

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM051844
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator ASCENT ENERGY LLC [325830]		8. Lease Name and Well No. SILVER FED COM [330787] 301H
3a. Address 1125 17TH ST SUITE 410, DENVER, CO 80202	3b. Phone No. (include area code) (720) 524-3449	9. API Well No. 30-025-48916
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW / 355 FSL / 657 FWL / LAT 32.581384 / LONG -103.674735 At proposed prod. zone NWNW / 50 FNL / 330 FWL / LAT 32.60934 / LONG -103.675699		10. Field and Pool, or Exploratory [27220] TEAS YATES - SEVEN RIVERS WEST/B
11. Sec., T. R. M. or Blk. and Survey or Area SEC 9/T20S/R33E/NMP		
14. Distance in miles and direction from nearest town or post office* 34.4 miles		12. County or Parish LEA
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 0 feet	16. No of acres in lease 160.0	17. Spacing Unit dedicated to this well 160.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 660 feet	19. Proposed Depth 8553 feet / 18929 feet	20. BLM/BIA Bond No. in file FED: NMB001698
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3530 feet	22. Approximate date work will start* 11/15/2020	23. Estimated duration 90 days
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) JILL JENSEN / Ph: (720) 710-8999	Date 09/30/2020
Title Authorized Agent		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 04/23/2021
Title Assistant Field Manager Lands & Minerals		
Office Carlsbad Field Office		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GCP Rec 04/26/2021

SL

(Continued on page 2)



Approval Date: 04/23/2021

KZ
05/26/2021

*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: SWSW / 355 FSL / 657 FWL / TWSP: 20S / RANGE: 33E / SECTION: 9 / LAT: 32.581384 / LONG: -103.674735 (TVD: 0 feet, MD: 0 feet)

PPP: SWSW / 0 FNL / 349 FWL / TWSP: 20S / RANGE: 33E / SECTION: 4 / LAT: 32.594917 / LONG: -103.675747 (TVD: 8624 feet, MD: 13499 feet)

PPP: NWNW / 1319 FNL / 344 FWL / TWSP: 20S / RANGE: 33E / SECTION: 9 / LAT: 32.591292 / LONG: -103.675758 (TVD: 8641 feet, MD: 12179 feet)

PPP: SWNW / 2639 FNL / 339 FWL / TWSP: 20S / RANGE: 33E / SECTION: 9 / LAT: 32.587664 / LONG: -103.675772 (TVD: 8658 feet, MD: 10860 feet)

PPP: SWSW / 100 FSL / 330 FWL / TWSP: 20S / RANGE: 33E / SECTION: 9 / LAT: 32.580684 / LONG: -103.675795 (TVD: 8276 feet, MD: 8320 feet)

BHL: NWNW / 50 FNL / 330 FWL / TWSP: 20S / RANGE: 33E / SECTION: 4 / LAT: 32.60934 / LONG: -103.675699 (TVD: 8553 feet, MD: 18929 feet)

BLM Point of Contact

Name: Gavin Mickwee

Title: Land Law Examiner

Phone: (575) 234-5972

Email: gmickwee@blm.gov

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Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

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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) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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

30-025-48916	27220	GEM;BONESPRING
330787	SILVER FED COM	301H
325830	ASCENT ENERGY	3531.5'

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	20S	33E		355	SOUTH	657	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
4	4	20S	33E		50	NORTH	330	WEST	LEA
¹² Dedicated Acres 320.51	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.

<p>16</p> <p>LINE TABLE</p> <table border="1"> <thead> <tr> <th>LINE</th> <th>DIRECTION</th> <th>LENGTH</th> </tr> </thead> <tbody> <tr> <td>L1</td> <td>S51°55'06"W</td> <td>414.00'</td> </tr> <tr> <td>L2</td> <td>N00°19'38"E</td> <td>50.00'</td> </tr> </tbody> </table> <p>NOTE:</p> <ul style="list-style-type: none"> Distances referenced on plat to section lines are perpendicular. Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83) <p>Legend:</p> <ul style="list-style-type: none"> ● = SURFACE HOLE LOCATION ◇ = FTP/LTP ○ = BOTTOM HOLE LOCATION ▲ = SECTION CORNER LOCATED △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.) <p>Details:</p> <p>Detail "A" No Scale</p> <p>Detail "B" No Scale</p> <p>SCALE DRAWN BY: K.A. 02-24-20</p>	LINE	DIRECTION	LENGTH	L1	S51°55'06"W	414.00'	L2	N00°19'38"E	50.00'	<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 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.</p> <p>Ben Metz 3/31/2020</p> <p>Signature Date</p> <p>Ben Metz</p> <p>Printed Name</p> <p>bmetz@ascentenergy.us</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 to the best of my belief.</p> <p>January 30, 2020</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>PAUL BUCHELE NEW MEXICO 23/82 02-24-20 PROFESSIONAL SURVEYOR</p> <p>Certificate Number:</p>
LINE	DIRECTION	LENGTH								
L1	S51°55'06"W	414.00'								
L2	N00°19'38"E	50.00'								

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 4-24-2020

☒ Original

Operator & OGRID No.: Ascent Energy, LLC (325830)

☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Silver Fed Com 301H	03-025 30-025-48916	M, 9, 20S, 33E	355' FSL 657' FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 302H	03-025	M, 9, 20S, 33E	355' FSL 707' FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 401H	03-025	M, 9, 20S, 33E	155' FSL 631' FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 501H	03-025	M, 9, 20S, 33E	155' FSL 656' FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 601H	03-025	M, 9, 20S, 33E	155' FSL 68'1 FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 701H	03-025	M, 9, 20S, 33E	155' FSL 706' FWL	200	~30 days	Flare until well clean, then connect
Silver Fed Com 705H	03-025	M, 9, 20S, 33E	355' FSL 682' FWL	200	~30 days	Flare until well clean, then connect

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from the production facility has not yet been dedicated. One possible outlet is 3 Bear Energy. 3Bear has an existing gas pipeline in NW Section 11, T20S R33E. Ascent Energy, LLC and 3Bear Energy have agreements in place to extend the gas pipeline to the Silver & Pony Express drill pads. Ascent Energy, LLC will provide (periodically) to 3Bear a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Ascent Energy, LLC and 3Bear will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at 3Bear Processing Plant at a yet to be determined location. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on 3Bear system at that time. Based on current information, it is Ascent Energy, LLC's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Ascent Energy, LLC
 Silver Fed Com 301H
 SHL: 355' FSL 657' FWL
 SWSW Section 9, T20S, R33E
 Lea County, New Mexico

Onshore Order 1
8 Point Drilling Plan

1. Geologic Formations/Estimated Tops

Formation	Lithology	MD	TVD	Mineral Resources
Upper Permian	Sandstone	0	0	Useable Water
Rustler	Anhydrite	1220	1220	None
Salado	Salt	1550	1550	None
Base Salado Salt	Salt	2850	2845	None
Tansil	Limestone	2902	2895	None
Yates	Carbonates	3035	3025	Natural Gas, Oil, CO2
Capitan Reef	Limestone	3311	3295	Useable Water
Delaware – Mt. Group	Sandstone	5216	5175	Natural Gas, Oil, CO2
Cherry Canyon	Sandstone	5286	5245	Natural Gas, Oil, CO2
Brushy Canyon	Sandstone	6626	6585	Natural Gas, Oil, CO2
Bone Spring	Limestone	8181	8140	Natural Gas, Oil, CO2
Bone Spring - Avalon	Shale	8308	8265	Natural Gas, Oil, CO2
Bone Spring – Leonard B	Limestone, Shale	8910	8665	Natural Gas, Oil, CO2
TD		18929	8553	Natural Gas, Oil, CO2

Notable Zones: Leonard B the target formation.

Closest water well (CP 00317) is 6783' NW. Depth to water is 325', total depth is 680'.

2. Blowout Prevention Equipment

- a. Pressure Rating: 5,000'
- b. Rating Depth: 15,000'
- c. Equipment: A 15,000', 5,000 psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. See attachments for BOP and choke manifold diagrams. Also present will be an accumulator that meets the requirements of Onshore Order #2 for the pressure rating of the BOP stack. A rotating head will also be installed as needed. BOP will be inspected and operated as recommended in Onshore Order #2. A top drive check valve and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. The wellhead will be a multi-bowl speed head.
- d. Testing Procedures: After surface casing is set and the BOP is nipped up, the BOP pressure tests will be made with a third-party tester to 250 psi low, 5000 psi high, and the annular preventer will be tested to 2,500 psi. The BOP will be tested in this manner after nipple-up if any break of the stack occurs as wells as every 30 days.
- e. Requesting Variance:



Ascent Energy, LLC
 Silver Fed Com 301H
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 Lea County, New Mexico

- i. Variance is requested to use a co-flex line between the BOP and choke manifold instead of using a 4" O. D. steel line. Choke and kill line data book are attached. If this hose is unavailable, then a hose of equal or higher rating will be used.
- ii. Variance is requested to use a speed head (aka, multi-bowl wellhead). Diagram is attached. After running the 13.375" surface casing, a 13.625" BOP/BOPE system with a >5000 psi WP will be installed on the wellhead system. It will be pressure tested to 250 psi low, followed by a test to 5000-psi high. Pressure test will be repeated at least every 30 days as required by Onshore Order 2.
- iii. Ascent requests a variance to run a multi-bowl speed head for setting the Intermediate 1, Intermediate 2, and Production Strings. Speed head will be installed by the vendor's representative(s). Well head welding will be monitored by the vendor's representative.

