



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
<https://www.blm.gov/new-mexico>

In Reply Refer To:

MAR 17 2021

NMNM141569
3105.2 (NM920)

Reference:

Communitization Agreement
Big Moose Fed Com 505H
Section 12: W2W2
Section 13: NWNW
T. 21 S., R. 32 E., N.M.P.M.
Lea County, NM

Ascent Energy, LLC
1125 17th Street, Suite 410
Denver, CO 80202

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM141569 involving 160 acres of Federal land in lease NMNM 127892, and 40 acres of Federal land in lease NMNM 014155, Lea County, New Mexico, which comprise a 200 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath W2W2 of Sec. 12 and NWNW of Sec. 13, T. 21 S., R. 32 E., NMPM, Lea County, NM, and is effective February 1, 2020. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504

If you have any questions regarding this approval, please contact Elizabeth Rivera at (505) 954-2162.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink that reads "Sheila Mallory". The signature is written in a cursive style with a large initial 'S'.

Sheila Mallory
Deputy State Director
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

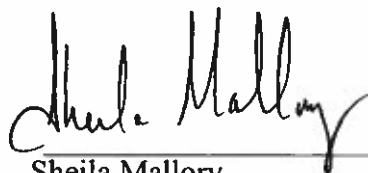
- B. Approve the attached Communitization Agreement covering W2W2 of Sec. 12 and NWNW of Sec. 13, T. 21 S., R. 32 E., NMPM, Lea County, NM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

MAR 17 2021



Sheila Mallory
Deputy State Director
Division of Minerals

Effective: February 1, 2020

Contract No.: Com. Agr. NMNM141569



RECEIVED

FEB 12 2020

BLM, NMSO
SANTA FE

February 10, 2020

Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Margie Dupre

NWNM
141569

RE: Communization Agreement
Big Moose Fed Com 505H 3002546498
T21S-R32E
Sec. 12: W2W2
Sec. 13: NWNW
200 Gross Acres, more or less
Lea County, New Mexico

Dear Ms. Dupre:

Enclosed are 3 originals of Federal Communization Agreement covering Ascent Energy, LLC's Big Moose Fed Com #505H well.

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

Very Truly Yours,

A handwritten signature in blue ink, appearing to be "LZink".

Lee Zink
Vice President of Land
Ascent Energy, LLC
1125 17th Street, Suite 410
Denver, CO 80202

F12

RECEIVED

State of New Mexico

Form C-102

Energy, Minerals & Natural Resources Department

Revised August 1, 2011

OIL CONSERVATION DIVISION

Submit one copy to appropriate District Office

Santa Fe, NM 87505

AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-0770
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87503
Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-46498	Pool Code 97895	Pool Name WLC-024 G-08 9213704D; 735
Property Code 726371	Property Name BIG MOOSE FED COM	Well Number 505H
OGRID No. 325830	Operator Name ASCENT ENERGY, LLC	Elevation 3763.6

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	1	21 S	32 E		308	SOUTH	865	WEST	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
D	13	21 S	32 E		990	NORTH	1290	WEST	LEA

Dedicated Acres 200.00	Joint or Infill	Consolidation Code C	Order No.
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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.

BIG MOOSE FED COM 605H
EL = 3763.6'

<p>GEODETIC COORDINATES NAD 27 NMSP EAST SURFACE LOCATION N.=546828.32 E.=715722.49 LAT. = 32.5013957°N LONG. = 103.6338154°W</p> <p>FIRST TAKE POINT NAD 27 NMSP EAST N.=548192.08 E.=718151.42 LAT. = 32.4998391°N LONG. = 103.6322378°W</p> <p>LAST TAKE POINT NAD 27 NMSP EAST N.=540254.88 E.=718188.47 LAT. = 32.4833194°N LONG. = 103.6322442°W</p> <p>BOTTOM OF HOLE NAD 27 NMSP EAST N.=540253.98 E.=718188.48 LAT. = 32.4833188°N LONG. = 103.6322442°W</p>	<p>GEODETIC COORDINATES NAD 83 NMSP EAST SURFACE LOCATION N.=546889.97 E.=756903.94 LAT. = 32.5015185°N LONG. = 103.6341055°W</p> <p>FIRST TAKE POINT NAD 83 NMSP EAST N.=548253.69 E.=757332.89 LAT. = 32.4897619°N LONG. = 103.6327278°W</p> <p>LAST TAKE POINT NAD 83 NMSP EAST N.=540316.44 E.=757370.10 LAT. = 32.4834422°N LONG. = 103.6327336°W</p> <p>BOTTOM OF HOLE NAD 83 NMSP EAST N.=540315.43 E.=757370.11 LAT. = 32.4834394°N LONG. = 103.6327336°W</p>
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CORNER COORDINATES TABLE
NAD 27 NMSP EAST

