKING	40,000.00
FAC - RENTAL EQUIPMENT	25,000.00
FAC - FUEL / POWER	0.00
FAC - WATER DISPOSAL / SWD	10,000.00
FAC - WASTE DISPOSAL	0.00
FAC - INSPECTION & TESTING	5,000.00
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/SEPARATOR	100,000.00
FAC - DEHYDRATOR EQUIPMENT	0.00
FAC - VALVES FITTINGS & PIPE	125,000.00
FAC - CIRCULATING TRANSFER 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	10,000.00
FAC - INSURANCE	0.00
FAC - CONTINGENCY	50,000.00
<b>TOTAL:</b>	<b>1,475,000.00</b>
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.	300967	STATE
AFE DESC	HORSESHOE FED COM 60111 - I	FIELD
DATE	11/01/2017	PROPERTY #
AFE TYPE	DRILL AND COMPLETE	PROPERTY NAME
	OPERATOR 200 - CENTENNIAL 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	150,000.00
ICC - WATER HANDLING	518,929.00
ICC - WELLHEAD/FRACTURE 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
<b>TOTAL:</b>	<b>3,469,829.00</b>
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	0.00
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	68,000.00
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 - I	FIELD	
DATE	11/01/2017	OPERATOR	PROPERTY #
AFE TYPE	DRILL AND COMPLETE	200 - CENTENNIAL RESOURCE	PROPERTY NAME
			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
<b>TOTAL:</b>	<b>2,485,415.00</b>
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 - MEASUREMENT 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
<b>TOTAL:</b>	<b>85,000.00</b>
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	0.00
TDC - CONTINGENCY	0.00

**Centennial Resource Production, LLC**  
**AUTHORIZATION FOR EXPENDITURE**

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

**DETAIL OF EXPENDITURES**

**TOTAL BUDGET**

**TOTAL:** 741,430.00

<b>TOTAL THIS AFE:</b>	<b>8,256,674.00</b>
------------------------	---------------------

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

**REMARKS**

Prepared By Jennifer Bechlel

Approved By \_\_\_\_\_

Approved By \_\_\_\_\_

**Non Operator Approval**

DATE \_\_\_\_\_

COMPANY \_\_\_\_\_

BY \_\_\_\_\_

TITLE \_\_\_\_\_

COMPANY \_\_\_\_\_

BY \_\_\_\_\_



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,

A handwritten signature in black ink, appearing to read 'Gavin Smith', is written over a horizontal line.

Gavin Smith, RPL  
Landman



January 19, 2018

Ascent Energy  
1621 18<sup>th</sup> 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](mailto: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,

A handwritten signature in blue ink that reads "Carl Messina".

Carl Messina  
Land Coordinator



THE UNDERSIGNED HEREBY ELECTS TO PARTICIPATE 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**

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

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

THE UNDERSIGNED HEREBY ELECTS NOT TO PARTICIPATE IN THE HORSESHOE FED COM #602H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of January, 2018.

**ASCENT ENERGY**

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

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



# Centennial Resource Production, LLC

## AUTHORIZATION OF EXPENDITURE

AFE NO.:	STATE
AFE DESC: Horseshoe Fed Com 602H	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	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
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	25,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	85,500.00
8015.2300	IDC - FUEL / POWER	79,714.00
8015.2400	IDC - RIG WATER	36,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	134,822.00
8015.2600	IDC - MUD LOGGING	49,894.00
8015.2700	IDC - INSPECTION & TESTING	53,500.00
8015.2800	IDC - CORE ANALYSIS	0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	160,000.00
8015.3100	IDC - CASING CREW & TOOLS	34,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	36,000.00
8015.3300	IDC - MISCELLANEOUS	0.00
8015.3400	IDC - MATERIALS & SUPPLIES	9,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	21,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	68,000.00
8015.3700	IDC - DISPOSAL	77,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	10,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	0.00
8015.4000	IDC - COMMUNICATIONS	0.00
8015.4100	IDC - RENTAL EQUIPMENT	100,986.00
8015.4200	IDC - MANCAMP	56,644.00
8015.4300	IDC - WELLSITE SUPERVISION	125,876.00
8015.4400	IDC - SUPERVISION/ENGINEERING	0.00
8015.4500	IDC - SUPERVISION / GEOLOGY	4,920.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	26,522.00
8015.4700	IDC - CONSULTING SERVICES	0.00
8015.4800	IDC - OVERHEAD	2,500.00
8015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
8015.5000	IDC - WELL CONTROL INSURANCE	16,000.00
8015.5200	IDC - CONTINGENCY	281,000.00
8020.1000	TDC - CASING - CONDUCTOR	
8020.1100	TDC - CASING - SURFACE - 13 3/8	67,150.00
8020.1200	TDC - CASING - INTERMEDIATE - 9 5/8	102,200.00
8020.1300	TDC - CASING - INTERMEDIATE 2 - 7 5/8	136,080.00
8020.1400	TDC - CASING - PRODUCTION - 5 1/2 AND 5	386,000.00
8020.1500	TDC - WELLHEAD EQUIPMENT	50,000.00
8020.1600	TDC - VALVES/CONNECTIONS/FTGS	
8020.1700	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/FRACTURE 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 - MEASUREMENT EQUIPMENT	
8030.3200	TCC - COMM, TELEMETRY & AUTOMA	
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

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/SEPARATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRANSFER 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
		<b>8,192,483.00</b>

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

REMARKS

<b>Non Operator Approval</b>	
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: 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,

A handwritten signature in black ink, appearing to read 'Gavin Smith'.

Gavin Smith, RPL  
Landman



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](mailto: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,

A handwritten signature in black ink, appearing to read 'Carl Messina'.

Carl Messina  
Land Coordinator



# Centennial Resource Production, LLC

## AUTHORIZATION OF EXPENDITURE

AFE NO.:	STATE
AFE DESC: Horseshoe 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
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	IDC - OVERHEAD	2,500.00
8015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
8015.5000	IDC - WELL CONTROL INSURANCE	16,000.00
8015.5200	IDC - CONTINGENCY	291,000.00
8020.1000	TDC - CASING - CONDUCTOR	
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	317,250.00
8020.1400	TDC - CASING - PRODUCTION - 5 1/2 AND 5	480,500.00
8020.1500	TDC - WELLHEAD EQUIPMENT	65,000.00
8020.1600	TDC - VALVES/CONNECTIONS/FTGS	
8020.1700	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/FRACTURE 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 - MEASUREMENT EQUIPMENT	
8030.3200	TCC - COMM, TELEMETRY & AUTOMA	
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



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/SEPARATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRANSFER 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
		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

<b>Non Operator Approval</b>	
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: 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,

A handwritten signature in black ink, appearing to read 'Gavin Smith'.

Gavin Smith, RPL  
Landman



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](mailto: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,

A handwritten signature in black ink, appearing to read 'Carl Messina'.

Carl Messina  
Land Coordinator



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** 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**

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

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

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE HORSESHOE FED COM #702H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_\_ day of January, 2018.

**ASCENT ENERGY**

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

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	IDC - OVERHEAD	2,500.00
8015.4900	IDC - OVERHEAD - SPECIAL RATE	0.00
8015.5000	IDC - WELL CONTROL INSURANCE	16,000.00
8015.5200	IDC - CONTINGENCY	291,000.00
8020.1000	TDC - CASING - CONDUCTOR	
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	317,250.00
8020.1400	TDC - CASING - PRODUCTION - 5 1/2 AND 5	480,500.00
8020.1500	TDC - WELLHEAD EQUIPMENT	65,000.00
8020.1600	TDC - VALVES/CONNECTIONS/FTGS	
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	

8020.1800	TDC - CONTINGENCY	
8025.1000	ICC - STAKING & SURVEYING	5,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITTS	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/FRACTURE 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 - MEASUREMENT EQUIPMENT	
8030.3200	TCC - COMM, TELEMETRY & AUTOMA	
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

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/SEPARATOR	100,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	0.00
8035.3200	FAC - VALVES FITTINGS & PIPE	125,000.00
8035.3300	FAC - CIRCULATING TRANSFER 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
		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

<b>Non Operator Approval</b>	
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: 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,

A handwritten signature in black ink that reads 'Gavin Smith'.

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.



September 26, 2017  
Trucker Fed Com #501H  
Page 2 of 2



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](mailto:lzink@ascentenergy.us).

Very Truly Yours,

Lee Zink  
Land Manager  
Ascent Energy, LLC  
1621 18<sup>th</sup> 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 #501H AFE.

Centennial Resource Development, Inc. hereby elects not to participate in the proposed Operation.

Working Interest Owner:

Centennial Resource Development, Inc.

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

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

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



## Ascent Energy, LLC

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

COST CENTER	Trucker Fed CDM #501H	BUD YEAR	2018	DATE	September 15, 2017
AFE NO	NM100004	CATEGORY	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	215 33E
OPERATOR	Ascent Energy, LLC	WELL NO.	501H	W I	
OBJECTIVE	2nd Bone Spring	STATE	NM	MD/TVD	+/-16,600'/11,150'
ESTIMATED PROJECT START DATE 2q2018					
DESCRIPTION Drill a 5100' lateral in the 2nd Bone Spring and frac with 33 stages. Assumes 4 string design					

#### INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
825.1	101 Location Cleanup & Demos			\$145,000	
825.1	102 Rig Move - MBL, BDMO			\$199,000	
825.1	103 Rig Contractor Demoscript	\$115,500	25	\$2,887,500	
825.1	104 Rig Contractor Turnkey				
825.1	105 Power & Fuel			\$110,000	
825.1	106 Gels Fluids & Chemicals			\$85,000	
825.1	107 BHA, Reamer, Stabilizers			\$88,000	
825.1	108 Cement & Cementing Services			\$185,000	
825.1	109 Mud Logging			\$44,000	
825.1	110 Open Hole Logging			\$30,000	
825.1	111 Casing Crews & Tools			\$70,000	
825.1	112 Directional Tools & Service			\$210,000	
825.1	114 Form Eval - Well Testing 25" - Coring, Sampling				
825.1	115 Tubular Inspection			\$30,000	
825.1	116 Equipment Rentals			\$100,000	
825.1	117 Contract Labor & Services			\$100,000	
825.1	118 Well Site Consultants	\$ 2,000	50	\$100,000	
825.1	119 Company Supervision & Labor				
825.1	120 Transportation			\$15,000	
825.1	121 Mud Cuttings & Water Disposal			\$50,000	
825.1	122 Insurance	1,924	16,600	\$31,954	
825.1	123 Overhead			\$25,000	
825.1	124 Water & Water Wn			\$25,000	
825.1	125 Unattended Muckup (Fishing)				
825.1	126 Legal			\$50,000	
825.1	127 Outside Operator Other				
825.1	128 Permits			\$10,000	
825.1	129 Environmental & Safety			\$20,000	
825.1	130 Plugging				
825.1	131 TOTAL			\$2,178,444	\$2,178,444
825.1	132 CONTINGENCY (5%)	10.99%		\$237,844	\$237,844
825.1	SUB-TOTAL INTANGIBLE DRILLING COSTS			\$2,396,288	\$2,396,288

#### INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
825.1	101 Location & Cleanup			\$10,000	
825.1	102 Power & Fuel			\$0,000	
825.1	103 Cement Fluids & Chemicals			\$5,000	
825.1	104 BHA, Reamer, Stabilizers			\$0,000	
825.1	105 Cement & Cementing Svc			\$0,000	
825.1	106 Logging & Perforation Svc			\$50,000	
825.1	107 Casing Crews & Tools-Drive Hammer			\$0,000	
825.1	108 Directional Tools & Svc			\$0,000	
825.1	109 Formation Stimulation Acid Frac			\$1,500,000	
825.1	110 Formation Evaluation			\$0,000	
825.1	111 Tubular Inspection			\$0,000	
825.1	112 Equipment Rentals			\$65,000	
825.1	113 Contract Labor & Services			\$0,000	
825.1	114 Well Site Consultant	\$ -	0	\$0,000	
825.1	115 Company Supervision & Labor			\$0,000	
825.1	116 Transportation			\$0,000	
825.1	117 Mud Cuttings & Water Disposal			\$0,000	
825.1	118 Insurance			\$0,000	
825.1	119 Overhead			\$0,000	
825.1	120 Water & Water Wn			\$17,500	
825.1	121 Unattended Muckup Fishing			\$0,000	
825.1	122 Cull Tubing Services			\$0,000	
825.1	123 Misc Supplies & Materials			\$0,000	
825.1	124 Flowback Testing			\$0,000	
825.1	125 Legal & Permits			\$0,000	
825.1	126 Environmental & Safety Costs			\$0,000	
825.1	127 Plugging			\$0,000	
825.1	128 Completion Svc	\$ -	0	\$0,000	
825.1	129 TOTAL			\$2,091,000	\$2,091,000
825.1	130 CONTINGENCY (5%)	1.50%		\$31,350	\$31,350
825.1	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$2,122,350	\$2,122,350
825.1	SUB-TOTAL INTANGIBLE COSTS			\$4,518,638	\$4,518,638

#### TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
825.1	101 Drive Pipe Conductor Casing	\$ -	0	\$0,000	
825.1	102 Surface Casing	\$ -	0	\$0,000	
825.1	103 Intermediate Casing	\$ -	0	\$125,000	
825.1	104 Liner Casing	\$ -	0	\$150,000	
825.1	105 Sub Pk East Casing Jars Etc			\$0,000	
825.1	106 Casinghead Drilling Seals			\$0,000	
825.1	107 Sub Surface Environment			\$0,000	
825.1	108 Outside Operator Other			\$0,000	
825.1	109 TOTAL TANGIBLE DRILLING COSTS			\$275,000	\$275,000

**TANGIBLE COMPLETION COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	EST. TOTAL COST
8309 421	Production Casing	\$	0	250,000	
8309 422	Tubing	\$	0	60,000	
8309 423	Subs. Pt. Equip. Centralizers Etc				
8309 424	Sub Surface Equipment			30,000	
8309 425	Xmas Tree Upper Section			60,000	
8309 426	Outside Operated Other				
SUB-TOTAL TANGIBLE COMPLETION COSTS				\$380,000	\$380,000
SUB-TOTAL TANGIBLE COSTS				\$405,000	\$785,000
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$2,801,288	\$3,415,550
SUB-TOTAL TANGIBLE & TANGIBLE COSTS					\$6,216,838

**PRODUCTION EQUIPMENT COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	EST. TOTAL COST
8311 101	Artificial Lift Equipment			\$15,000	
8311 102	Prime Mover Electric Gas				
8311 103	Sales Gathering Line				
8311 104	Separation Equipment			50,000	
8311 105	Oil Treating Heating Equipment				
8311 106	Gas Treating Dehydr. Equipment				
8311 107	Tanks			20,000	
8311 108	Meters			15,000	
8311 109	Electrical Equip. Ther.			10,000	
8311 110	Compressor				
8311 111	Flow gas			50,000	
8311 112	Labor			130,000	
8311 113	Trucks Heavy Transportation				
8311 114	Buildings				
8311 115	Roads & Locations			10,000	
8311 116	Manifolds & Headers			15,000	
8311 117	Chemical Injection System				
8311 118	Piping & Valves			50,000	
8311 119	Welding				
8311 120	Surface Pumps			5,000	
8311 121	Filters				
8311 122	Outside Operated Other				
8311 123	Environmental & Safety			10,000	
8311 124	Engineering Supervision			20,000	
8311 125	Surface Facilities			15,000	
SUB-TOTAL PRODUCTION EQUIPMENT				\$525,000	\$525,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,396,288	\$3,035,550
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$405,000	\$785,000
GRAND TOTAL				\$2,801,288	\$3,940,550
LESS OUTSIDE INTERESTS				\$2,801,288	\$3,940,550
TOTAL NET COSTS				\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE
APPROVED	DATE
APPROVED	DATE
APPROVED	DATE

GROSS AFE AMOUNT DRY HOLE	\$3,801,288
NET DRYHOLE AFE AMOUNT	\$0
NET ASSET TRANSFERS	\$0
CASH OUTLAY THIS AFE	\$0
PREVIOUS AFE'S ISSUED	\$0
TOTAL CASH OUTLAY	\$0

**WORKING INTEREST APPROVAL**

COMPANY	WORKING INTEREST	APPROVED BY	DATE



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  
T21S-R33E  
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 [lzink@ascentenergy.us](mailto:lzink@ascentenergy.us).

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

2-6 FS

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.

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

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](mailto:lzink@ascentenergy.us).

Very Truly Yours,



Lee Zink  
Land Manager  
Ascent Energy, LLC  
1621 18<sup>th</sup> 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: \_\_\_\_\_

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



# 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	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	21S 33E
OPERATOR	Ascent Energy, LLC	WELL NO.	502H	W.I.	
OBJECTIVE	2nd Bone Spring	STATE	NM	MD/TVD	+/-15,910'/11,030'

ESTIMATED PROJECT START DATE: 3Q2018

DESCRIPTION: Drill a 4600' lateral in the 2nd Bone Spring and frac with 33 stages. Assumes 4 string design.

### INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$145,000	\$145,000
8305 102	Rig Move - MIRU, RDMO			\$80,000	\$80,000
8305 103	Rig Contractor-Daywork/FT	\$ 20,000	25	\$500,000	\$500,000
8305 104	Rig Contractor-Turnkey				
8305 105	Power & Fuel			\$110,000	\$110,000
8305 106	Drill Fluids & Chemicals			\$85,000	\$85,000
8305 107	Bits, Reamer, Stabilizers			\$85,000	\$85,000
8305 108	Cement & Cementing Services			\$165,000	\$165,000
8305 109	Mud Logging			\$45,000	\$45,000
8305 110	Open Hole Logging			\$30,000	\$30,000
8305 111	Csg Crews & Tools			\$70,000	\$70,000
8305 112	Directional Tools & Service			\$210,000	\$210,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				
8305 115	Tubular Inspection			\$20,000	\$20,000
8305 116	Equipment Rentals			\$300,000	\$300,000
8305 117	Contract Labor & Services			\$100,000	\$100,000
8305 118	Wellsite Consultants	\$ 2,000	50	\$100,000	\$100,000
8305 119	Company Supervision & Labor				
8305 120	Transportation			\$15,000	\$15,000
8305 121	Mud Cuttings & Water Disposal			\$50,000	\$50,000
8305 122	Insurance	1.9243	15,900	\$30,596	\$30,596
8305 123	Overhead			\$25,000	\$25,000
8305 124	Water & Water Well			\$25,000	\$25,000
8305 125	Unanticipated MjrExp (Fishing)				
8305 126	Legal			\$50,000	\$50,000
8305 127	Outside Operated Other				
8305 128	Permits			\$10,000	\$10,000
8305 129	Environmental & Safety			\$20,000	\$20,000
8305 130	Plugging				
	SUBTOTAL			\$2,289,596	\$2,289,596
8305 199	CONTINGENCY (%) 10.00%			228,960	228,960
	SUB-TOTAL INTANGIBLE DRILLING COSTS			\$2,518,556	\$2,518,556

### INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			10,000	10,000
8306 203	Compl Fluids & Chemicals			45,000	45,000
8306 204	Bits, Reamer, Stabilizers				
8306 205	Cement & Cementing Svcs				
8306 206	Logging & Perforation Svcs			150,000	150,000
8306 207	Csg Crews & Tools-Drive Hammer				
8306 208	Directional Tools & Svcs				
8306 209	Formation Stimulatr Acid Frac			\$ 900,000	\$ 900,000
8306 210	Formation Evaluation				
8306 211	Tubular Inspection				
8306 212	Equipment Rentals			165,000	165,000
8306 213	Contract Labor & Services				
8306 214	Wellsite Consultant	\$ -	0	43,500	43,500
8306 215	Company Supervision & Labor				
8306 216	Transportation			20,000	20,000
8306 217	Mud Cuttings & Water Disposal			15,000	15,000
8306 218	Insurance				
8306 219	Overhead				
8306 220	Water & Water Well			\$13,500	\$13,500
8306 221	Unanticipated MjrExp Fishing				
8306 222	Coil Tubing Services			63,500	63,500
8306 223	Misc Supplies & Materials			39,000	39,000
8306 224	Flowback Testing			75,000	75,000
8306 225	Legal & Permits			5,000	5,000
8306 226	Environmental & Safety Costs				
8306 227	Plugging				
8306 228	Completion Rig	\$ -	0	30,000	30,000
	SUBTOTAL			\$2,891,000	\$2,891,000
8306 299	CONTINGENCY (%) 5.00%			144,550	144,550
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,035,550	\$3,035,550
	SUB-TOTAL INTANGIBLE COSTS			\$2,518,556	\$3,035,550

### TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$20,000	\$20,000
8308 302	Surface Casing	\$ -	0	\$50,000	\$50,000
8308 303	Intermediate Casing	\$ -	0	\$125,000	\$125,000
8308 304	Liner Casing	\$ -	0	\$150,000	\$150,000
8308 305	Subs Fit Eqp Centralizers Etc				
8308 306	Casinghead Drilling Spool			\$60,000	\$60,000
8308 307	Sub Surface Equipment				
8308 308	Outside Operated Other				
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$405,000	\$405,000



# **TANGIBLE COMPLETION COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8309 401	Production Casing	\$ -	0	250,000	250,000
8309 402	Tubing	\$ -	0	40,000	40,000
8309 403	Subs Fit Eqp Centralizers Etc				
8309 404	Sub Surface Equipment			30,000	30,000
8309 405	Xmas Tree Upper Section			50,000	50,000
8309 406	Outside Operated Other				
SUB-TOTAL TANGIBLE COMPLETION COSTS				\$380,000	\$380,000
SUB-TOTAL TANGIBLE COSTS				\$405,000	\$785,000
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$2,923,556	\$6,339,106

# **PRODUCTION EQUIPMENT COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment			15,000	15,000
8311 502	Prime Mover Electric Gas				
8311 503	Sales Gathering Line				
8311 504	Separation Equipment			50,000	50,000
8311 505	Oil Treating Heating Equipment				
8311 506	Gas Treating Dehy Equipment				
8311 507	Tanks			20,000	20,000
8311 508	Meters			55,000	55,000
8311 509	Electrical Equip Install			20,000	20,000
8311 510	Compressor				
8311 511	Flowlines			50,000	50,000
8311 512	Labor			120,000	120,000
8311 513	Trucks Hauling Transportation				
8311 514	Buildings				
8311 515	Roads & Locations			10,000	10,000
8311 516	Manifolds & Headers			15,000	15,000
8311 517	Chemical Injection System				
8311 518	Piping & Valves			50,000	50,000
8311 519	Welding				
8311 520	Surface Pumps			5,000	5,000
8311 521	Filters				
8311 522	Outside Operated Other				
8311 523	Environmental & Safety			10,000	10,000
8311 524	Engineering Supervision			30,000	30,000
8311 525	Surface Facilities			15,000	15,000
SUB-TOTAL PRODUCTION EQUIPMENT				\$525,000	\$525,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,518,556	\$5,554,106
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$405,000	\$785,000
GRAND TOTAL				\$2,923,556	\$6,864,106
LESS OUTSIDE INTERESTS				\$2,923,556	\$6,864,106
TOTAL NET COSTS				\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE	GROSS AFE AMOUNT - DRY HOLE	\$2,923,556
APPROVED	DATE	NET DRYHOLE AFE AMOUNT	\$0
APPROVED	DATE	NET ASSET TRANSFERS	\$0
APPROVED	DATE	CASH OUTLAY THIS AFE	\$0
APPROVED	DATE	PREVIOUS AFE'S ISSUED	\$0
		TOTAL CASH OUTLAY	\$0

# **WORKING INTEREST APPROVAL**

COMPANY	WORKING INTEREST	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

36 BS

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.

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.

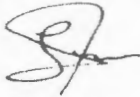
In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Forma 610 Operating Agreement ("OA") with the following basic terms.

- 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.

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](mailto:lzink@ascentenergy.us).

Very Truly Yours,



Lee Zink  
Land Manager  
Ascent Energy, LLC  
1621 18<sup>th</sup> 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.

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

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

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



# Ascent Energy, LLC

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

COST CENTER	Trucker Fed COM #601H	BUD YEAR	2018	DATE	January 22, 2018
AFE NO.		CATEGORY	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	21S 33E
OPERATOR	Ascent Energy, LLC	WELL NO.	601H	W.I.	
OBJECTIVE	3rd Bone Spring	STATE	NM	MD/TVD	+/-16,590'/11,700'

ESTIMATED PROJECT START DATE: 3Q2018

DESCRIPTION: Drill a 4600' lateral in the 3rd Bone Spring and frac with 33 stages. Assumes 4 string design.

### INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$145,000	\$145,000
8305 102	Rig Move - MIRU, RDMO			\$100,000	\$100,000
8305 103	Rig Contractor-Daywork/FT	\$ 20,000	26	\$520,000	\$520,000
8305 104	Rig Contractor-Turnkey				
8305 105	Power & Fuel			\$110,000	\$110,000
8305 106	Drill Fluids & Chemicals			\$100,000	\$100,000
8305 107	Bits, Reamer, Stabilizers			\$85,000	\$85,000
8305 108	Cement & Cementing Services			\$165,000	\$165,000
8305 109	Mud Logging			\$44,000	\$44,000
8305 110	Open Hole Logging			\$30,000	\$30,000
8305 111	Csg Crews & Tools			\$70,000	\$70,000
8305 112	Directional Tools & Service			\$220,000	\$220,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				
8305 115	Tubular Inspection			\$20,000	\$20,000
8305 116	Equipment Rentals			\$300,000	\$300,000
8305 117	Contract Labor & Services			\$400,000	\$400,000
8305 118	Wellsite Consultants	\$ 2,000	52	\$104,000	\$104,000
8305 119	Company Supervision & Labor				
8305 120	Transportation			\$15,000	\$15,000
8305 121	Mud Cuttings & Water Disposal			\$50,000	\$50,000
8305 122	Insurance	1.9243	16,590	\$31,824	\$31,824
8305 123	Overhead			\$25,000	\$25,000
8305 124	Water & Water Well			\$25,000	\$25,000
8305 125	Unanticipated MjExp (Fishing)				
8305 126	Legal			\$50,000	\$50,000
8305 127	Outside Operated Other				
8305 128	Permits			\$10,000	\$10,000
8305 129	Environmental & Safety			\$20,000	\$20,000
8305 130	Plugging				
	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

### INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			10,000	10,000
8306 203	Compl Fluids & Chemicals			45,000	45,000
8306 204	Bits, Reamer, Stabilizers				
8306 205	Cement & Cementing Svcs				
8306 206	Logging & Perforation Svcs			\$59,000	\$59,000
8306 207	Csg Crews & Tools-Drive Hammer				
8306 208	Directional Tools & Svcs				
8306 209	Formation Stimuln Acid Frac			\$,000,000	\$,000,000
8306 210	Formation Evaluation				
8306 211	Tubular Inspection				
8306 212	Equipment Rentals			\$65,000	\$65,000
8306 213	Contract Labor & Services				
8306 214	Wellsite Consultant	\$ -	0	43,500	43,500
8306 215	Company Supervision & Labor				
8306 216	Transportation			20,000	20,000
8306 217	Mud Cuttings & Water Disposal			35,000	35,000
8306 218	Insurance				
8306 219	Overhead				
8306 220	Water & Water Well			313,500	313,500
8306 221	Unanticipated MjExp Fishing				
8306 222	Coil Tubing Services			63,500	63,500
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			78,500	78,500
8306 225	Legal & Permits			8,000	8,000
8306 226	Environmental & Safety Costs				
8306 227	Plugging				
8306 228	Completion Rig	\$ -	0	30,000	30,000
	SUBTOTAL			\$2,891,000	\$2,891,000
8306 299	CONTINGENCY (%) 5.00%			144,550	144,550
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,035,550	\$3,035,550
	SUB-TOTAL INTANGIBLE COSTS			\$2,573,917	\$3,035,550
					\$5,609,467

### TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$20,000	\$20,000
8308 302	Surface Casing	\$ -	0	\$50,000	\$50,000
8308 303	Intermediate Casing	\$ -	0	\$125,000	\$125,000
8308 304	Liner Casing	\$ -	0	\$150,000	\$150,000
8308 305	Subs Fit Eqpt Centralizers Etc				
8308 306	Casinghead Drilling Spool			\$60,000	\$60,000
8308 307	Sub Surface Equipment				
8308 308	Outside Operated Other				
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$405,000	\$405,000



### TANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8309 401	Production Casing	\$ -	0	275,000	\$275,000
8309 402	Tubing	\$ -	0	40,000	\$40,000
8309 403	Subs Fit Eqpt Centralizers Etc				0
8309 404	Sub Surface Equipment			30,000	\$30,000
8309 405	Xmas Tree Upper Section			60,000	\$60,000
8309 406	Outside Operated Other				0
SUB-TOTAL TANGIBLE COMPLETION COSTS				\$405,000	\$405,000
SUB-TOTAL TANGIBLE COSTS				\$405,000	\$810,000
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$2,978,917	\$3,440,550

### PRODUCTION EQUIPMENT COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment			\$15,000	\$15,000
8311 502	Prime Mover Electric Gas				0
8311 503	Sales Gathering Line				0
8311 504	Separation Equipment			50,000	\$50,000
8311 505	Oil Treating Heating Equipment				0
8311 506	Gas Treating Dehy Equipment				0
8311 507	Tanks			70,000	\$70,000
8311 508	Meters			55,000	\$55,000
8311 509	Electrical Equip Install			20,000	\$20,000
8311 510	Compressor				0
8311 511	Flowlines			50,000	\$50,000
8311 512	Labor			130,000	\$130,000
8311 513	Trucks Hauling Transportation				0
8311 514	Buildings				0
8311 515	Roads & Locations			20,000	\$20,000
8311 516	Manifolds & Headers			15,000	\$15,000
8311 517	Chemical Injection System				0
8311 518	Piping & Valves			50,000	\$50,000
8311 519	Welding				0
8311 520	Surface Pumps			5,000	\$5,000
8311 521	Filters				0
8311 522	Outside Operated Other				0
8311 523	Environmental & Safety			10,000	\$10,000
8311 524	Engineering Supervision			10,000	\$10,000
8311 525	Surface Facilities			15,000	\$15,000
SUB-TOTAL PRODUCTION EQUIPMENT				\$525,000	\$525,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,573,917	\$3,035,550
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$405,000	\$810,000
GRAND TOTAL				\$2,978,917	\$3,965,550
LESS OUTSIDE INTERESTS				\$2,978,917	\$3,965,550
TOTAL NET COSTS				\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE
APPROVED	DATE
APPROVED	DATE
APPROVED	DATE

GROSS AFE AMOUNT - DRY HOLE	\$2,978,917
NET DRYHOLE AFE AMOUNT	\$0
NET ASSET TRANSFERS	\$0
CASH OUTLAY THIS AFE	\$0
PREVIOUS AFE'S ISSUED	\$0
TOTAL CASH OUTLAY	\$0

### WORKING INTEREST APPROVAL

COMPANY	WORKING INTEREST	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.

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](mailto:lzink@ascentenergy.us).

Very Truly Yours,



Lee Zink  
Land Manager  
Ascent Energy, LLC  
1621 18<sup>th</sup> 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: \_\_\_\_\_

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



# Ascent Energy, LLC

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

COST CENTER	Trucker Fed COM #701H	BUD YEAR	2018	DATE	January 22, 2018
AFE NO.		CATEGORY	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	21S 33E
OPERATOR	Ascent Energy, LLC	WELL NO.	701H	W.I.	
OBJECTIVE	Wolfcamp	STATE	NM	MD/TVD	16,750' / 11,875'

ESTIMATED PROJECT START DATE: 3Q2018

DESCRIPTION: Drill a 4600' lateral in the Wolfcamp and frac with 33 stages. Assumes 4 string design.

### INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL FIRST
8305 101	Location Cleanup & Damages			\$145,000	\$145,000
8305 102	Rig Move - MIRU, RDMO			\$100,000	\$100,000
8305 103	Rig Contractor-Daywork/FT	\$ 20,000	27	\$540,000	\$540,000
8305 104	Rig Contractor-Turnkey				
8305 105	Power & Fuel			\$130,000	\$130,000
8305 106	Drill Fluids & Chemicals			\$160,000	\$160,000
8305 107	Bits, Reamer, Stabilizers			\$95,000	\$95,000
8305 108	Cement & Cementing Services			\$180,000	\$180,000
8305 109	Mud Logging			\$54,000	\$54,000
8305 110	Open Hole Logging			\$80,000	\$80,000
8305 111	Csg Crews & Tools			\$80,000	\$80,000
8305 112	Directional Tools & Service			\$280,000	\$280,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				
8305 115	Tubular Inspection			\$20,000	\$20,000
8305 116	Equipment Rentals			\$300,000	\$300,000
8305 117	Contract Labor & Services			\$100,000	\$100,000
8305 118	Wellsite Consultants	\$ 2,000	54	\$108,000	\$108,000
8305 119	Company Supervision & Labor				
8305 120	Transportation			\$15,000	\$15,000
8305 121	Mud, Cuttings & Water Disposal			\$100,000	\$100,000
8305 122	Insurance	1.9243	16,750	\$32,292	\$32,292
8305 123	Overhead			\$25,000	\$25,000
8305 124	Water & Water Well			\$25,000	\$25,000
8305 125	Unanticipated MifExp (Fishing)				
8305 126	Legal			\$50,000	\$50,000
8305 127	Outside Operated Other				
8305 128	Permits			\$10,000	\$10,000
8305 129	Environmental & Safety			\$20,000	\$20,000
8305 130	Plugging				
	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 COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL FIRST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			10,000	10,000
8306 203	Compl Fluids & Chemicals			45,000	45,000
8306 204	Bits, Reamer, Stabilizers				
8306 205	Cement & Cementing Svcs				
8306 206	Logging & Perforation Svcs			155,000	155,000
8306 207	Csg Crews & Tools-Drive Hammer				
8306 208	Directional Tools & Svcs				
8306 209	Formation Stimulatn Acid Frac			2,000,000	2,000,000
8306 210	Formation Evaluation				
8306 211	Tubular Inspection				
8306 212	Equipment Rentals			165,000	165,000
8306 213	Contract Labor & Services				
8306 214	Wellsite Consultant	\$ -	0	43,500	43,500
8306 215	Company Supervision & Labor				
8306 216	Transportation			30,000	30,000
8306 217	Mud Cuttings & Water Disposal			15,000	15,000
8306 218	Insurance				
8306 219	Overhead				
8306 220	Water & Water Well			313,000	313,000
8306 221	Unanticipated MajExp Fishing				
8306 222	Coil Tubing Services			63,500	63,500
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			75,000	75,000
8306 225	Legal & Permits			5,000	5,000
8306 226	Environmental & Safety Costs				
8306 227	Plugging				
8306 228	Completion Rig	\$ -	0	30,000	30,000
	SUBTOTAL			\$2,991,000	\$2,991,000
8306 299	CONTINGENCY (%) 5.00%			149,550	149,550
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,140,550	\$3,140,550
	SUB-TOTAL INTANGIBLE COSTS			\$2,804,155	\$3,140,550
					\$5,944,705

### TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL FIRST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$20,000	\$20,000
8308 302	Surface Casing	\$ -	0	\$80,000	\$80,000
8308 303	Intermediate Casing	\$ -	0	\$110,000	\$110,000
8308 304	Liner Casing	\$ -	0	\$150,000	\$150,000
8308 305	Subs Flt Ept Centralizers Etc				
8308 306	Casinghead Drilling Spool			\$50,000	\$50,000
8308 307	Sub Surface Equipment				
8308 308	Outside Operated Other				
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$490,000	\$490,000



# **TANGIBLE COMPLETION COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8309 401	Production Casing	\$ -	0	400,000	\$400,000
8309 402	Tubing	\$ -	0	45,000	45,000
8309 403	Subs Flt Eqp Centralizers Etc				
8309 404	Sub Surface Equipment			30,000	30,000
8309 405	Xmas Tree Upper Section			60,000	60,000
8309 406	Outside Operated Other				
SUB-TOTAL TANGIBLE COMPLETION COSTS				\$535,000	\$535,000
SUB-TOTAL TANGIBLE COSTS				\$490,000	\$1,025,000
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$3,294,155	\$6,969,705

# **PRODUCTION EQUIPMENT COSTS**

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment			115,000	115,000
8311 502	Prime Mover Electric Gas				
8311 503	Sales Gathering Line				
8311 504	Separation Equipment			50,000	50,000
8311 505	Oil Treating Heating Equipment				
8311 506	Gas Treating Dehy Equipment				
8311 507	Tanks			20,000	20,000
8311 508	Meters			55,000	55,000
8311 509	Electrical Equip Install			20,000	20,000
8311 510	Compressor				
8311 511	Flowlines			50,000	50,000
8311 512	Labor			130,000	130,000
8311 513	Trucks Hauling Transportation				
8311 514	Buildings				
8311 515	Roads & Locations			10,000	10,000
8311 516	Manifolds & Headers			15,000	15,000
8311 517	Chemical Injection System				
8311 518	Piping & Valves			60,000	60,000
8311 519	Welding				
8311 520	Surface Pumps			5,000	5,000
8311 521	Filters				
8311 522	Outside Operated Other				
8311 523	Environmental & Safety			10,000	10,000
8311 524	Engineering Supervision			38,000	38,000
8311 525	Surface Facilities			15,000	15,000
SUB-TOTAL PRODUCTION EQUIPMENT				\$525,000	\$525,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,804,155	\$5,944,705
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$490,000	\$1,025,000
GRAND TOTAL				\$3,294,155	\$7,494,705
LESS OUTSIDE INTERESTS				\$3,294,155	\$4,200,550
TOTAL NET COSTS				\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE	GROSS AFE AMOUNT - DRY HOLE	\$3,294,155
APPROVED	DATE	NET DRYHOLE AFE AMOUNT	\$0
APPROVED	DATE	NET ASSET TRANSFERS	\$0
APPROVED	DATE	CASH OUTLAY THIS AFE	\$0
		PREVIOUS AFE'S ISSUED	\$0
		TOTAL CASH OUTLAY	\$0

# **WORKING INTEREST APPROVAL**

COMPANY	WORKING INTEREST	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 #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

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](mailto:lzink@ascentenergy.us).