3. Casing

Interval	Hole Size	Interval MD	Interval TVD	Csg OD	Weight	Grade	Conn Type	Conn	New/ Used	DF Collapse	DF Burst	DF Tension
Surface	17.5	0' 1,245'	0' 1,245'	13.375	54.5	J-55	STC	API	New	1.82	3.72	3.06
1st Int	12.25	0' 3,004'	0' 2,995'	9.625	40.0	J-55	LTC	API	New	1.65	1.99	2.06
2nd Int	8.75	0' 5,216'	0' 5,175'	7.625	29.7	HCP-110	EZGO FJ3	Non-API	New	3.80	2.48	2.40
Production	6.75	0' 18,929'	0' 8,682'	5.5	20.0	HCP-110	EZGO HT	Non-API	New	2.82	2.80	1.82

*Casing Assumption Worksheet to be attached

Variance:

- A variance is requested to waive centralizer requirements for the 7.625" casing. An expansion additive will be used in the cement slurry for the entire length of the 8.75" hole to maximize cement bond and zone isolation.
- Variance is also requested to waive centralizers requirements for the 5.5 " casing. An expansion additive will be used in the cement slurry for the entire length of the 6.75" hole to maximize cement bond and zone isolation.

4. Cement



Ascent Energy, LLC
 Silver Fed Com 301H
 SHL: 355' FSL 657' FWL
 SWSW Section 9, T20S, R33E
 Lea County, New Mexico

Section	Depth	Type	Cmt Top	Excess	Ft ³	Sacks	BBLS	Wt. ppg	Yld Ft ³ /sk	Slurry Description
Surface	13.375	Lead	0	100%	993	575	177	13.5	1.728	Class C
	1245'	Tail	745'	100%	695	550	124	14.8	1.332	Class C
1st Int	9.625	Lead	0	100%	927	540	165	12.7	1.728	Class C
	3004'	Tail	2004'	100%	626	485	112	14.8	1.332	Class C
2nd Int	7.625	Lead	0	50%	464	230	83	12.7	2.039	Class C
	5216'	Tail	3916'	50%	196	155	35	14.8	1.368	Class C
Production	5.5	Lead	0	25%	574	200	102	11	2.887	TXI Nine Lite Cement
	18,929'	Tail	5,500'	25%	4,240	2885	755	13.2	1.472	35/65 Poz H

5. Circulating Medium (Mud Program)

- Mud System Type: Closed loop
- Air/Gas Drilling: No
- What will be on location to control well or mitigate other conditions: All necessary additives (e.g., barite, bentonite, LCM) to maintain mud properties and meet minimum lost circulation and weight increase needs will be on site at all times. Mud program may change due to hole conditions.
- Describe the mud monitoring system: Electronic Pason mud monitor system complying with Onshore Order 1 will be used. All necessary mud products (e.g., barite, cedar bark) for weight addition and fluid loss control will always be on site. Mud program is subject to change due to hole conditions. A closed loop system will be used.

Interval		Type	Weight	Viscosity	Water Loss
0'	1,245'	Fresh Water	8.4-9.6	34-38	N/C
1,245'	3,004'	Brine Water	10	28-34	N/C
3,004'	5,216'	Fresh Water	8.4-8.6	28-34	N/C
5,216'	18,929'	OBM	9-9.5	40-45	N/C

6. Test, Logging & Coring

- List of production tests including testing procedures, equipment and safety measures: GR will be collected while drilling through the MWD tools from 9.625" casing shoe to TD. A 2-person mud logging program will be used from 9.625" casing shoe to TD.
- Open/cased hole logs run in the well: No open hole logs
- Coring operations description for the well: No core, drill stem test, or open hole log is planned.

7. Anticipated Pressure



Ascent Energy, LLC
Silver Fed Com 301H
SHL: 355' FSL 657' FWL
SWSW Section 9, T20S, R33E
Lea County, New Mexico

- a. Anticipated bottom hole pressure: Maximum expected bottom hole pressure is 3000 psi.
- b. Anticipated bottom hole temperature: Expected bottom hole temperature is 148° F.
- c. Abnormal pressures, temperatures, or potential geologic hazards: No abnormal pressure or temperature is expected.
- d. Hydrogen sulfide drilling operations plan required: Yes
 - i. H₂S monitoring and detection equipment will be used from surface casing point to TD.
 - ii. Ascent does not anticipate that there will be enough H₂S from the surface to the Bone Spring formations to meet the BLM's Onshore Order 6 requirements for the submission of an "H₂S Drilling Operation Plan" or "Public Protection Plan" for drilling and completing this well. Ascent has an H₂S safety package on all wells and an "H₂S Drilling Operations Plan" is attached. Adequate flare lines will be installed off the mud/gas separator where gas may be safely flared. All personnel will be familiar with all aspects of safe operation of equipment being used.

8. Other Information

- a. Anticipated spud date is upon approval. It is expected it will take 3 months to drill and complete the well.
- b. Ascent requests approval to possibly utilize a spudder rig to drill and set casing for the surface interval on this well. The spudder rig will be possibly utilized in order to reduce cost and save time. The wellhead will be installed and tested as soon as the surface casing is cut off per the existing COAs. A blind flange with the same pressure rating as the wellhead will be installed on the well. Once the spudder rig is removed, Ascent will secure the wellhead area by placing a guard rail around the cellar. Pressure will be monitored and a means for intervention will be maintained while the drilling rig is not over the well. Spudder rig operations are expected to take 2-3 days per well. Three wells on the pad will have surface casing set by the spudder rig as a part of this operation. The BLM will be notified 24 hours prior to commencing spudder rig operations. Within 90 days of the departure of the spudder rig, drilling operations will recommence on these wells. This rig will have a BOP stack equal or greater to the pressure rating required in the COAs. The BLM will be notified 24 hours before the larger rig moves on the pre-set wells. Ascent will have supervision on the spudder rig to ensure compliance with all BLM and NMOCD regulations.
- c. Ascent requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event the wells are batch drilled, after drilling surface, 1st intermediate, and 2nd intermediate hole sections and cementing 2nd intermediate casing, a 10M dry hole cap with bleed off valve will be installed. The rig will then walk to another well on the pad. When the rig



Ascent Energy, LLC
Silver Fed Com 301H
SHL: 355' FSL 657' FWL
SWSW Section 9, T20S, R33E
Lea County, New Mexico

returns to this well and BOPs are installed, the operator will perform a full BOP test. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A hydraulically operated choke will be installed prior to drilling out of the intermediate casing shoe.

9. Lessee's or Operator's Representative

Permit Matters

UELS, LLC
85 S 200 E
Vernal, UT 84078
Amy Doebele- Permit Agent
435-789-1017
adoebele@uintahgroup.com

Drilling, Completions, Production & Operational Matters

Ascent Energy, LLC
1125 17th St., Suite 410
Denver, CO 80202
Gema Volek- Drilling Manager
785-312-2092
gvolek@ascentenergy.us





Project: LEA COUNTY, NEW MEXICO (NAD 83) (GRID)
Site: SEC 9 T20S R33E N.M.P.M. (GRID)
Well: SILVER FED COM 301H
Wellbore: ORIGINAL WELLBORE
Design: PROPOSAL #1

ANNOTATIONS

MD	Inc	Azi	TVD	+N/-S	+E/-W	VSect	Departure	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL: 355ft FSL & 657ft FWL of Sec 9
2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	START NUDGE (2°/100ft BUR)
2800.00	12.00	229.06	2795.62	-41.02	-47.29	-40.86	62.60	EOB TO 12° INC
4265.73	12.00	229.06	4229.32	-240.70	-277.50	-239.78	367.34	END OF TANGENT
4865.73	0.00	0.00	4824.95	-281.72	-324.79	-280.64	429.95	EOD TO VERTICAL
8149.87	0.00	0.00	8109.09	-281.72	-324.79	-280.64	429.95	KOP (10°/100ft BUR)
8319.75	16.99	359.81	8276.49	-256.72	-324.87	-255.64	455.44	FTP: 100ft FSL & 330ft FWL of Sec 9
9057.37	90.75	359.81	8682.00	298.73	-326.71	299.82	1010.40	HZ LP: 655.45ft FSL & 330ft FWL of Sec 9
18868.86	90.75	359.81	8553.57	10109.33	-359.25	10110.46	10821.05	LTP: 100ft FNL & 330ft FWL of Sec 4
18928.87	90.75	359.81	8553.00	10169.33	-359.77	10170.47	10881.05	BHL: 50ft FNL & 330ft FWL of Sec 4

PROPOSED LOCAL COORDINATES:

SHL: 355ft FSL & 657ft FWL Sec 9

FTP: 100ft FSL & 330ft FWL of Sec 9

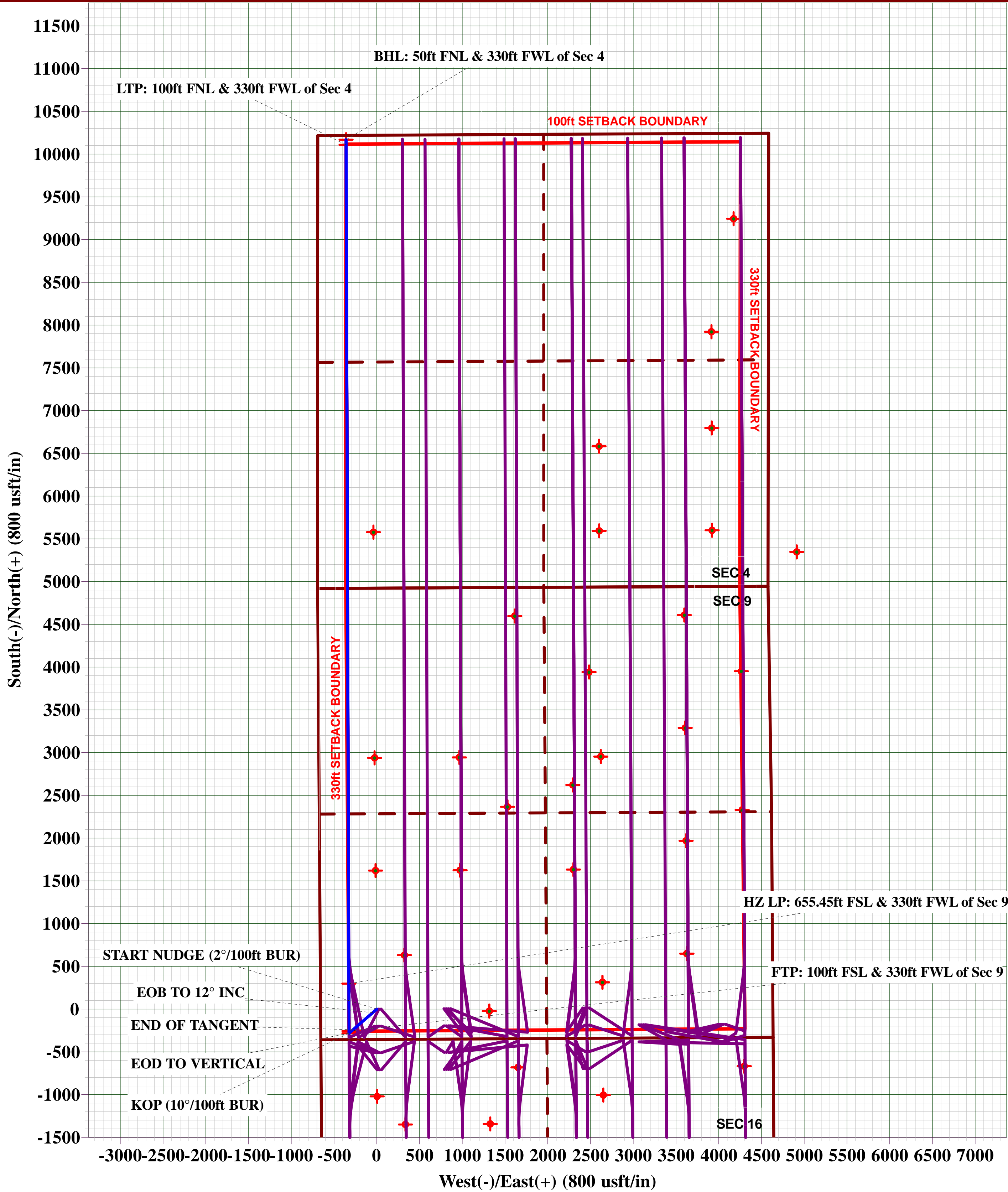
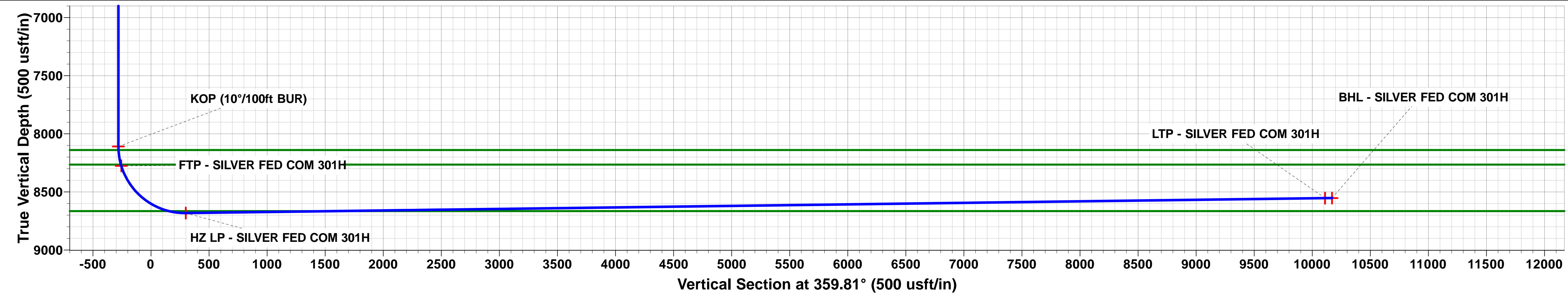
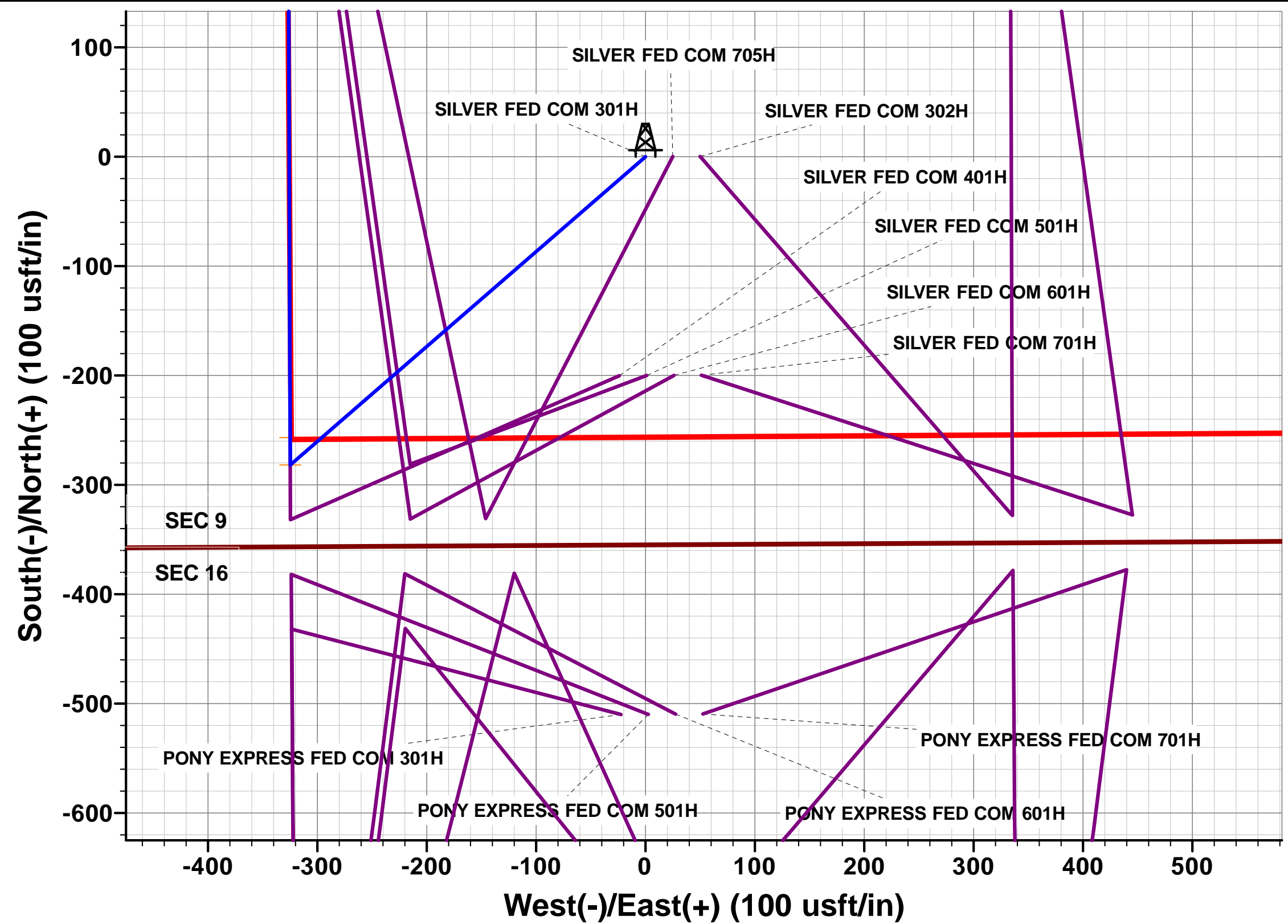
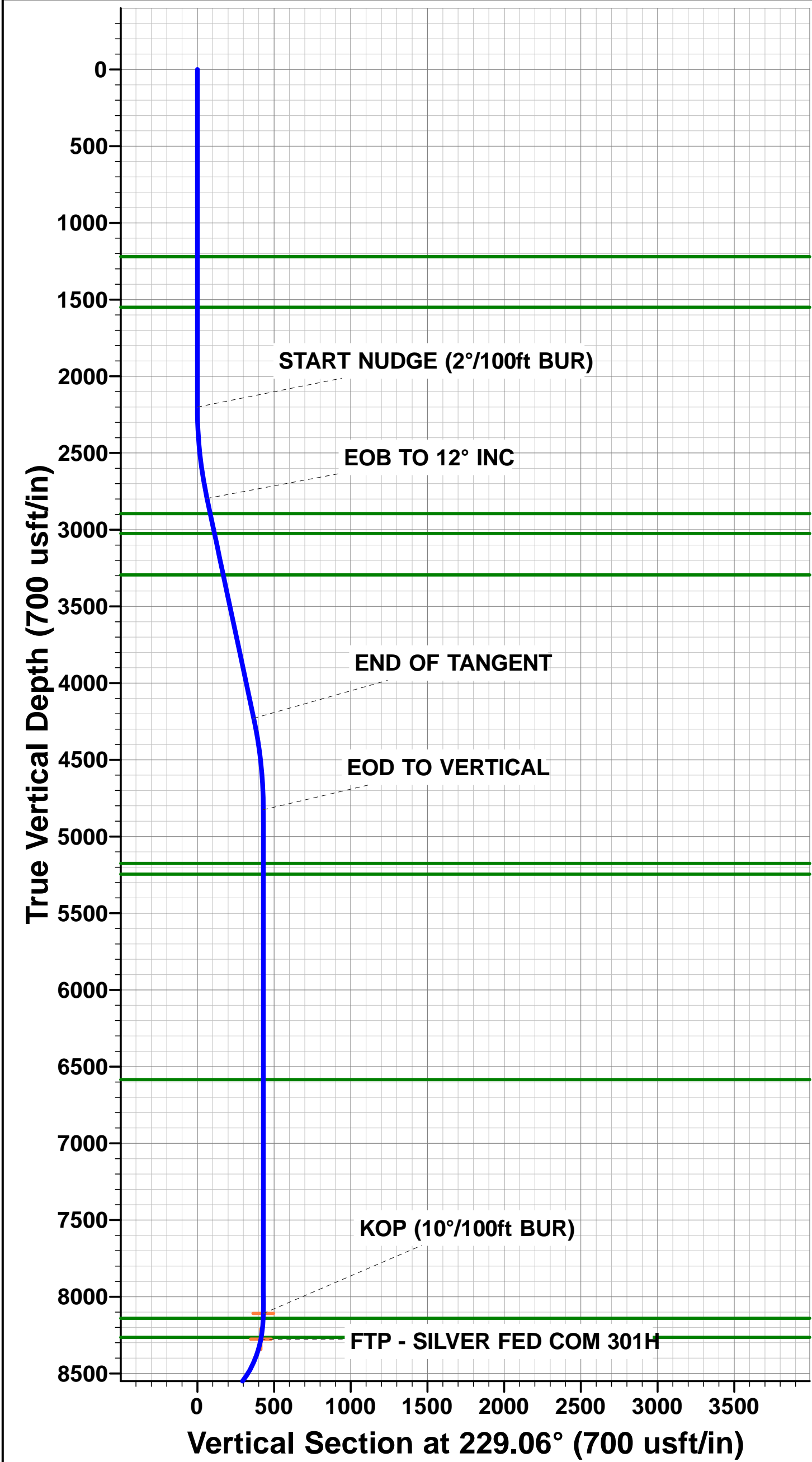
HZ LP: 655.45ft FSL & 330ft FWL Sec 9