A - N.=549153.09, E.=714842.37
B - N.=549184.18, E.=718157.28
C - N.=548513.07, E.=714859.67
D - N.=548524.04, E.=718174.53
E - N.=543872.49, E.=714875.80
F - N.=543882.78, E.=718191.54
G - N.=541232.35, E.=714892.59
H - N.=541242.69, E.=718208.93

CORNER COORDINATES TABLE
NAD 83 NMSP EAST

A - N.=549214.81, E.=756023.75
B - N.=549225.90, E.=757338.88
C - N.=548574.71, E.=758041.12
D - N.=548585.88, E.=757358.00
E - N.=543934.05, E.=756057.32
F - N.=543944.35, E.=757373.07
G - N.=541293.84, E.=758074.18
H - N.=541304.18, E.=757390.13

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: *Brian Wood* Date: 5-5-18

Printed Name: Brian Wood

E-mail Address: brian@permitswest.com

(505) 466-8120

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.

APRIL 27, 2018

Date of Survey

Signature and Seal of Professional Surveyor

Professional Seal: FILIMON F. JARAMILLO, PLS 12797

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO. 60028

RECEIVED

FEB 12 2020

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. NMN-20141569

THIS AGREEMENT entered into as of the 1st day of February, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South – Range 32 East, N.M.P.M.
Section 12: W2W2
Section 13: NWNW
Lea County, NM

Containing 200.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ascent Energy, LLC 1125 17th Street, Suite 410, Denver, CO 80202. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

February 4, 2020
Date

Ascent Energy, LLC

Operator

By: Lee Zink

Operator/Attorney-in-Fact

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of Ascent Energy, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____  (signature of officer)

Printed: Lee Zink _____

TITLE: Vice President of Land

Phone number: (720) 710-8923, **email** lzink@ascentenergy.us

EXHIBIT "A"

Plat of communitized area covering **200.00** acres in:
Township 21 South – Range 32 East, N.M.P.M.
Section 12: W2W2
Section 13: NWNW
Lea County, NM