Very Truly Yours,



Lee Zink  
Land Manager  
Ascent Energy, LLC  
1621 18<sup>th</sup> 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: \_\_\_\_\_

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



# Ascent Energy, LLC

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

COST CENTER	Trucker Fed COM #703H	BUD YEAR	2018	DATE	January 22, 2018
AFE NO.		CATEGORY	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	21S 33E
OPERATOR	Ascent Energy, LLC	WELL NO.	703H	W.I.	
OBJECTIVE	Wolfcamp	STATE	NM	MD/TVD	16,740' / 11,850'

ESTIMATED PROJECT START DATE: 3Q2018

DESCRIPTION: Drill a 4600' lateral in the Wolfcamp and frac with 33 stages. Assumes 4 string design.

### INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$145,000	\$145,000
8305 102	Rig Move - MIRU, RDMO			\$100,000	\$100,000
8305 103	Rig Contractor-Daywork/FT	\$ 20,000	27	\$540,000	\$540,000
8305 104	Rig Contractor-Turnkey				
8305 105	Power & Fuel			\$130,000	\$130,000
8305 106	Drill Fluids & Chemicals			\$150,000	\$150,000
8305 107	Bits, Reamer, Stabilizers			\$95,000	\$95,000
8305 108	Cement & Cementing Services			\$180,000	\$180,000
8305 109	Mud Logging			\$54,000	\$54,000
8305 110	Open Hole Logging			\$50,000	\$50,000
8305 111	Csg Crews & Tools			\$50,000	\$50,000
8305 112	Directional Tools & Service			\$230,000	\$230,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				
8305 115	Tubular Inspection			\$20,000	\$20,000
8305 116	Equipment Rentals			\$300,000	\$300,000
8305 117	Contract Labor & Services			\$100,000	\$100,000
8305 118	Wellsite Consultants	\$ 2,000	54	\$108,000	\$108,000
8305 119	Company Supervision & Labor				
8305 120	Transportation			\$15,000	\$15,000
8305 121	Mud,Cuttings & Water Disposal			\$100,000	\$100,000
8305 122	Insurance	1.9243	16,750	\$32,232	\$32,232
8305 123	Overhead			\$25,000	\$25,000
8305 124	Water & Water Well			\$25,000	\$25,000
8305 125	Unanticipated MjExp (Fishing)				
8305 126	Legal			\$50,000	\$50,000
8305 127	Outside Operated Other				
8305 128	Permits			\$10,000	\$10,000
8305 129	Environmental & Safety			\$20,000	\$20,000
8305 130	Plugging				
	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 COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			10,000	10,000
8306 203	Compl Fluids & Chemicals			45,000	45,000
8306 204	Bits, Reamer, Stabilizers				
8306 205	Cement & Cementing Svcs				
8306 206	Logging & Perforation Svcs			159,000	159,000
8306 207	Csg Crews & Tools-Drive Hammer				
8306 208	Directional Tools & Svcs				
8306 209	Formation Stimulatn Acid Frac			\$,000,000	\$,000,000
8306 210	Formation Evaluation				
8306 211	Tubular Inspection				
8306 212	Equipment Rentals			165,000	165,000
8306 213	Contract Labor & Services				
8306 214	Wellsite Consultant	\$ -	0	43,500	43,500
8306 215	Company Supervision & Labor				
8306 216	Transportation			20,000	20,000
8306 217	Mud Cuttings & Water Disposal			15,000	15,000
8306 218	Insurance				
8306 219	Overhead				
8306 220	Water & Water Well			313,500	313,500
8306 221	Unanticipated MjExp Fishing				
8306 222	Coil Tubing Services			63,500	63,500
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			75,500	75,500
8306 225	Legal & Permits			5,000	5,000
8306 226	Environmental & Safety Costs				
8306 227	Plugging				
8306 228	Completion Rig	\$ -	0	50,000	50,000
	SUBTOTAL			\$2,991,000	\$2,991,000
8306 299	CONTINGENCY (%) 5.00%			149,550	149,550
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,140,550	\$3,140,550
	SUB-TOTAL INTANGIBLE COSTS			\$2,804,155	\$3,140,550
					\$5,944,705

### TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$20,000	\$20,000
8308 302	Surface Casing	\$ -	0	\$55,000	\$55,000
8308 303	Intermediate Casing	\$ -	0	\$210,000	\$210,000
8308 304	Liner Casing	\$ -	0	\$150,000	\$150,000
8308 305	Subs Fit Eqp Centralizers Etc				
8308 306	Casinghead Drilling Spool			\$50,000	\$50,000
8308 307	Sub Surface Equipment				
8308 308	Outside Operated Other				
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$490,000	\$490,000



TANGIBLE COMPLETION COSTS						
ACCT.	DESCRIPTION	Rate	Units		COMPLETION	TOTAL WELL COST
8309 401	Production Casing	\$ -	0		400,000	400,000
8309 402	Tubing	\$ -	0		45,000	45,000
8309 403	Subs Flt Eqp Centralizers Etc					
8309 404	Sub Surface Equipment				30,000	30,000
8309 405	Xmas Tree Upper Section				60,000	60,000
8309 406	Outside Operated Other					
SUB-TOTAL TANGIBLE COMPLETION COSTS					\$535,000	\$535,000
SUB-TOTAL TANGIBLE COSTS				\$490,000	\$535,000	\$1,025,000
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$3,294,155	\$3,675,550	\$6,969,705

PRODUCTION EQUIPMENT COSTS						
ACCT.	DESCRIPTION	Rate	Units		COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment				\$15,000	\$15,000
8311 502	Prime Mover Electric Gas					
8311 503	Sales Gathering Line					
8311 504	Separation Equipment				50,000	50,000
8311 505	Oil Treating Heating Equipment					
8311 506	Gas Treating Dehy Equipment					
8311 507	Tanks				70,000	70,000
8311 508	Meters				50,000	50,000
8311 509	Electrical Equip Install				20,000	20,000
8311 510	Compressor					
8311 511	Flowlines				50,000	50,000
8311 512	Labor				130,000	130,000
8311 513	Trucks Hauling Transportation					
8311 514	Buildings					
8311 515	Roads & Locations				10,000	10,000
8311 516	Manifolds & Headers				15,000	15,000
8311 517	Chemical Injection System					
8311 518	Piping & Valves				50,000	50,000
8311 519	Welding					
8311 520	Surface Pumps				5,000	5,000
8311 521	Filters					
8311 522	Outside Operated Other					
8311 523	Environmental & Safety				10,000	10,000
8311 524	Engineering Supervision				30,000	30,000
8311 525	Surface Facilities				15,000	15,000
SUB-TOTAL PRODUCTION EQUIPMENT					\$525,000	\$525,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,804,155	\$3,140,550	\$5,944,705
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$490,000	\$535,000	\$1,025,000
GRAND TOTAL				\$3,294,155	\$4,200,550	\$7,494,705
LESS OUTSIDE INTERESTS				\$3,294,155	\$4,200,550	\$7,494,705
TOTAL NET COSTS				\$0	\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE	GROSS AFE AMOUNT - DRY HOLE	\$3,294,155
APPROVED	DATE	NET DRYHOLE AFE AMOUNT	\$0
APPROVED	DATE	NET ASSET TRANSFERS	\$0
APPROVED	DATE	CASH OUTLAY THIS AFE	\$0
		PREVIOUS AFE'S ISSUED	\$0
		TOTAL CASH OUTLAY	\$0

#### WORKING INTEREST APPROVAL

COMPANY	WORKING INTEREST	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**

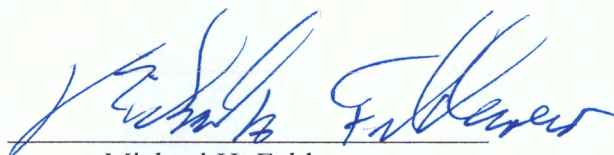
**AMENDED APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC  
FOR A NON-STANDARD SPACING AND PRORATION UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NO. 15988**

**AFFIDAVIT**

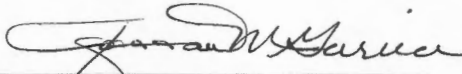
STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

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.

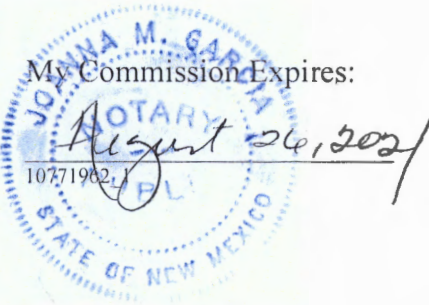
  
Michael H. Feldewert

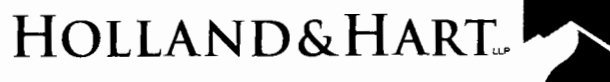
SUBSCRIBED AND SWORN to before me this 14th day of March 2018, by Michael H.

Feldewert.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:





**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources - Oil  
and Gas Law - New Mexico  
Board of Legal Specialization  
mfeldewert@hollandhart.com

February 13, 2018

**VIA CERTIFIED MAIL**  
**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:

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Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
PRODUCTION, LLC**

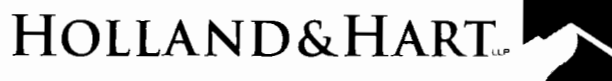
**Holland & Hart LLP**

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☏





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

February 2, 2018

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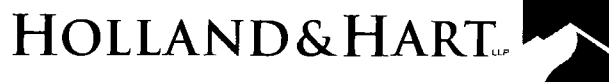
Jordan L. Kessler  
**ATTORNEY FOR CENTENNIAL RESOURCE  
PRODUCTION, LLC**

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**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources - Oil  
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Board of Legal Specialization  
mfeldewert@hollandhart.com

February 13, 2018

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Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
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Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
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**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources - Oil  
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mfeldewert@hollandhart.com

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Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
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**Holland & Hart LLP**

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HOLLAND & HART<sup>LLP</sup>



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Recognized Specialist in the  
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Board of Legal Specialization  
mfeldewert@hollandhart.com

February 13, 2018

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**Jordan L. Kessler**

**Associate**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[JLKessler@hollandhart.com](mailto:JLKessler@hollandhart.com)

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mfeldewert@hollandhart.com

February 13, 2018

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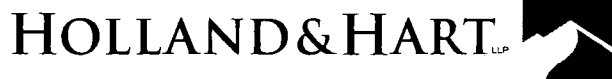
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Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
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**Horseshoe Fed Com No. 601H Well**

**Case No. 15988**

**Pooled Party (1)**

Ascent Energy, LLC

1621 18th St., Suite 200

Denver, CO 80202

**U.S. Postal Service<sup>®</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
*Domestic Mail Only*

For delivery information, visit [usps.com](http://usps.com)

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- Extra Services & Fees (check box, add fee as appropriate)
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  - ☐ Return Receipt (electronic) \$
  - ☐ Certified Mail Restricted Delivery \$
  - ☐ Adult Signature Required \$
  - ☐ Adult Signature Restricted Delivery \$

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

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

Postmark  
 Here

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- ☒ Complete items 1, 2, and 3.
- ☒ Print your name and address on the reverse so that we can return the card to you.
- ☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 3164 7166 5192 81

2. Article Number (Transfer from service label)

7017 2620 0001 1360 0686

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

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *Paula Chen* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Paula Chen* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail<sup>®</sup>
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery
- ☐ Priority Mail Express<sup>®</sup>
- ☐ Registered Mail<sup>®</sup>
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation<sup>®</sup>
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

U.S. Postal Service<sup>®</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**  
Certified Mail Fee \$

701H 702H  
Special Hearing  
PP (1)

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Postmark  
Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER: COMPLETE THIS

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1.