LTP: 100ft FNL & 330ft FWL of Sec 4

BHL: 50ft FNL & 330ft FWL of Sec 4

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude
KOP - SILVER FED COM 301H	8109.09	-281.72	-324.79	32.580615	-103.675795
FTP - SILVER FED COM 301H	8276.49	-256.72	-324.87	32.580684	-103.675795
BHL - SILVER FED COM 301H	8553.00	10169.33	-359.77	32.609340	-103.675699
LTP - SILVER FED COM 301H	8553.57	10109.33	-359.25	32.609175	-103.675699
HZ LP - SILVER FED COM 301H	8682.00	298.73	-326.71	32.582211	-103.675790



Planning Report

Database:	Database 1	Local Co-ordinate Reference:	Well SILVER FED COM 301H
Company:	ASCENT ENERGY	TVD Reference:	KB EST 25' @ 3555.00usft
Project:	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)	MD Reference:	KB EST 25' @ 3555.00usft
Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Project	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		Using geodetic scale factor

Site		SEC 9 T20S R33E N.M.P.M. (GRID)			
Site Position:		Northing:	575,866.08 usft	Latitude:	32.581384
From:	Map	Easting:	744,198.21 usft	Longitude:	-103.674735
Position Uncertainty:	0.00 usft	Slot Radius:	1.10 ft	Grid Convergence:	0.35 °

Well	SILVER FED COM 301H					
Well Position	+N-S	0.00 usft	Northing:	575,866.08 usft	Latitude:	32.581384
	+E-W	0.00 usft	Easting:	744,198.21 usft	Longitude:	-103.674735
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	3,530.00 usft

Wellbore	ORIGINAL WELLBORE				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	2020-03-18	6.77	60.25	47,823.67547455

Design	PROPOSAL #1				
Audit Notes:					
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00	
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.00	0.00	0.00	359.81	

Plan Sections											
MD (usft)	Inc (°)	Azi (°)	Vertical Depth	SS (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	-3,555.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,200.00	0.00	0.00	2,200.00	-1,355.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,800.00	12.00	229.06	2,795.62	-759.38	-41.02	-47.29	2.00	2.00	0.00	229.06	
4,265.73	12.00	229.06	4,229.32	674.32	-240.70	-277.50	0.00	0.00	0.00	0.00	
4,865.73	0.00	0.00	4,824.95	1,269.95	-281.72	-324.79	2.00	-2.00	0.00	180.00	
8,149.87	0.00	0.00	8,109.09	4,554.09	-281.72	-324.79	0.00	0.00	0.00	0.00	KOP - SILVER FED
9,057.37	90.75	359.81	8,682.00	5,127.00	298.73	-326.71	10.00	10.00	0.00	359.81	
18,928.87	90.75	359.81	8,553.00	4,998.00	10,169.33	-359.77	0.00	0.00	0.00	0.00	BHL - SILVER FED

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Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
SHL: 355ft FSL & 657ft FWL of Sec 9										
0.00	0.00	0.00	0.00	3,555.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	3,455.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	3,355.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	3,255.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	3,155.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	3,055.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	2,955.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	2,855.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	2,755.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	2,655.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	2,555.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	2,455.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	2,355.00	0.00	0.00	0.00	0.00	0.00	0.00
RSTLR										
1,220.00	0.00	0.00	1,220.00	2,335.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	2,255.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	2,155.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	2,055.00	0.00	0.00	0.00	0.00	0.00	0.00
SALDO										
1,550.00	0.00	0.00	1,550.00	2,005.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	1,955.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	1,855.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	1,755.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	1,655.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	1,555.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	1,455.00	0.00	0.00	0.00	0.00	0.00	0.00
START NUDGE (2°/100ft BUR)										
2,200.00	0.00	0.00	2,200.00	1,355.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	2.00	229.06	2,299.98	1,255.02	-1.14	-1.32	-1.14	2.00	2.00	0.00
2,400.00	4.00	229.06	2,399.84	1,155.16	-4.57	-5.27	-4.56	2.00	2.00	0.00
2,500.00	6.00	229.06	2,499.45	1,055.55	-10.28	-11.86	-10.24	2.00	2.00	0.00
2,600.00	8.00	229.06	2,598.70	956.30	-18.27	-21.06	-18.20	2.00	2.00	0.00
2,700.00	10.00	229.06	2,697.47	857.53	-28.52	-32.88	-28.41	2.00	2.00	0.00
EOB TO 12° INC										
2,800.00	12.00	229.06	2,795.62	759.38	-41.02	-47.29	-40.86	2.00	2.00	0.00
2,900.00	12.00	229.06	2,893.44	661.56	-54.64	-63.00	-54.43	0.00	0.00	0.00
TANSIL										
2,901.60	12.00	229.06	2,895.00	660.00	-54.86	-63.25	-54.65	0.00	0.00	0.00
3,000.00	12.00	229.06	2,991.25	563.75	-68.27	-78.70	-68.01	0.00	0.00	0.00
YATES										
3,034.50	12.00	229.06	3,025.00	530.00	-72.97	-84.12	-72.69	0.00	0.00	0.00
3,100.00	12.00	229.06	3,089.07	465.93	-81.89	-94.41	-81.58	0.00	0.00	0.00
3,200.00	12.00	229.06	3,186.88	368.12	-95.51	-110.12	-95.15	0.00	0.00	0.00
3,300.00	12.00	229.06	3,284.70	270.30	-109.14	-125.82	-108.72	0.00	0.00	0.00
CAPITAN REEF TOP										
3,310.53	12.00	229.06	3,295.00	260.00	-110.57	-127.48	-110.15	0.00	0.00	0.00
3,400.00	12.00	229.06	3,382.51	172.49	-122.76	-141.53	-122.29	0.00	0.00	0.00
3,500.00	12.00	229.06	3,480.33	74.67	-136.38	-157.23	-135.86	0.00	0.00	0.00
3,600.00	12.00	229.06	3,578.14	-23.14	-150.01	-172.94	-149.43	0.00	0.00	0.00
3,700.00	12.00	229.06	3,675.96	-120.96	-163.63	-188.65	-163.00	0.00	0.00	0.00
3,800.00	12.00	229.06	3,773.77	-218.77	-177.25	-204.35	-176.57	0.00	0.00	0.00

Planning Report

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Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,900.00	12.00	229.06	3,871.59	-316.59	-190.88	-220.06	-190.15	0.00	0.00	0.00
4,000.00	12.00	229.06	3,969.40	-414.40	-204.50	-235.76	-203.72	0.00	0.00	0.00
4,100.00	12.00	229.06	4,067.22	-512.22	-218.12	-251.47	-217.29	0.00	0.00	0.00
4,200.00	12.00	229.06	4,165.03	-610.03	-231.75	-267.18	-230.86	0.00	0.00	0.00
END OF TANGENT										
4,265.73	12.00	229.06	4,229.32	-674.32	-240.70	-277.50	-239.78	0.00	0.00	0.00
4,300.00	11.31	229.06	4,262.89	-707.89	-245.24	-282.73	-244.30	2.00	-2.00	0.00
4,400.00	9.31	229.06	4,361.27	-806.27	-256.97	-296.26	-255.99	2.00	-2.00	0.00
4,500.00	7.31	229.06	4,460.21	-905.21	-266.44	-307.18	-265.42	2.00	-2.00	0.00
4,600.00	5.31	229.06	4,559.60	-1,004.60	-273.65	-315.49	-272.60	2.00	-2.00	0.00
4,700.00	3.31	229.06	4,659.31	-1,104.31	-278.58	-321.17	-277.51	2.00	-2.00	0.00
4,800.00	1.31	229.06	4,759.22	-1,204.22	-281.23	-324.22	-280.15	2.00	-2.00	0.00
EOD TO VERTICAL										
4,865.73	0.00	0.00	4,824.95	-1,269.95	-281.72	-324.79	-280.64	2.00	-2.00	0.00
4,900.00	0.00	0.00	4,859.22	-1,304.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,000.00	0.00	0.00	4,959.22	-1,404.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,100.00	0.00	0.00	5,059.22	-1,504.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,200.00	0.00	0.00	5,159.22	-1,604.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
TOP DELAWARE SAND										
5,215.78	0.00	0.00	5,175.00	-1,620.00	-281.72	-324.79	-280.64	0.00	0.00	0.00
CHERRY CANYON										
5,285.78	0.00	0.00	5,245.00	-1,690.00	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,300.00	0.00	0.00	5,259.22	-1,704.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,400.00	0.00	0.00	5,359.22	-1,804.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,500.00	0.00	0.00	5,459.22	-1,904.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,600.00	0.00	0.00	5,559.22	-2,004.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,700.00	0.00	0.00	5,659.22	-2,104.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,800.00	0.00	0.00	5,759.22	-2,204.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
5,900.00	0.00	0.00	5,859.22	-2,304.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,000.00	0.00	0.00	5,959.22	-2,404.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,100.00	0.00	0.00	6,059.22	-2,504.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,200.00	0.00	0.00	6,159.22	-2,604.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,300.00	0.00	0.00	6,259.22	-2,704.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,400.00	0.00	0.00	6,359.22	-2,804.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,500.00	0.00	0.00	6,459.22	-2,904.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,600.00	0.00	0.00	6,559.22	-3,004.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
BRUSHY CANYON										
6,625.78	0.00	0.00	6,585.00	-3,030.00	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,700.00	0.00	0.00	6,659.22	-3,104.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,800.00	0.00	0.00	6,759.22	-3,204.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
6,900.00	0.00	0.00	6,859.22	-3,304.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,000.00	0.00	0.00	6,959.22	-3,404.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,100.00	0.00	0.00	7,059.22	-3,504.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,200.00	0.00	0.00	7,159.22	-3,604.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,300.00	0.00	0.00	7,259.22	-3,704.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,400.00	0.00	0.00	7,359.22	-3,804.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,500.00	0.00	0.00	7,459.22	-3,904.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,600.00	0.00	0.00	7,559.22	-4,004.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,700.00	0.00	0.00	7,659.22	-4,104.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,800.00	0.00	0.00	7,759.22	-4,204.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
7,900.00	0.00	0.00	7,859.22	-4,304.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
8,000.00	0.00	0.00	7,959.22	-4,404.22	-281.72	-324.79	-280.64	0.00	0.00	0.00