Big Moose Fed Com #505H

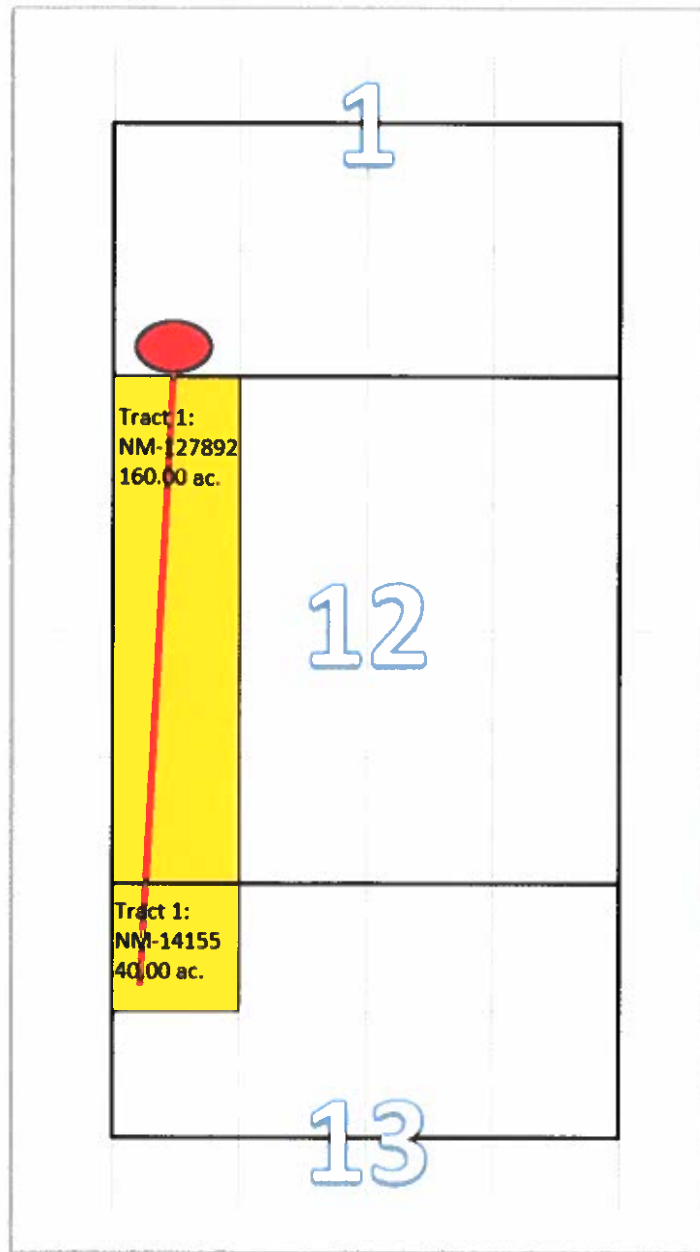


EXHIBIT "B"

To Communitization Agreement Dated February 1, 2020 embracing the following described land in:

Township 21 South – Range 32 East, N.M.P.M.

Section 12: W2W2

Section 13: NWNW

Lea County, NM

Operator of Communitized Area: Ascent Energy, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM-127892
Description of Land Committed:	Township 21 South, Range 32 West, N.M.P.M. Section 12: W/2W/2
Number of Acres:	160.00
Current Lessee of Record:	Ascent Energy, LLC – 75% Hanley Petroleum, Inc. – 25%
Name of Working Interest Owners:	Ascent Energy, LLC Advance Energy Partners Hat Mesa, LLC
ORRI Owners:	

Tract No. 2

Lease Serial Number:	NMNM-14155
Description of Land Committed:	Township 21 South, Range 32 East, N.M.P.M. Section 13: NW/4NW/4

Number of Gross Acres: 40.00

Current Lessee of Record: Leland Hodges – 100%

Name of Working Interest Owners: Ascent Energy, LLC
Advance Energy Partners Hat Mesa, LLC
Bullhead Energy, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	80.0000%
2	<u>40.00</u>	<u>20.0000%</u>
Total	200.00	100.0000%

RECEIVED

FEB 12 2020

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. 71M77M141569

THIS AGREEMENT entered into as of the 1st day of February, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

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Section 12: W2W2
Section 13: NWNW
Lea County, NM

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3. The Operator of the communitized area shall be Ascent Energy, LLC 1125 17th Street, Suite 410, Denver, CO 80202. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
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7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Ascent Energy, LLC

Operator

February 4, 2020

Date

By: Lee Zink

Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this 4th day of February, 2020, before me, a Notary Public for the State of Colorado, personally appeared Lee Zink, known to me to be the Vice President of Land of Ascent Energy, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

07/23/2023
My Commission Expires

Laurie C Otero
Notary Public

LAURIE C OTERO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20074025628
MY COMMISSION EXPIRES JULY 23, 2023

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of Ascent Energy, LLC, the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

NAME: _____  (signature of officer)

Printed: Dee Zink _____

TITLE: Vice President of Land

Phone number: (720) 710-8923, email lzink@ascentenergy.us

EXHIBIT "A"

Plat of communized area covering 200.00 acres in:
Township 21 South – Range 32 East, N.M.P.M.
Section 12: W2W2
Section 13: NWNW
Lea County, NM