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

D. Is delivery address different from item 1? ☐ Yes  
if YES, enter delivery address below: ☐ No

A. Signature

B. Received by (Printed Name)

C. Date of Delivery

☐ Agent  
☐ Addressee



9590 9402 2002 6123 0712 00

2. Article Number  
7017 2620 0001 1360 0808

3. Service Type
- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature                               | <input type="checkbox"/> Priority Mail Express <sup>®</sup>         |
| <input type="checkbox"/> Adult Signature Restricted Delivery           | <input type="checkbox"/> Registered Mail <sup>™</sup>               |
| <input type="checkbox"/> Certified Mail <sup>®</sup>                   | <input type="checkbox"/> Registered Mail Restricted Delivery        |
| <input type="checkbox"/> Certified Mail Restricted Delivery            | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Insured Mail on Delivery Restricted Delivery  | <input type="checkbox"/> Signature Confirmation <sup>™</sup>        |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

Domestic Return Receipt

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

**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

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postmark  
Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9003  
See Reverse for Instructions

U.S. Postal Service<sup>TM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

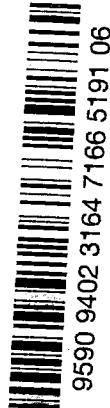
Postmark  
Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9003  
See Reverse for Instructions

1. Article Addressed to:
- Complete items 1, 2, and 3.
  - Print your name and address on the reverse so that we can return the card to you.
  - Attach this card to the back of the mailpiece, or on the front if space permits.

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



9590 9402 3164 7166 5191 06

2. Article Number (Transfer from service label)

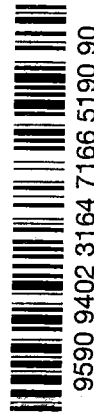
7017 2620 0001 1360 0693  
PS Form 3811, July 2015 PSN 7530-02-000-9053

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 3164 7166 5190 90

2. Article Number (Transfer from service label)

7017 2620 0001 1360 0709  
PS Form 3811, July 2015 PSN 7530-02-000-9053

**CERTIFIED MAIL**

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

- A. Signature **X** Robert J. EOG  
B. Received by (Printed Name) R. EOG Date of Delivery 8-2-18  
C. Agent ☐ Addressee ☐  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type  
☐ Adult Signature  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Insured Mail  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

- A. Signature **X**  
B. Received by (Printed Name) C. Date of Delivery  
D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type  
☐ Adult Signature  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Insured Mail  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit **OFFICIAL USE**

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
**Total** \$  
**Sent** \$  
**Street**   
**City** \$  
**Postmark** Here  
**Ascent Energy, LLC**  
**1621 18th St., Suite 200**  
**Denver, CO 80202**

PS Form 3800, April 2015 PSN 7530-02-000-9002 See Reverse for instructions

**U.S. Postal Service**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit **OFFICIAL USE**

Certified Mail Fee \$  
Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
**Cimarex Energy Co.**  
**600 N. Marienfeld St., Suite**  
**600**  
**Midland, TX 79701**

PS Form 3800, April 2015 PSN 7530-02-000-9002 See Reverse for instructions

**SENDER: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**Ascent Energy, LLC**  
**1621 18th St., Suite 200**  
**Denver, CO 80202**

2. Article Number (Transfer from service label)  
**7017 2620 0001 1360 0726**  
**PS Form 3811, July 2015 PSN 7530-02-000-9053**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **x [Signature]** ☐ Agent ☐ Addressee  
 B. Received by (Printed Name) **C. Date of Delivery**  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

**Domestic Return Receipt**

**RECIPIENT: COMPLETE THIS SECTION**

■ Complete items 1, 2, and 3.  
 ■ Print your name and address on the reverse so that we can return the card to you.  
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
**Cimarex Energy Co.**  
**600 N. Marienfeld St., Suite**  
**600**  
**Midland, TX 79701**

2. Article Number (Transfer from service label)  
**7017 2620 0001 1360 0723**  
**PS Form 3811, July 2015 PSN 7530-02-000-9053**

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature **x [Signature]** ☐ Agent ☐ Addressee  
 B. Received by (Printed Name) **C. Date of Delivery**  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

3. Service Type  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

**Domestic Return Receipt**

U.S. Postal Service  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit

OFFICIAL

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Postage

Advance Energy Partners, LLC

11490 Westheimer Road, Suite

950

Houston, TX 77077

Postmark  
Here

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

U.S. Postal Service  
CERTIFIED MAIL® RECEIPT  
Domestic Mail Only

For delivery information, visit

OFFICIAL

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate)

- ☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

Devon Energy Corporation

333 W. Sheridan Ave.

Oklahoma City, OK 73102

Postmark  
Here

U.S. PSN 7530-02-000-9053

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

1. Article Addressed to:
- Complete items 1, 2, and 3.
  - Print your name and address on the reverse so that we can return the card to you.
  - Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 3164 7166 5192 50

2. Article Number (Transfer from service label)

7017 2620 0001 1360 0730  
PS Form 3811, July 2015 PSN 7530-02-000-9053

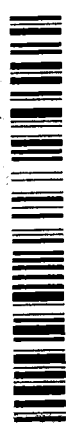
CERTIFIED MAIL

ANY DELIVERY OF THIS SERVICE WILL BE AT THE RISK OF THE ADDRESSEE. NO POSTAL GUARANTEE IS GIVEN FOR DELIVERY OF THIS SERVICE.

1. Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
  - Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 3164 7166 5192 43

2. Article Number (Transfer from service label)

7017 2620 0001 1360 0747  
PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

1. Signature ☒ Agent ☐ Addressee
2. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:



3. Service Type
- ☐ Adult Signature
  - ☐ Adult Signature Restricted Delivery
  - ☐ Certified Mail®
  - ☐ Certified Mail Restricted Delivery
  - ☐ Collect on Delivery
  - ☐ Collect on Delivery Restricted Delivery
  - ☐ Insured Mail
  - ☐ Insured Mail Restricted Delivery

Mail Restricted Delivery

Domestic Return Receipt



**U.S. Postal Service®**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
 Postmark Here

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

City, State, ZIP+4®  
 PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
 Postmark Here

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

City, State, ZIP+4®  
 PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
 Postmark Here

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

City, State, ZIP+4®  
 PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**U.S. Postal Service™**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

For delivery information, visit [usps.com](http://usps.com)

**OFFICIAL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
 Postmark Here

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

City, State, ZIP+4®  
 PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

5180 09ET 1000 0292 2102

2280 09ET 1000 0292 2102

U.S. Postal Service<sup>SM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com)

**OFFICE**

Certified Mail Fee \$  
Special Hearing OFF (6)  
Postmark Here

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

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

City, State, ZIP+4<sup>®</sup>

PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

U.S. Postal Service<sup>SM</sup>  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
Domestic Mail Only

For delivery information, visit [usps.com](http://usps.com)

**OFFICE**

Certified Mail Fee \$  
Special Hearing OFF (6)  
Postmark Here

Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$

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

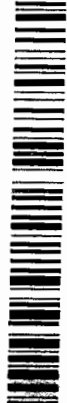
PS Form 3800, April 2015 PSN 7530-02-000-9000 See Reverse for Instructions

**MAIL**  
SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 2002 6123 0711 25

Article Number (Transfer from service label)

7017 2620 0001 1360 0853

PS Form 3811, July 2015 PSN 7530-02-000-9000

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

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



9590 9402 2002 6123 0711 18

2. Article Number (Transfer from service label)

7017 2620 0001 1360 0860

PS Form 3811, July 2015 PSN 7530-02-000-9000

A. Signature ☒ Agent  
*[Signature]*

B. Received by (Printed Name) *H. Gaudin* C. Date of Delivery *7/11/15*

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

**MAIL**  
SENDER: COMPLETE THIS SECTION

A. Signature ☒ Agent  
*[Signature]*

B. Received by (Printed Name) *R. Folea* C. Date of Delivery *7-20-15*

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>™</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>™</sup>  
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit **OFFICIAL MAIL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy)  
☐ Return Receipt (electronic)  
☐ Certified Mail Restricted Delivery  
☐ Adult Signature Required  
☐ Adult Signature Restricted Delivery  
 Postage \$  
 15.20

Postmark Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**U.S. Postal Service<sup>TM</sup>**  
**CERTIFIED MAIL<sup>®</sup> RECEIPT**  
 Domestic Mail Only

For delivery information, visit **OFFICIAL MAIL**  
 701H 702H  
 Special Hearing  
 OFF (6)

Certified Mail Fee \$  
 Extra Services & Fees (check box, add fee as appropriate)  
☐ Return Receipt (hardcopy)  
☐ Return Receipt (electronic)  
☐ Certified Mail Restricted Delivery  
☐ Adult Signature Required  
☐ Adult Signature Restricted Delivery  
 Postage \$  
 15.20

Postmark Here

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

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

**CERTIFIED MAIL<sup>®</sup>**  
 SENDER: COMPLETE THIS SECTION

1. Article Addressed to:  
 Complete items 1, 2, and 3.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the mailpiece, or on the front if space permits.

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

2. Article Number (Transfer from service label)  
 9590 9402 2002 6123 0711 49  
 7017 2620 0001 1360 0839  
 PS Form 3811, July 2015 PSN 7530-02-000-9053

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Mail Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>TM</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>TM</sup>  
☐ Signature Confirmation Restricted Delivery

A. Signature  
 X *Thane Ward* ☐ Agent ☐ Addressee  
 B. Received by (Printed Name) C. Date of Delivery  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

Domestic Return Receipt

**CERTIFIED MAIL<sup>®</sup>**  
 SENDER: COMPLETE THIS SECTION

1. Article Addressed to:  
 Complete items 1, 2, and 3.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the mailpiece, or on the front if space permits.

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

2. Article Number (Transfer from service label)  
 9590 9402 2002 6123 0711 32  
 7017 2620 0001 1360 0846  
 PS Form 3811, July 2015 PSN 7530-02-000-9053

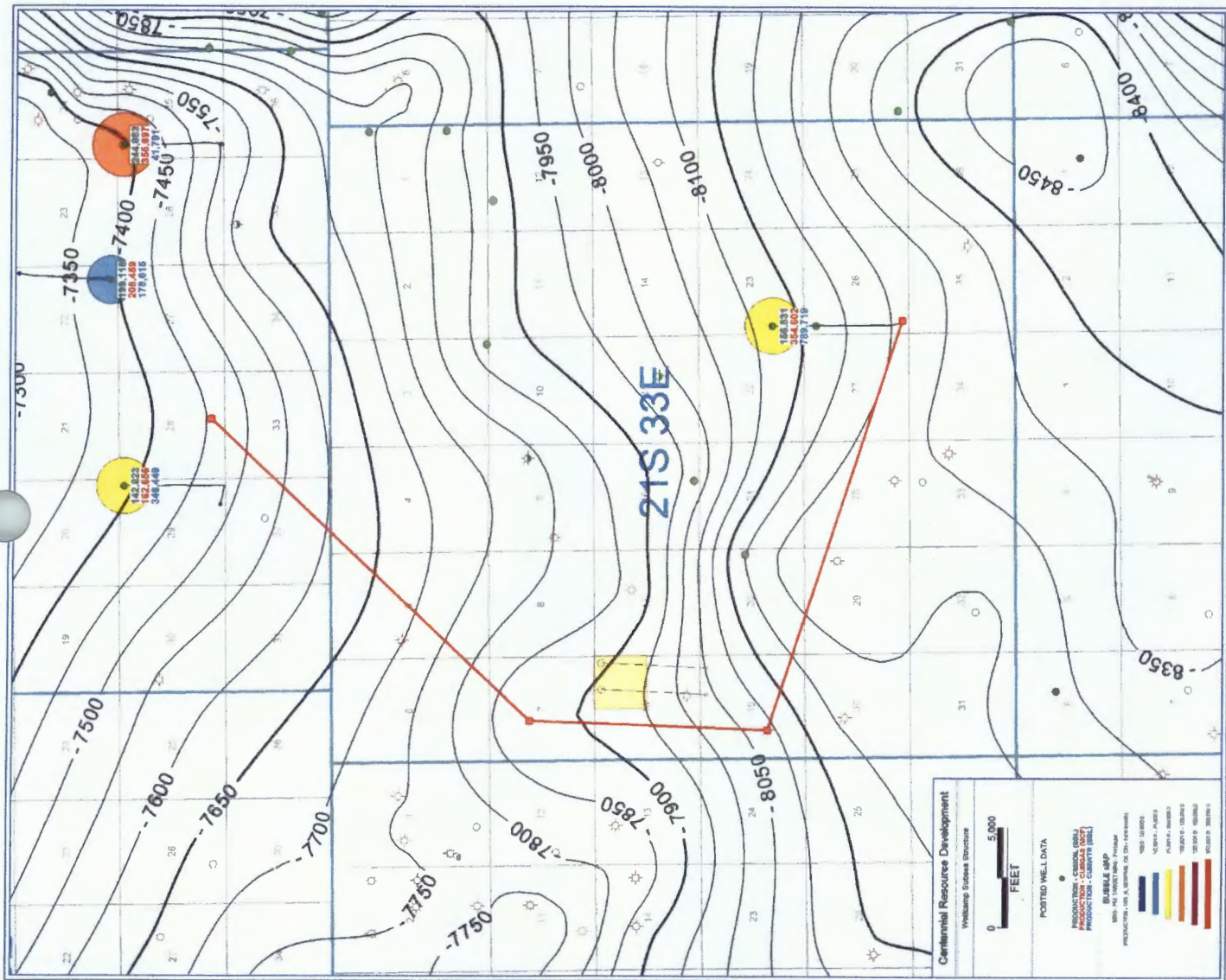
3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☒ Certified Mail<sup>®</sup>  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Mail Restricted Delivery  
☐ Priority Mail Express<sup>®</sup>  
☐ Registered Mail<sup>TM</sup>  
☐ Registered Mail Restricted Delivery  
☐ Return Receipt for Merchandise  
☐ Signature Confirmation<sup>TM</sup>  
☐ Signature Confirmation Restricted Delivery