Planning Report

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Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,100.00	0.00	0.00	8,059.22	-4,504.22	-281.72	-324.79	-280.64	0.00	0.00	0.00
KOP (10°/100ft BUR)										
8,149.87	0.00	0.00	8,109.09	-4,554.09	-281.72	-324.79	-280.64	0.00	0.00	0.00
BSPG LIME										
8,180.80	3.09	359.81	8,140.00	-4,585.00	-280.89	-324.79	-279.81	10.00	10.00	0.00
8,200.00	5.01	359.81	8,159.15	-4,604.15	-279.53	-324.80	-278.45	10.00	10.00	0.00
8,300.00	15.01	359.81	8,257.50	-4,702.50	-262.16	-324.85	-261.09	10.00	10.00	0.00
AVLN										
8,307.77	15.79	359.81	8,265.00	-4,710.00	-260.10	-324.86	-259.02	10.00	10.00	0.00
FTP: 100ft FSL & 330ft FWL of Sec 9										
8,319.75	16.99	359.81	8,276.49	-4,721.49	-256.72	-324.87	-255.64	10.00	10.00	0.00
8,400.00	25.01	359.81	8,351.35	-4,796.35	-227.99	-324.97	-226.91	10.00	10.00	0.00
8,500.00	35.01	359.81	8,437.83	-4,882.83	-178.03	-325.13	-176.95	10.00	10.00	0.00
8,600.00	45.01	359.81	8,514.32	-4,959.32	-113.82	-325.35	-112.74	10.00	10.00	0.00
8,700.00	55.01	359.81	8,578.50	-5,023.50	-37.29	-325.60	-36.22	10.00	10.00	0.00
8,800.00	65.01	359.81	8,628.42	-5,073.42	49.21	-325.89	50.29	10.00	10.00	0.00
8,900.00	75.01	359.81	8,662.56	-5,107.56	143.07	-326.20	144.15	10.00	10.00	0.00
LEONARD B										
8,909.76	75.99	359.81	8,665.00	-5,110.00	152.51	-326.23	153.59	10.00	10.00	0.00
9,000.00	85.01	359.81	8,679.88	-5,124.88	241.42	-326.52	242.51	10.00	10.00	0.00
HZ LP: 655.45ft FSL & 330ft FWL of Sec 9										
9,057.37	90.75	359.81	8,682.00	-5,127.00	298.73	-326.71	299.82	10.00	10.00	0.00
9,100.00	90.75	359.81	8,681.44	-5,126.44	341.36	-326.86	342.44	0.00	0.00	0.00
9,200.00	90.75	359.81	8,680.13	-5,125.13	441.35	-327.19	442.43	0.00	0.00	0.00
9,300.00	90.75	359.81	8,678.82	-5,123.82	541.34	-327.52	542.42	0.00	0.00	0.00
9,400.00	90.75	359.81	8,677.51	-5,122.51	641.33	-327.85	642.41	0.00	0.00	0.00
9,500.00	90.75	359.81	8,676.20	-5,121.20	741.32	-328.18	742.40	0.00	0.00	0.00
9,600.00	90.75	359.81	8,674.90	-5,119.90	841.31	-328.51	842.40	0.00	0.00	0.00
9,700.00	90.75	359.81	8,673.59	-5,118.59	941.30	-328.85	942.39	0.00	0.00	0.00
9,800.00	90.75	359.81	8,672.28	-5,117.28	1,041.29	-329.18	1,042.38	0.00	0.00	0.00
9,900.00	90.75	359.81	8,670.97	-5,115.97	1,141.28	-329.51	1,142.37	0.00	0.00	0.00
10,000.00	90.75	359.81	8,669.66	-5,114.66	1,241.27	-329.84	1,242.36	0.00	0.00	0.00
10,100.00	90.75	359.81	8,668.35	-5,113.35	1,341.27	-330.17	1,342.35	0.00	0.00	0.00
10,200.00	90.75	359.81	8,667.04	-5,112.04	1,441.26	-330.50	1,442.34	0.00	0.00	0.00
10,300.00	90.75	359.81	8,665.73	-5,110.73	1,541.25	-330.84	1,542.34	0.00	0.00	0.00
10,400.00	90.75	359.81	8,664.42	-5,109.42	1,641.24	-331.17	1,642.33	0.00	0.00	0.00
10,500.00	90.75	359.81	8,663.12	-5,108.12	1,741.23	-331.50	1,742.32	0.00	0.00	0.00
10,600.00	90.75	359.81	8,661.81	-5,106.81	1,841.22	-331.83	1,842.31	0.00	0.00	0.00
10,700.00	90.75	359.81	8,660.50	-5,105.50	1,941.21	-332.16	1,942.30	0.00	0.00	0.00
10,800.00	90.75	359.81	8,659.19	-5,104.19	2,041.20	-332.49	2,042.29	0.00	0.00	0.00
10,900.00	90.75	359.81	8,657.88	-5,102.88	2,141.19	-332.82	2,142.28	0.00	0.00	0.00
11,000.00	90.75	359.81	8,656.57	-5,101.57	2,241.18	-333.16	2,242.28	0.00	0.00	0.00
11,100.00	90.75	359.81	8,655.26	-5,100.26	2,341.17	-333.49	2,342.27	0.00	0.00	0.00
11,200.00	90.75	359.81	8,653.95	-5,098.95	2,441.17	-333.82	2,442.26	0.00	0.00	0.00
11,300.00	90.75	359.81	8,652.64	-5,097.64	2,541.16	-334.15	2,542.25	0.00	0.00	0.00
11,400.00	90.75	359.81	8,651.33	-5,096.33	2,641.15	-334.48	2,642.24	0.00	0.00	0.00
11,500.00	90.75	359.81	8,650.03	-5,095.03	2,741.14	-334.81	2,742.23	0.00	0.00	0.00
11,600.00	90.75	359.81	8,648.72	-5,093.72	2,841.13	-335.15	2,842.22	0.00	0.00	0.00
11,700.00	90.75	359.81	8,647.41	-5,092.41	2,941.12	-335.48	2,942.22	0.00	0.00	0.00
11,800.00	90.75	359.81	8,646.10	-5,091.10	3,041.11	-335.81	3,042.21	0.00	0.00	0.00
11,900.00	90.75	359.81	8,644.79	-5,089.79	3,141.10	-336.14	3,142.20	0.00	0.00	0.00
12,000.00	90.75	359.81	8,643.48	-5,088.48	3,241.09	-336.47	3,242.19	0.00	0.00	0.00