Big Moose Fed Com #505H

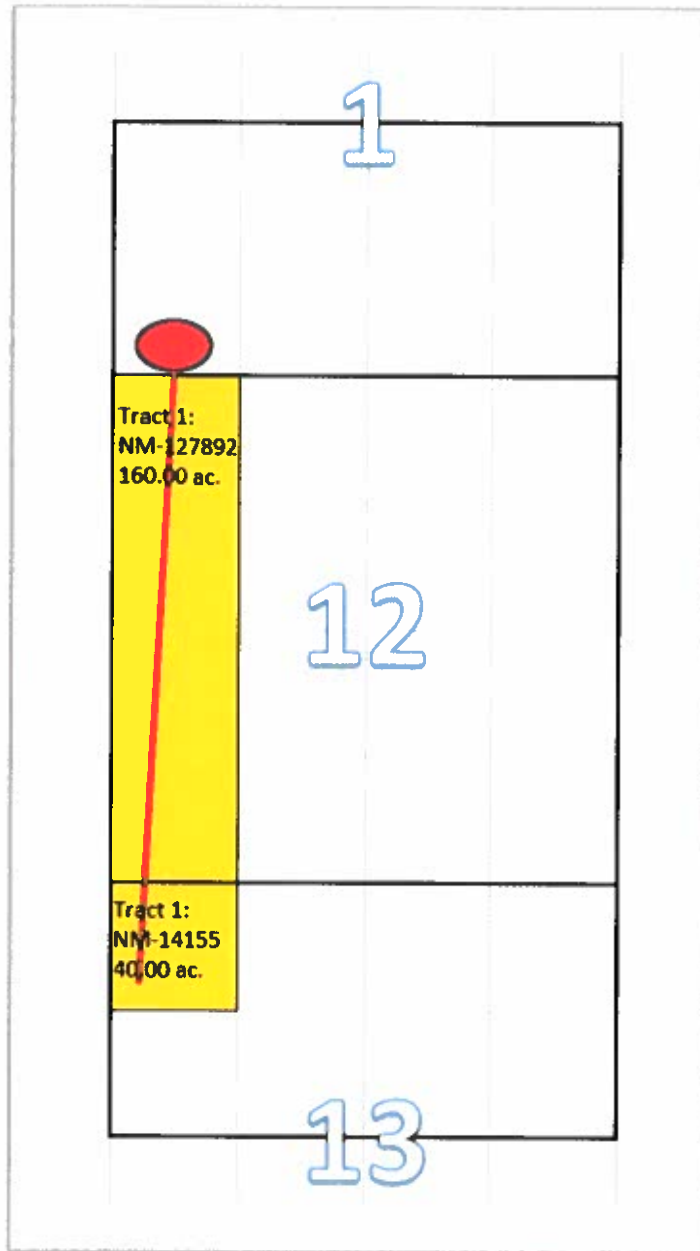


EXHIBIT "B"

To Communitization Agreement Dated February 1, 2020 embracing the following described land in:

Township 21 South – Range 32 East, N.M.P.M.

Section 12: W2W2

Section 13: NWNW

Lea County, NM

Operator of Communitized Area: Ascent Energy, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-127892

Description of Land Committed: Township 21 South, Range 32 West,
N.M.P.M.
Section 12: W/2W/2

Number of Acres: 160.00

Current Lessee of Record: Ascent Energy, LLC – 75%
Hanley Petroleum, Inc. – 25%

Name of Working Interest Owners: Ascent Energy, LLC
Advance Energy Partners Hat Mesa, LLC

ORRI Owners:

Tract No. 2

Lease Serial Number: NMNM-14155

Description of Land Committed: Township 21 South, Range 32 East,
N.M.P.M.
Section 13: NW/4NW/4

Number of Gross Acres: 40.00

Current Lessee of Record: Leland Hodges – 100%

Name of Working Interest Owners: Ascent Energy, LLC
Advance Energy Partners Hat Mesa, LLC
Bullhead Energy, LLC

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	80.0000%
2	<u>40.00</u>	<u>20.0000%</u>
Total	200.00	100.0000%

