

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

Heather Riley, Division Director  
Oil Conservation Division



May 7, 2018

BUREAU OF LAND MANAGEMENT  
ATT: James S. Rutley  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT: Stephen Wust  
PO BOX 1148  
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ASCENT ENERGY, LLC.

LEASE NAME: TOQUE STATE # 601H

PROPOSED LOCATION: U/L L, Lot 17 Sec 6 T21S R33E 2516 FSL 350 FWL

PROPOSED DEPTH: 19066' MD

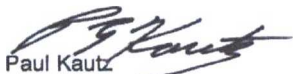
Gentleman:

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

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

Very truly yours,

OIL CONSERVATION DIVISION

  
Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2018 year) -----Yes \_\_\_\_\_ No ☒

The above referenced location is within the Buffer Zone -----Yes \_\_\_\_\_ No ☒

Signed \_\_\_\_\_

Printed Signature \_\_\_\_\_

Representing \_\_\_\_\_

US • BLM • NM • CFO • SOLIAS • RILEY

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HOBBS OCD  
MAY 16 2018  
RECEIVED

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Very truly yours,

OIL CONSERVATION DIVISION

Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2018 year) -----Yes \_\_\_\_\_ No ✓

The above referenced location is within the Buffer Zone -----Yes \_\_\_\_\_ No ✓ 52W

Signed   
Printed Signature Paul Kautz

Representing NMSLO



May 3, 2018

Oil Conservation Division  
1625 N. French Drive  
Hobbs, NM 88240  
Attn: Paul Kautz  
Hobbs District Geologist

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

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

Dear Mr. Kautz:

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

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

Kindest Regards,

Lee Zink  
Land Manager