Planning Report

Database:	Database 1	Local Co-ordinate Reference:	Well SILVER FED COM 301H
Company:	ASCENT ENERGY	TVD Reference:	KB EST 25' @ 3555.00usft
Project:	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)	MD Reference:	KB EST 25' @ 3555.00usft
Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey										
MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N-S (usft)	+E-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
12,100.00	90.75	359.81	8,642.17	-5,087.17	3,341.08	-336.80	3,342.18	0.00	0.00	0.00
12,200.00	90.75	359.81	8,640.86	-5,085.86	3,441.07	-337.14	3,442.17	0.00	0.00	0.00
12,300.00	90.75	359.81	8,639.55	-5,084.55	3,541.07	-337.47	3,542.16	0.00	0.00	0.00
12,400.00	90.75	359.81	8,638.25	-5,083.25	3,641.06	-337.80	3,642.16	0.00	0.00	0.00
12,500.00	90.75	359.81	8,636.94	-5,081.94	3,741.05	-338.13	3,742.15	0.00	0.00	0.00
12,600.00	90.75	359.81	8,635.63	-5,080.63	3,841.04	-338.46	3,842.14	0.00	0.00	0.00
12,700.00	90.75	359.81	8,634.32	-5,079.32	3,941.03	-338.79	3,942.13	0.00	0.00	0.00
12,800.00	90.75	359.81	8,633.01	-5,078.01	4,041.02	-339.12	4,042.12	0.00	0.00	0.00
12,900.00	90.75	359.81	8,631.70	-5,076.70	4,141.01	-339.46	4,142.11	0.00	0.00	0.00
13,000.00	90.75	359.81	8,630.39	-5,075.39	4,241.00	-339.79	4,242.10	0.00	0.00	0.00
13,100.00	90.75	359.81	8,629.08	-5,074.08	4,340.99	-340.12	4,342.10	0.00	0.00	0.00
13,200.00	90.75	359.81	8,627.77	-5,072.77	4,440.98	-340.45	4,442.09	0.00	0.00	0.00
13,300.00	90.75	359.81	8,626.46	-5,071.46	4,540.97	-340.78	4,542.08	0.00	0.00	0.00
13,400.00	90.75	359.81	8,625.16	-5,070.16	4,640.97	-341.11	4,642.07	0.00	0.00	0.00
13,500.00	90.75	359.81	8,623.85	-5,068.85	4,740.96	-341.45	4,742.06	0.00	0.00	0.00
13,600.00	90.75	359.81	8,622.54	-5,067.54	4,840.95	-341.78	4,842.05	0.00	0.00	0.00
13,700.00	90.75	359.81	8,621.23	-5,066.23	4,940.94	-342.11	4,942.04	0.00	0.00	0.00
13,800.00	90.75	359.81	8,619.92	-5,064.92	5,040.93	-342.44	5,042.04	0.00	0.00	0.00
13,900.00	90.75	359.81	8,618.61	-5,063.61	5,140.92	-342.77	5,142.03	0.00	0.00	0.00
14,000.00	90.75	359.81	8,617.30	-5,062.30	5,240.91	-343.10	5,242.02	0.00	0.00	0.00
14,100.00	90.75	359.81	8,615.99	-5,060.99	5,340.90	-343.44	5,342.01	0.00	0.00	0.00
14,200.00	90.75	359.81	8,614.68	-5,059.68	5,440.89	-343.77	5,442.00	0.00	0.00	0.00
14,300.00	90.75	359.81	8,613.37	-5,058.37	5,540.88	-344.10	5,541.99	0.00	0.00	0.00
14,400.00	90.75	359.81	8,612.07	-5,057.07	5,640.87	-344.43	5,641.98	0.00	0.00	0.00
14,500.00	90.75	359.81	8,610.76	-5,055.76	5,740.86	-344.76	5,741.98	0.00	0.00	0.00
14,600.00	90.75	359.81	8,609.45	-5,054.45	5,840.86	-345.09	5,841.97	0.00	0.00	0.00
14,700.00	90.75	359.81	8,608.14	-5,053.14	5,940.85	-345.43	5,941.96	0.00	0.00	0.00
14,800.00	90.75	359.81	8,606.83	-5,051.83	6,040.84	-345.76	6,041.95	0.00	0.00	0.00
14,900.00	90.75	359.81	8,605.52	-5,050.52	6,140.83	-346.09	6,141.94	0.00	0.00	0.00
15,000.00	90.75	359.81	8,604.21	-5,049.21	6,240.82	-346.42	6,241.93	0.00	0.00	0.00
15,100.00	90.75	359.81	8,602.90	-5,047.90	6,340.81	-346.75	6,341.93	0.00	0.00	0.00
15,200.00	90.75	359.81	8,601.59	-5,046.59	6,440.80	-347.08	6,441.92	0.00	0.00	0.00
15,300.00	90.75	359.81	8,600.29	-5,045.29	6,540.79	-347.41	6,541.91	0.00	0.00	0.00
15,400.00	90.75	359.81	8,598.98	-5,043.98	6,640.78	-347.75	6,641.90	0.00	0.00	0.00
15,500.00	90.75	359.81	8,597.67	-5,042.67	6,740.77	-348.08	6,741.89	0.00	0.00	0.00
15,600.00	90.75	359.81	8,596.36	-5,041.36	6,840.76	-348.41	6,841.88	0.00	0.00	0.00
15,700.00	90.75	359.81	8,595.05	-5,040.05	6,940.76	-348.74	6,941.87	0.00	0.00	0.00
15,800.00	90.75	359.81	8,593.74	-5,038.74	7,040.75	-349.07	7,041.87	0.00	0.00	0.00
15,900.00	90.75	359.81	8,592.43	-5,037.43	7,140.74	-349.40	7,141.86	0.00	0.00	0.00
16,000.00	90.75	359.81	8,591.12	-5,036.12	7,240.73	-349.74	7,241.85	0.00	0.00	0.00
16,100.00	90.75	359.81	8,589.81	-5,034.81	7,340.72	-350.07	7,341.84	0.00	0.00	0.00
16,200.00	90.75	359.81	8,588.50	-5,033.50	7,440.71	-350.40	7,441.83	0.00	0.00	0.00
16,300.00	90.75	359.81	8,587.20	-5,032.20	7,540.70	-350.73	7,541.82	0.00	0.00	0.00
16,400.00	90.75	359.81	8,585.89	-5,030.89	7,640.69	-351.06	7,641.81	0.00	0.00	0.00
16,500.00	90.75	359.81	8,584.58	-5,029.58	7,740.68	-351.39	7,741.81	0.00	0.00	0.00
16,600.00	90.75	359.81	8,583.27	-5,028.27	7,840.67	-351.73	7,841.80	0.00	0.00	0.00
16,700.00	90.75	359.81	8,581.96	-5,026.96	7,940.66	-352.06	7,941.79	0.00	0.00	0.00
16,800.00	90.75	359.81	8,580.65	-5,025.65	8,040.66	-352.39	8,041.78	0.00	0.00	0.00
16,900.00	90.75	359.81	8,579.34	-5,024.34	8,140.65	-352.72	8,141.77	0.00	0.00	0.00
17,000.00	90.75	359.81	8,578.03	-5,023.03	8,240.64	-353.05	8,241.76	0.00	0.00	0.00
17,100.00	90.75	359.81	8,576.72	-5,021.72	8,340.63	-353.38	8,341.75	0.00	0.00	0.00
17,200.00	90.75	359.81	8,575.42	-5,020.42	8,440.62	-353.71	8,441.75	0.00	0.00	0.00
17,300.00	90.75	359.81	8,574.11	-5,019.11	8,540.61	-354.05	8,541.74	0.00	0.00	0.00

Planning Report

Database:	Database 1	Local Co-ordinate Reference:	Well SILVER FED COM 301H
Company:	ASCENT ENERGY	TVD Reference:	KB EST 25' @ 3555.00usft
Project:	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)	MD Reference:	KB EST 25' @ 3555.00usft
Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey

MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
17,400.00	90.75	359.81	8,572.80	-5,017.80	8,640.60	-354.38	8,641.73	0.00	0.00	0.00
17,500.00	90.75	359.81	8,571.49	-5,016.49	8,740.59	-354.71	8,741.72	0.00	0.00	0.00
17,600.00	90.75	359.81	8,570.18	-5,015.18	8,840.58	-355.04	8,841.71	0.00	0.00	0.00
17,700.00	90.75	359.81	8,568.87	-5,013.87	8,940.57	-355.37	8,941.70	0.00	0.00	0.00
17,800.00	90.75	359.81	8,567.56	-5,012.56	9,040.56	-355.70	9,041.69	0.00	0.00	0.00
17,900.00	90.75	359.81	8,566.25	-5,011.25	9,140.55	-356.04	9,141.69	0.00	0.00	0.00
18,000.00	90.75	359.81	8,564.94	-5,009.94	9,240.55	-356.37	9,241.68	0.00	0.00	0.00
18,100.00	90.75	359.81	8,563.63	-5,008.63	9,340.54	-356.70	9,341.67	0.00	0.00	0.00
18,200.00	90.75	359.81	8,562.33	-5,007.33	9,440.53	-357.03	9,441.66	0.00	0.00	0.00
18,300.00	90.75	359.81	8,561.02	-5,006.02	9,540.52	-357.36	9,541.65	0.00	0.00	0.00
18,400.00	90.75	359.81	8,559.71	-5,004.71	9,640.51	-357.69	9,641.64	0.00	0.00	0.00
18,500.00	90.75	359.81	8,558.40	-5,003.40	9,740.50	-358.03	9,741.63	0.00	0.00	0.00
18,600.00	90.75	359.81	8,557.09	-5,002.09	9,840.49	-358.36	9,841.63	0.00	0.00	0.00
18,700.00	90.75	359.81	8,555.78	-5,000.78	9,940.48	-358.69	9,941.62	0.00	0.00	0.00
18,800.00	90.75	359.81	8,554.47	-4,999.47	10,040.47	-359.02	10,041.61	0.00	0.00	0.00
LTP: 100ft FNL & 330ft FWL of Sec 4										
18,868.86	90.75	359.81	8,553.57	-4,998.57	10,109.33	-359.25	10,110.46	0.00	0.00	0.00
18,900.00	90.75	359.81	8,553.16	-4,998.16	10,140.46	-359.35	10,141.60	0.00	0.00	0.00
BHL: 50ft FNL & 330ft FWL of Sec 4										
18,928.87	90.75	359.81	8,553.00	-4,998.00	10,169.33	-359.77	10,170.47	0.00	0.00	0.00

Formations

MD (usft)	TVD (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,220.00	1,220.00	RSTLR		0.00	
1,550.00	1,550.00	SALDO		0.00	
2,901.60	2,895.00	TANSIL		0.00	
3,034.50	3,025.00	YATES		0.00	
3,310.53	3,295.00	CAPITAN_REEF_TOP		0.00	
5,215.78	5,175.00	TOP_DELAWARE_SAND		0.00	
5,285.78	5,245.00	CHERRY_CANYON		0.00	
6,625.78	6,585.00	BRUSHY_CANYON		0.00	
8,180.80	8,140.00	BSPG_LIME		0.00	
8,307.77	8,265.00	AVLN		0.00	
8,909.76	8,665.00	LEONARD_B		0.00	

Planning Report

Database:	Database 1	Local Co-ordinate Reference:	Well SILVER FED COM 301H
Company:	ASCENT ENERGY	TVD Reference:	KB EST 25' @ 3555.00usft
Project:	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)	MD Reference:	KB EST 25' @ 3555.00usft
Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Plan Annotations