RECEIVED

FEB 12 2020

BLM, NMSO
SANTA FE

Federal Communitization Agreement

Contract No. 20200141569

THIS AGREEMENT entered into as of the 1st day of February, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 21 South – Range 32 East, N.M.P.M.
Section 12: W2W2
Section 13: NWNW
Lea County, NM

Containing 200.00 acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ascent Energy, LLC 1125 17th Street, Suite 410, Denver, CO 80202. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal lands included within the CA area are to be paid into the appropriate Unleased Lands Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is February 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Ascent Energy, LLC

Operator

February 4, 2020

Date

By: Lee Zink

Operator/Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this 4th day of February, 2020, before me, a Notary Public for the State of Colorado, personally appeared Lee Zink, known to me to be the Vice President of Land of Ascent Energy, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

07/23/2023
My Commission Expires

Laurie Otero
Notary Public

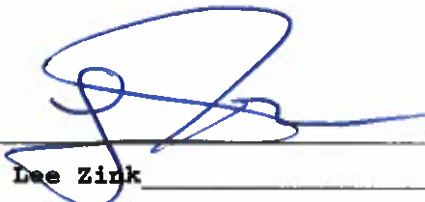
LAURIE C OTERO
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20074025628
MY COMMISSION EXPIRES JULY 23, 2023

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Phone number: (720) 710-8923, email lzink@ascentenergy.us

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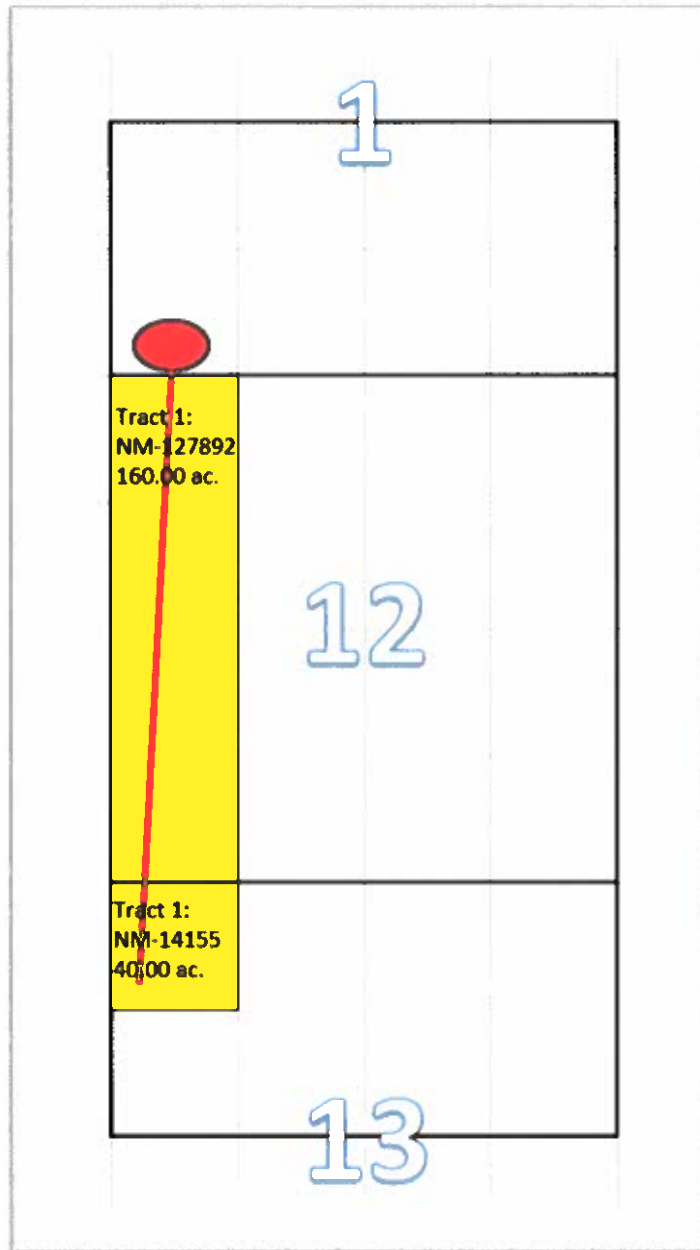


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