A. Signature  
 X *Thane Ward* ☐ Agent ☐ Addressee  
 B. Received by (Printed Name) C. Date of Delivery  
 D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

Domestic Return Receipt







BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 8

Submitted by: CENTENNIAL RESOURCES, LLC

Hearing Date: March 15, 2018



<4.15MI>

SUPERIOR OIL CO ETAL  
W LYNCH DEEP UNIT

9/30/1980

GULF OIL CORP  
EAST HAT MESA STATE

9/16/1981

<2.28MI>

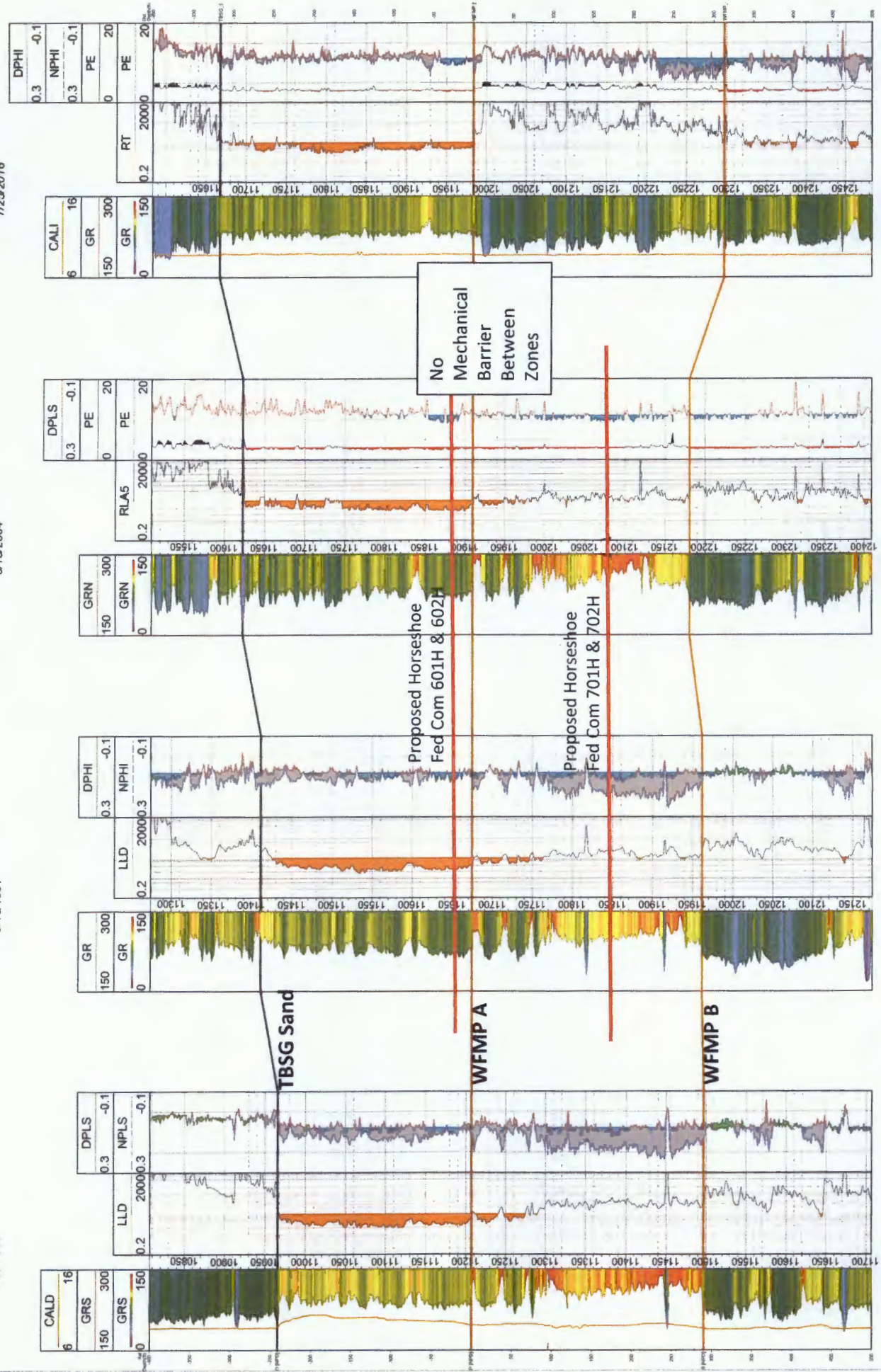
EOG RESOURCES INC  
TOP HAT 19 STATE

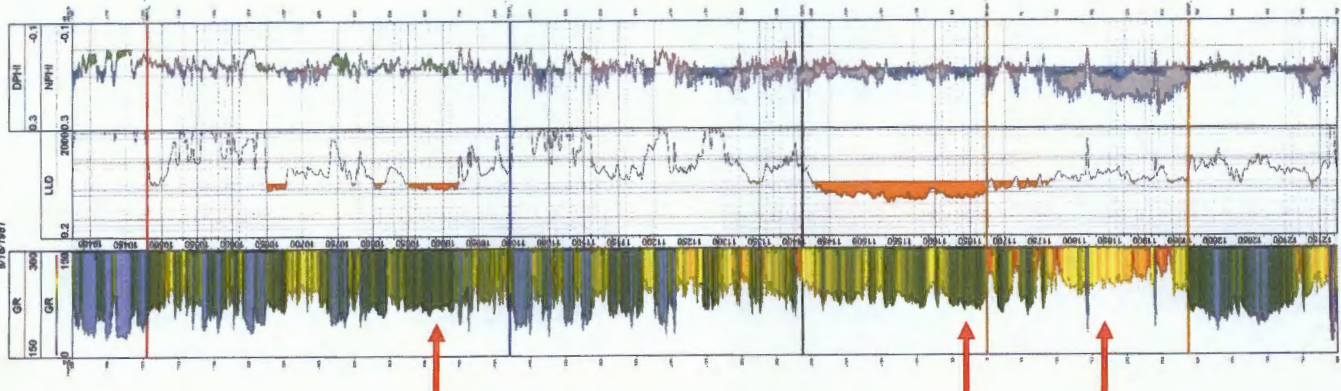
6/18/2004

<4.05MI>

CIMAREX ENERGY CO  
WITHERSPOON 26 23 S

7/25/2016





Twn 21S Rge 33E Sec 18 W/2

Twn 21S Rge 33E Sec 17

# Horseshoe

CDEV  
Twn 21S Rge 33E Sec 18 E/2

2nd Bone Spring Sand

3rd Bone Spring Carb

3rd Bone Spring Sand

Wolfcamp A

Development stage 2

Development stage 1

Half Section  
Development Plan

21S 33E

660 FEL

1980 FEL

1320' in-zone spacing

750'

Horseshoe Fed  
Com 601H  
2310  
FEL

Horseshoe Fed  
Com 602H  
990  
FEL

Horseshoe Fed  
Com 701H  
1650  
FEL

Horseshoe Fed  
Com 702H  
330  
FEL

660'

220'

1320'

1320' in-zone spacing  
660' stack-stagger spacing

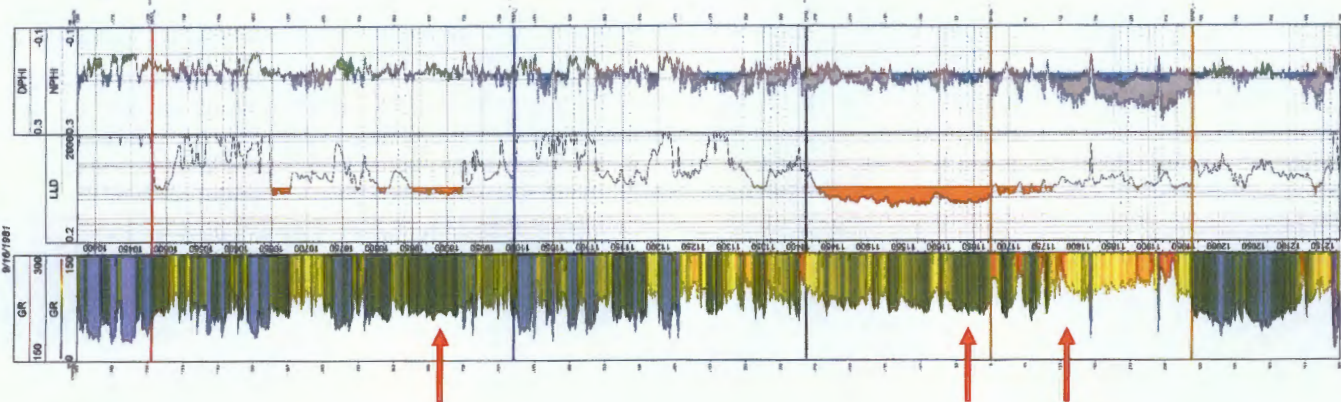
Not to Scale



**Ascent**  
 Twn 21S Rge 33E Sec 18 E/2

Twn 21S Rge 33E Sec 18 W/2

Twn 21S Rge 33E Sec 17



2nd Bone Spring Sand

3rd Bone Spring Carb

3rd Bone Spring Sand

Sombreno Fed  
Com 701H

Wolfcamp A

Trucker Fed  
Com 502H

360 FEL

1882'

Trucker Fed  
Com 501H

2242 FEL

Trucker Fed  
Com 601H

1120 FEL

750'

750'

~150'

Trucker Fed  
Com 703H

370 FEL

1500'

Trucker Fed  
Com 701H

1870 FEL

1344'

3124 FEL

Half Section  
Development Plan

21S 33E

Not to Scale

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. 11

Submitted by: CENTENNIAL RESOURCES, LLC  
 Hearing Date: March 15, 2018



# DRILLING: Directional Plan

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100% utilization of minerals with off-lease location:

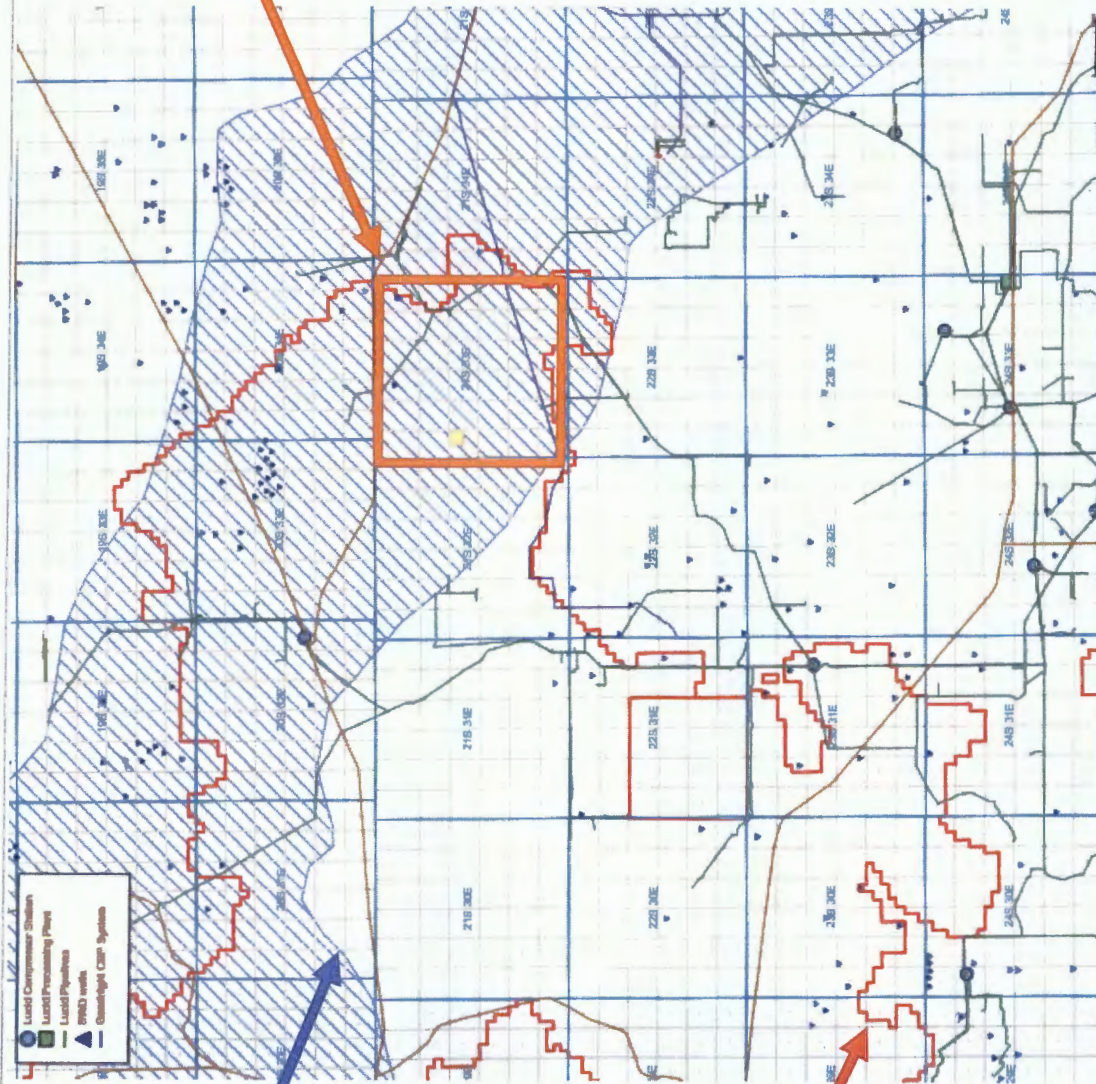
## 100' Setback

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

## 330' Setback

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

# DRILLING: Capitan Reef map



Capitan Reef

Potash

CENTENNIAL



## Michael Feldewert

Attachments:

Michael Feldewert  
Four String Area Description 092112.docx

**From:** Salaz, Robert <[rsalaz@blm.gov](mailto:rsalaz@blm.gov)>  
**Sent:** Wednesday, November 29, 2017 1:09 PM  
**To:** Aldo Gurmendi <[Aldo.Gurmendi@cdevinc.com](mailto: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 strips 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 strips 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 strips, 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 strips control, set first intermediate for salt protection string, second intermediate for Reef. .  
All sections.

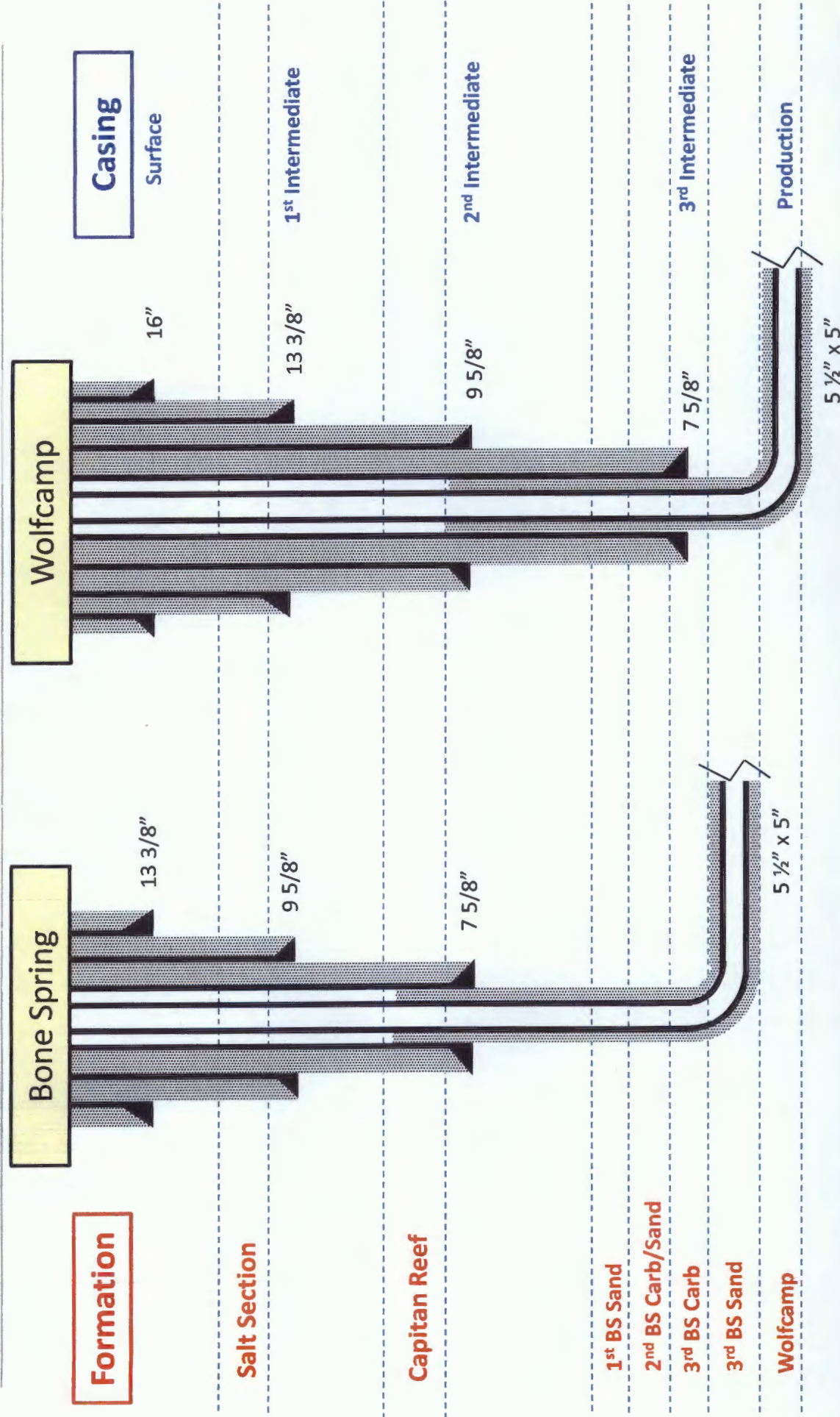
Reviewed based on Hiss map of Capitan Reef. 19S 31/32E sections are somewhat south of the northern boundary of the Hiss depiction.

# DRILLING: BLM - Wellbore design requirements

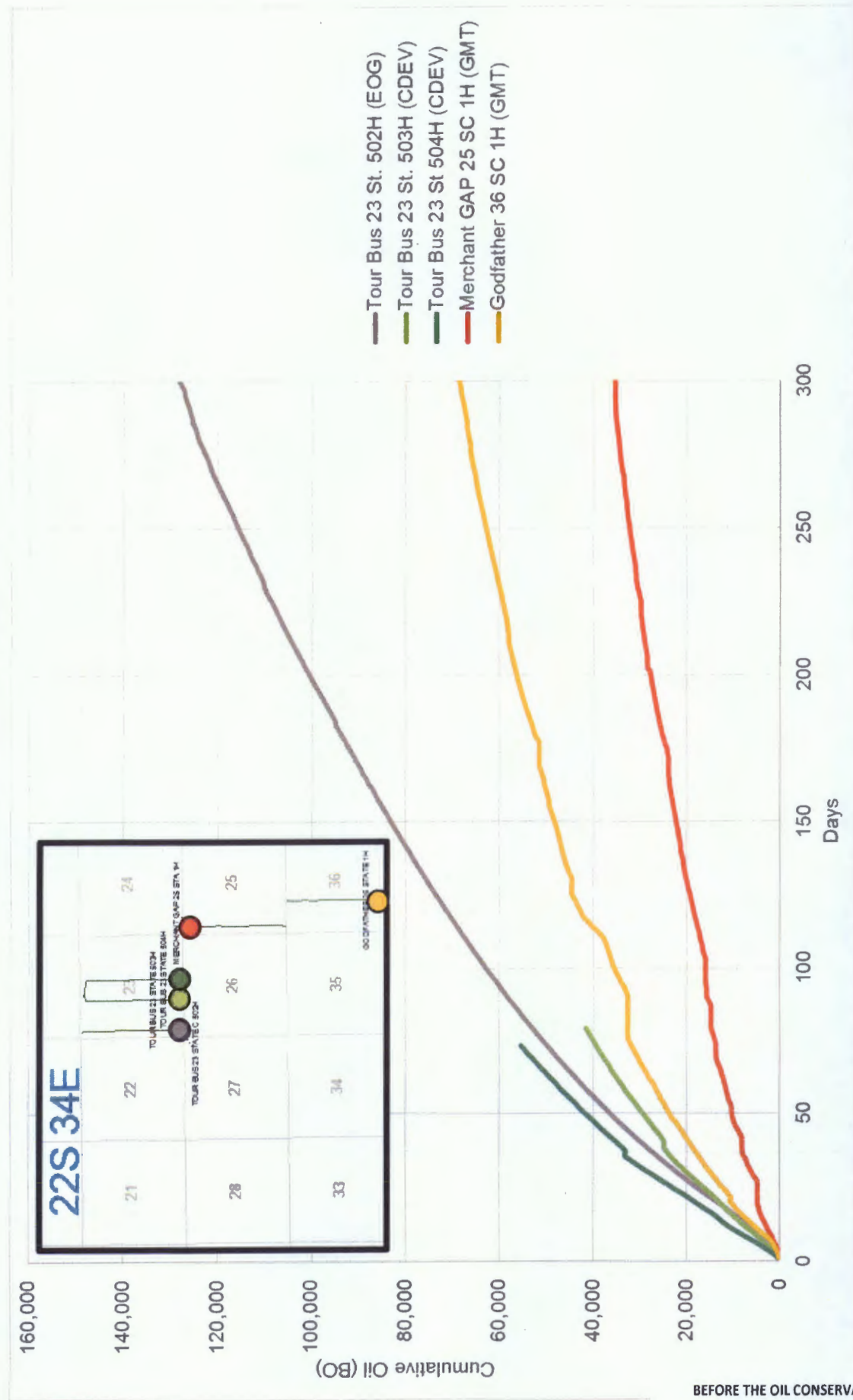
- Township 21S – Range 33E
- 4 String Casing Area per BLM “Avalon & Bone Spring”
  - Salt section & Capitan Reef must be cased after drilling thru
    - Capitan Reef considered a fresh water aquifer
- Casing Requirements
  - Bone Spring
    - Surface
    - 1<sup>st</sup> Intermediate – Salt Section
    - 2<sup>nd</sup> Intermediate – Capitan Reef
    - Production
  - Wolfcamp
    - Surface
    - 1<sup>st</sup> 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