MD (usft)	TVD (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
0.00	0.00	0.00	0.00	SHL: 355ft FSL & 657ft FWL of Sec 9
2,200.00	2,200.00	0.00	0.00	START NUDGE (2°/100ft BUR)
2,800.00	2,795.62	-41.02	-47.29	EOB TO 12° INC
4,265.73	4,229.32	-240.70	-277.50	END OF TANGENT
4,865.73	4,824.95	-281.72	-324.79	EOD TO VERTICAL
8,149.87	8,109.09	-281.72	-324.79	KOP (10°/100ft BUR)
8,319.75	8,276.49	-256.72	-324.87	FTP: 100ft FSL & 330ft FWL of Sec 9
9,057.37	8,682.00	298.73	-326.71	HZ LP: 655.45ft FSL & 330ft FWL of Sec 9
18,868.86	8,553.57	10,109.33	-359.25	LTP: 100ft FNL & 330ft FWL of Sec 4
18,928.87	8,553.00	10,169.33	-359.77	BHL: 50ft FNL & 330ft FWL of Sec 4

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

Ascent Energy, LLC
Lone Ranger Drill Island
Lea County, NM

Silver Fed Com 301H

Surface Hole Location: 355' FSL & 657' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 330' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 302H

Surface Hole Location: 355' FSL & 707' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 990' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 401H

Surface Hole Location: 155' FSL & 631' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 330' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 501H

Surface Hole Location: 155' FSL & 656' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 330' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 601H

Surface Hole Location: 155' FSL & 681' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 330' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 701H

Surface Hole Location: 155' FSL & 706' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 990' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 705H

Surface Hole Location: 355' FSL & 682' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 330' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 303H

Surface Hole Location: 355' FSL & 1443' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 1650' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 304H

Surface Hole Location: 355' FSL & 1518' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 2310' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 402H

Surface Hole Location: 355' FSL & 1468' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 1650' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 502H

Surface Hole Location: 155' FSL & 1443' FWL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 1254' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 503H

Surface Hole Location: 155' FSL & 1518' FWL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2178' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 602H

Surface Hole Location: 155' FSL & 1468' FWL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 1650' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 702H

Surface Hole Location: 155' FSL & 1493' FWL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2310' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 706H

Surface Hole Location: 355' FSL & 1493' FWL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 1650' FWL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 305H

Surface Hole Location: 355' FSL & 2225' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2310' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 306H

Surface Hole Location: 355' FSL & 2150' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 1650' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 403H

Surface Hole Location: 355' FSL & 2200' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2310' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 504H

Surface Hole Location: 155' FSL & 2175' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2178' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 603H

Surface Hole Location: 155' FSL & 2200' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2310' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 703H

Surface Hole Location: 155' FSL & 2150' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 1650' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 707H

Surface Hole Location: 355' FSL & 2175' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 2310' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 307H

Surface Hole Location: 155' FSL & 633' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 990' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 308H

Surface Hole Location: 155' FSL & 558' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 330' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 404H

Surface Hole Location: 155' FSL & 608' FEL, Section 9, T. 20 S., R. 33 E.
Bottom Hole Location: 50' FNL & 990' FEL, Section 4, T. 20 S, R 33 E.

Silver Fed Com 708H

Surface Hole Location: 155' FSL & 583' FEL, Section 9, T. 20 S., R. 33 E.

Bottom Hole Location: 50' FNL & 990' FEL, Section 4, T. 20 S, R 33 E.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Potash Resources

Lessees must comply with the 2012 Secretarial Potash Order. The Order is designed to manage the efficient development of oil, gas, and potash resources. Section 6 of the Order provides general provisions which must be followed to minimize conflict between the industries and ensure the safety of operations.

To minimize impacts to potash resources, the proposed well is confined within the boundaries of the established Silver Drill Island.

Hydrology

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall

be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

Tank battery locations will be lined and bermed. A 20-mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

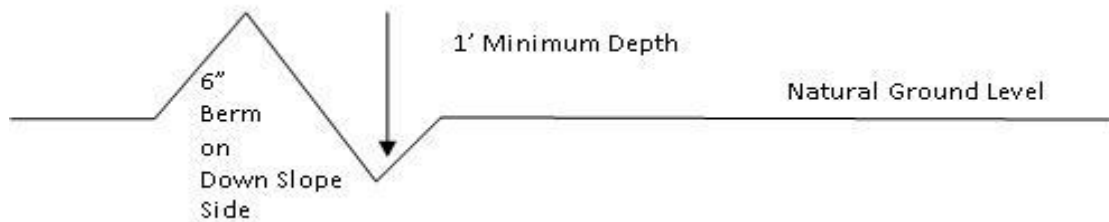
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must

notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

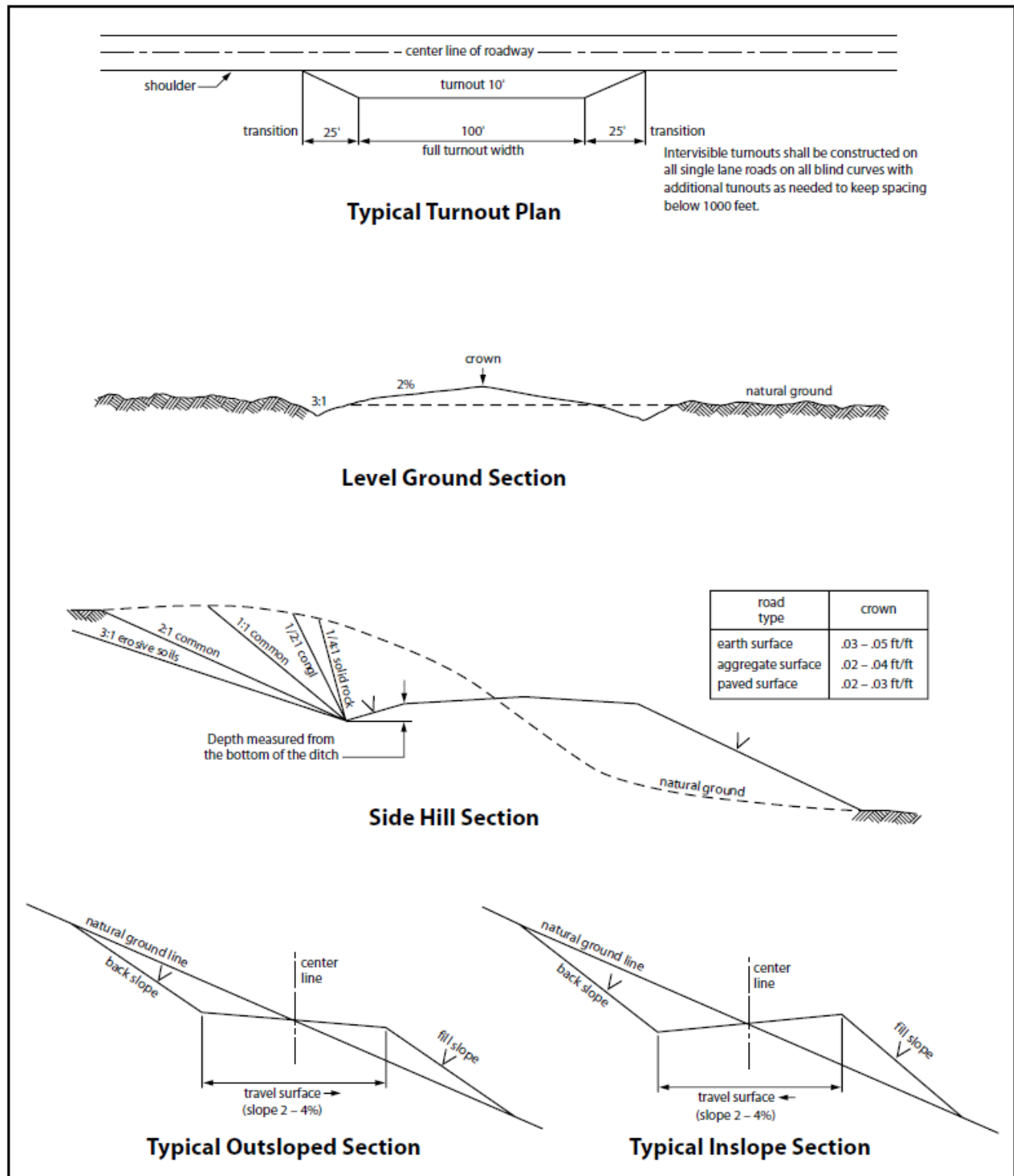


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. BURIED PIPELINES STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of

the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

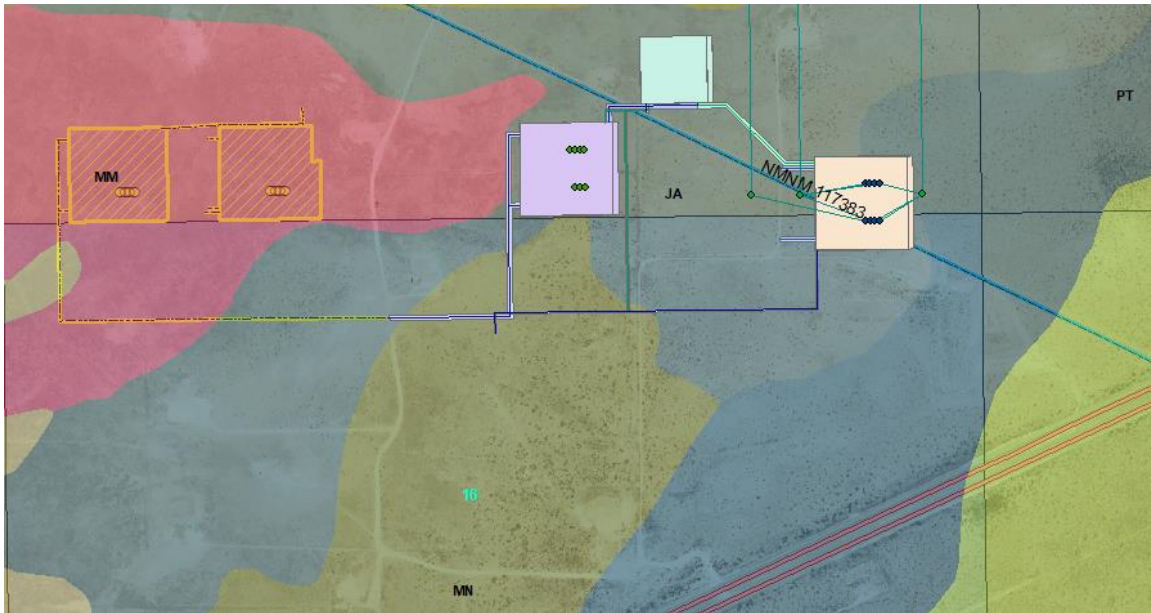
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- (X) seed mixture 1 () seed mixture 3
 (X) seed mixture 2 () seed mixture 4
 () seed mixture 2/LPC () Aplomado Falcon Mixture

Map Unit	Abbrev.	Soil Type
Pyote loamy fine sand	PT	Sandy
Drake, Jal	JA	Sandy
Midessa and Wink fine sandy loam	MN	Sandy
Midessa loam	MM	Loamy



13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates “Standard Environmental Colors” – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder’s name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

Range:

Cattleguards

Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface

landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Wildlife:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

C. ELECTRIC LINES STIPULATIONS

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 *et seq.* (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b.