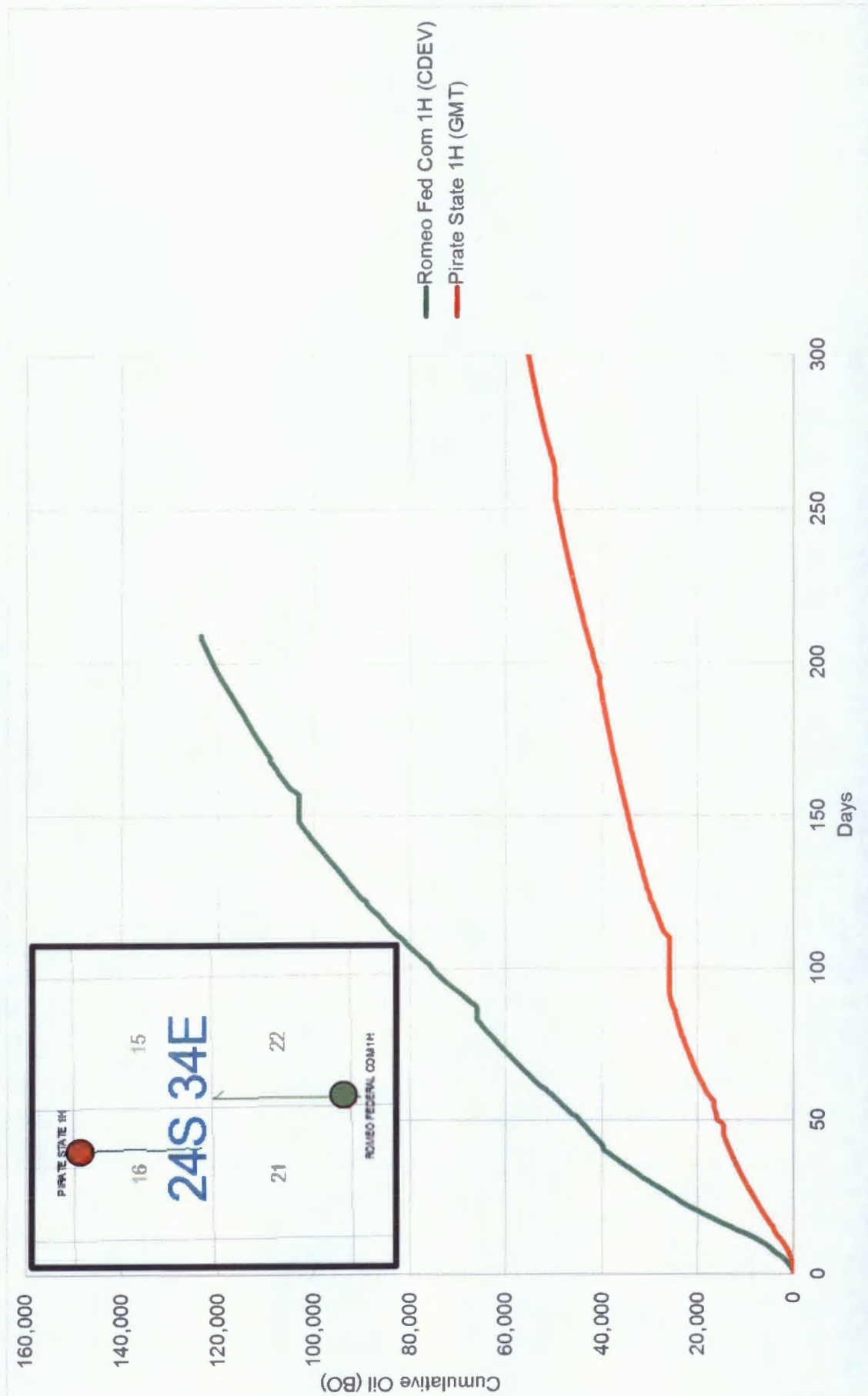
# Pryor 2<sup>nd</sup> Bone Spring Sand



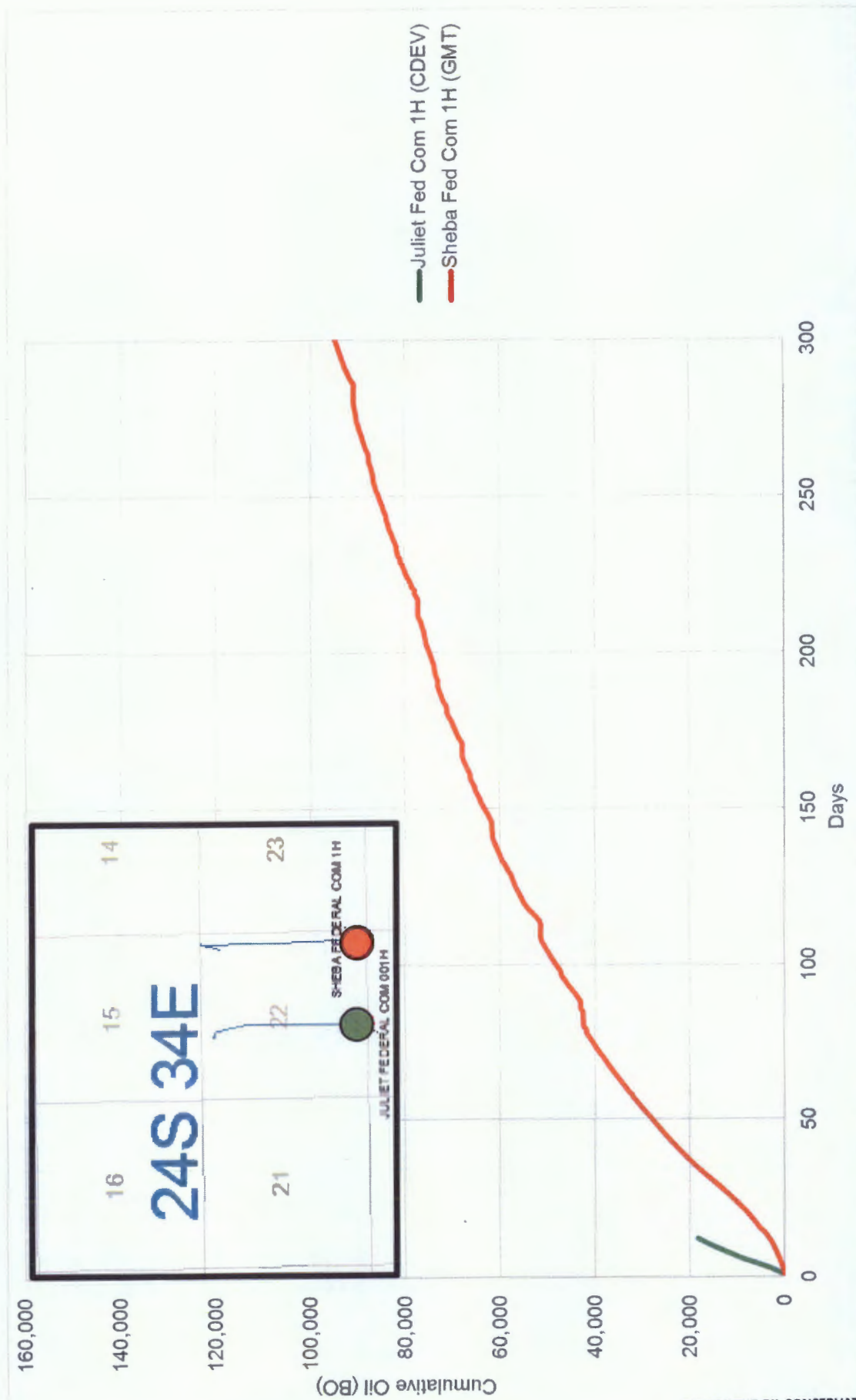
CENTENNIAL



# Solomon 2<sup>nd</sup> Bone Spring Sand



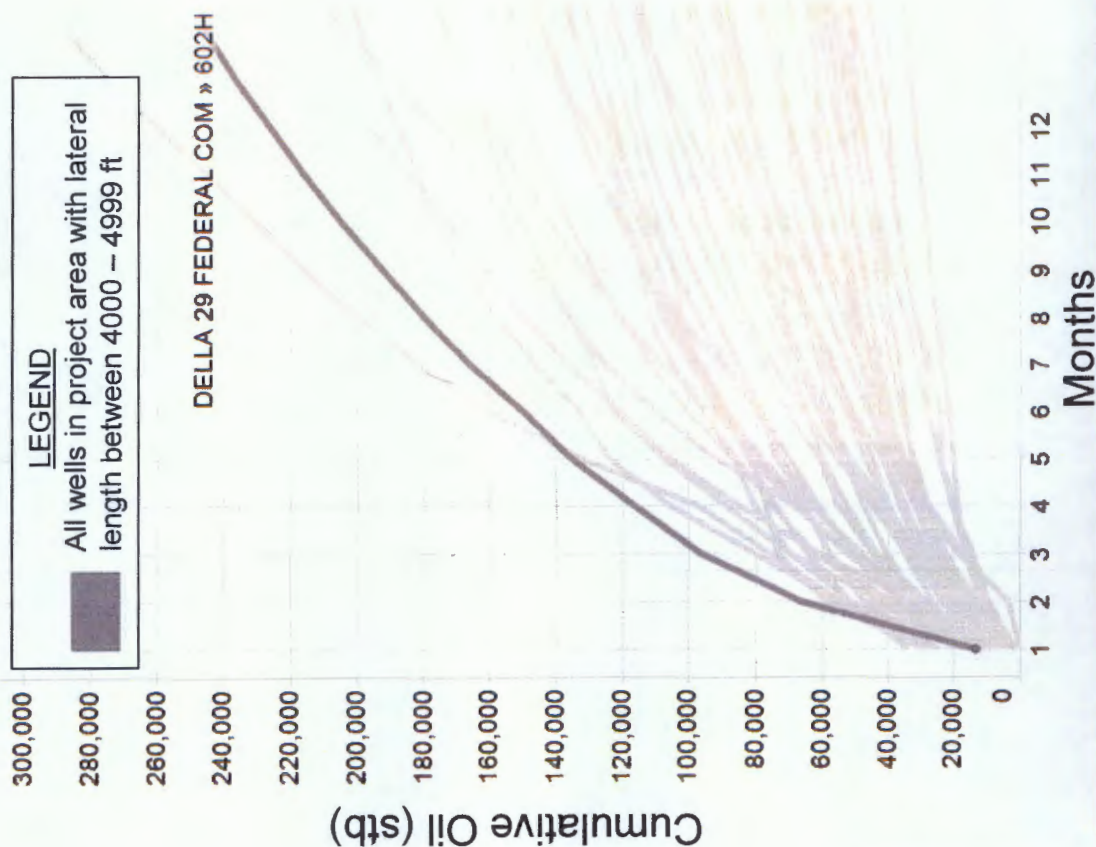
# Solomon Wolfcamp A



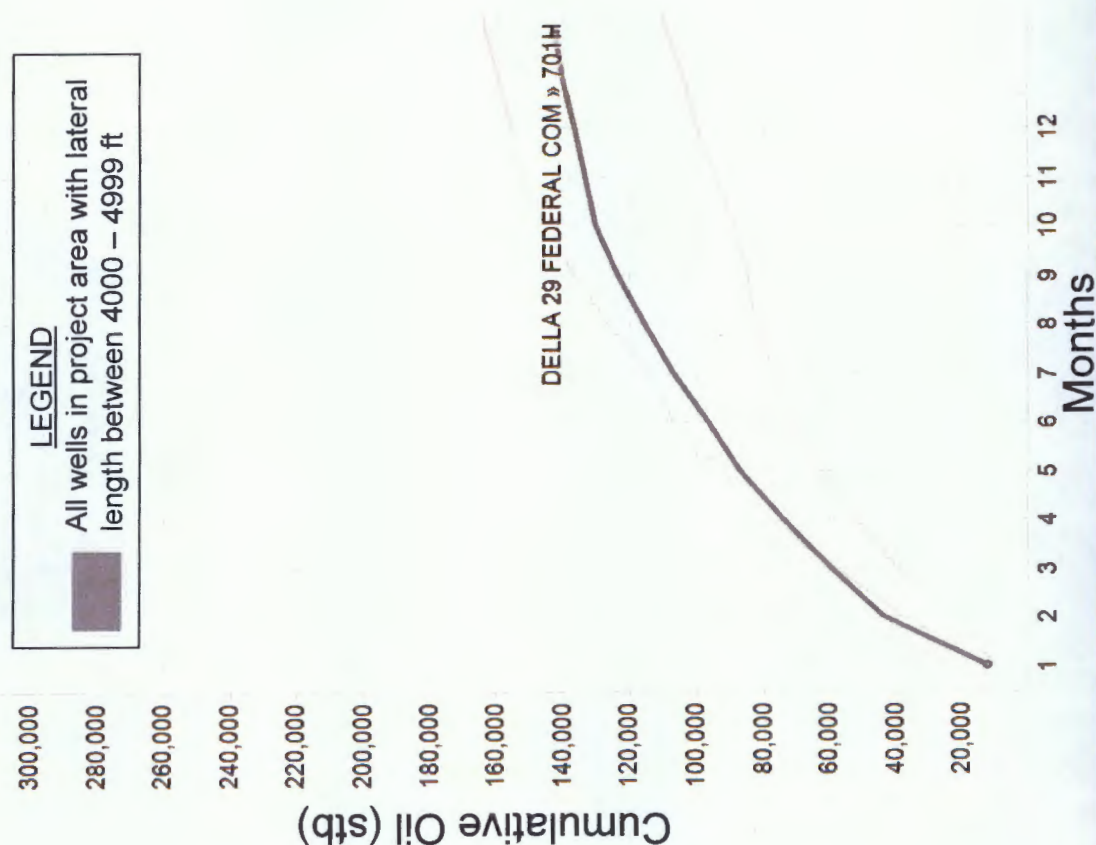
CENTENNIAL

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

3<sup>rd</sup> Bone Spring Sand – Cumulative Oil



Wolfcamp A – Cumulative Oil



CENTENNIAL



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## OCD Imaging

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### Well File Search Results: 17 Records Found

Please select the API Number you wish to view from the list below

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

1

Displaying screen 1 of 1

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*Conf.*  
*FS. 20*