A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006 . The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply

with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

Hydrology:

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion

Wildlife:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials

Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Range:

Cattleguards

Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

D. OIL AND GAS RELATED SITES STIPULATIONS

A copy of the application (Grant/Sundry Notice) and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statues.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, et. seq.) with regard to any

toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et. seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et. seq.) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.

6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

7. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.

8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).

10. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site and access roads must undergo "final" reclamation so that the character and productivity of the land are restored. Earthwork for final reclamation must be completed within six (6) months of the abandonment of the site. All pads and facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact. After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

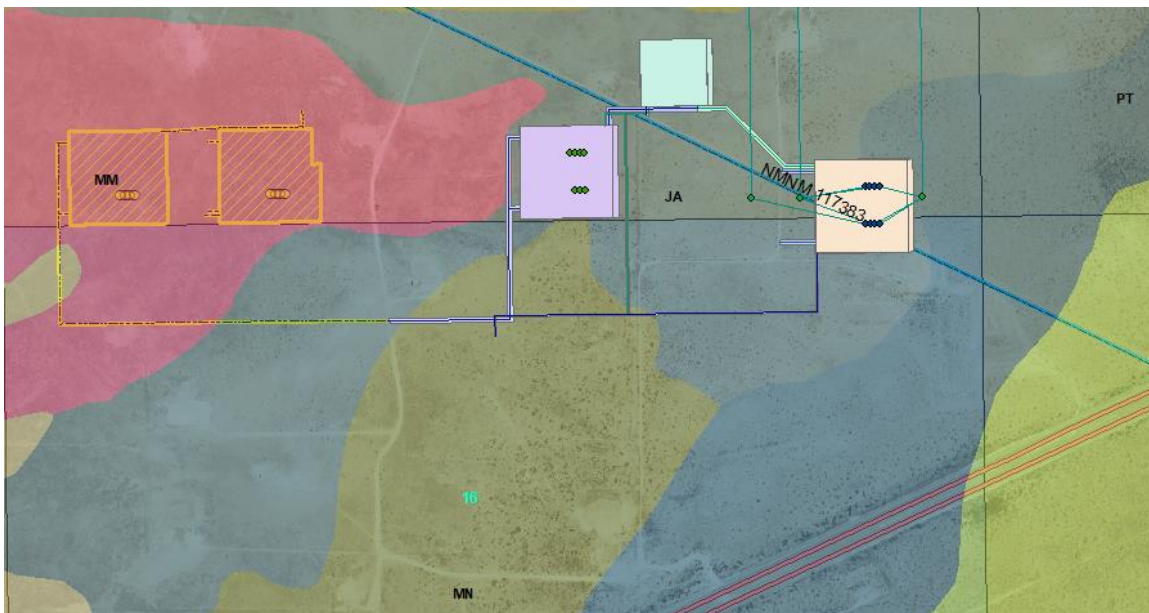
Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|------------------------|-----------------------------|
| (X) seed mixture 1 | () seed mixture 3 |
| (X) seed mixture 2 | () seed mixture 4 |
| () seed mixture 2/LPC | () Aplomado Falcon Mixture |

Map Unit	Abbrev.	Soil Type
Pyote loamy fine sand	PT	Sandy
Drake, Jal	JA	Sandy
Midessa and Wink fine sandy loam	MN	Sandy
Midessa loam	MM	Loamy



14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - The operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous

substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps

16. The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an

impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (Recommended enclosure structures on open-vent exhaust stacks are in the shape of a cone.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

18. Containment Structures - Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

19. Special Stipulations:

Hydrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the

construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

Tank battery locations will be lined and bermed. A 20-mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.

Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Wildlife:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

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Range:

Cattleguards

Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease

operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Seed Mixture 1 for Loamy Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed shall be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed shall be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre shall be doubled. The seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (<i>Eragrostis intermedia</i>)	0.5
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sideoats grama (<i>Bouteloua curtipendula</i>)	5.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Sand dropseed (<i>Sporobolus cryptandrus</i>)	1.0
Sand love grass (<i>Eragrostis trichodes</i>)	1.0
Plains bristlegrass (<i>Setaria macrostachya</i>)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Ascent Energy LLC
LEASE NO.:	NMNM051844
WELL NAME & NO.:	Silver Federal Com 301H
SURFACE HOLE FOOTAGE:	355'/S & 657'/W
BOTTOM HOLE FOOTAGE:	50'/N & 330'/W
LOCATION:	Section 9, T.20 S., R.33 E., NMMPM
COUNTY:	Lea County, New Mexico

COA

H2S	<input checked="" type="radio"/> Yes	<input type="radio"/> No	
Potash	<input type="radio"/> None	<input type="radio"/> Secretary	<input checked="" type="radio"/> R-111-P
Cave/Karst Potential	<input checked="" type="radio"/> Low	<input type="radio"/> Medium	<input type="radio"/> High
Cave/Karst Potential	<input type="radio"/> Critical		
Variance	<input type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input type="radio"/> Other
Wellhead	<input type="radio"/> Conventional	<input checked="" type="radio"/> Multibowl	<input type="radio"/> Both
Other	<input checked="" type="checkbox"/> 4 String Area	<input checked="" type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Yates** Formation. As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8 inch** surface casing shall be set at approximately **1,275 feet** (a minimum of **25 feet (Lea County)**) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8 inch** intermediate 1 casing and shall be set at approximately **2,995 feet** is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - ❖ In R111 Potash Areas if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing string must come to surface.
 - ❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
 - ❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
(Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)
 - Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.
3. The minimum required fill of cement behind the **7-5/8 inch** intermediate 2 casing and shall be set at approximately **5,175 feet** is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef.

4. The minimum required fill of cement behind the **5-1/2 inch** production casing with a tie-back to the previous casing surface is:
 - Cement should tie-back at least **50 feet** on top of Capitan Reef top **or 200 feet** into the previous casing, whichever is greater. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface and intermediate casing shoe shall be **5000 (5M) psi. Variance is approved to use a 3000 (3M) Annular which shall be tested to 3000 (3M) psi.**
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

YJ (01/27/2021)

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Silver Pad 1
SWSW, SEC 9, T20S, R33E, N.M.P.M.
Lea County, New Mexico

H₂S Drilling Operations Plan

1. All personnel will be trained in H₂S working conditions as required by Onshore Order 6 before drilling out of the surface casing.
2. Two briefing areas will be established. Each briefing area will be $\geq 150'$ from the wellhead, perpendicular from one another, and easily entered and exited. See H₂S page 4 for more details.
3. H₂S Safety Equipment/Systems:
 - a. Well Control Equipment
 - i. Flare line will be $\geq 150'$ from the wellhead and ignited by a flare gun
 - ii. Beware of SO₂ created by flaring
 - iii. Choke manifold will have a remotely operated choke
 - iv. Mud gas separator
 - b. Protective Equipment for Personnel
 - i. Every person on site will wear a personal H₂S and SO₂ monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the waist or chest.
 - ii. One self-contained breathing apparatus (SCBA) 30-minute rescue pack will be at each briefing area. Two 30-minute SCBA packs will be stored in the safety trailer.
 - iii. Four work/escape packs will be on the rig floor. Each pack will have a sufficiently long hose to allow unimpaired work activity.
 - iv. Four emergency escape packs will be in the doghouse for emergency evacuation.
 - v. Hand signals will be used when wearing protective breathing apparatus.
 - vi. Stokes litter or stretcher
 - vii. Two full OSHA compliant body harnesses
 - viii. A 100' long x 5/8" OSHA compliant rope
 - ix. One 20-pound ABC fire extinguisher
 - c. H₂S Detection & Monitoring Equipment
 - i. Every person on site will wear a personal H₂S and SO₂ monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the waist or chest.
 - ii. A stationary detector with three sensors will be in the doghouse

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Lea County, New Mexico

- iii. Sensors will be installed on the rig floor, bell nipple, and at the end of the flow line or where drilling fluids are discharged.
 - iv. Visual alarm will be triggered at 10 ppm.
 - v. Audible alarm will be triggered at 10 ppm.
 - vi. Calibration will occur at least every 30 days. Gas sample tubes will be kept in the safety trailer.
- d. Visual Warning System
 - i. A color-coded H₂S condition sign will be set at each pad entrance.
 - ii. Color-coded condition flag will be installed to indicate current H₂S conditions.
 - iii. Two wind socks will be installed that will be visible from all sides.
- e. Mud Program
 - i. A water based mud with a pH of > 10 will be maintained to control corrosion, H₂S gas returns to the surface, and minimize sulfide stress cracking and embrittlement.
 - ii. Drilling mud containing H₂S gas will be degassed at an optimum location for the rig configuration.
 - iii. This gas will be piped into the flare system.
 - iv. Enough mud additives will be on location to scavenge and/or neutralize H₂S where formation pressures are unknown.
- f. Metallurgy
 - i. All equipment that has the potential to be exposed to H₂S will be suitable for H₂S service.
 - ii. Equipment that will meet these metallurgical standards include the drill string, casing, wellhead, BOP assembly, casing head and spool, rotating head, kill lines, choke, choke manifold and lines, valves, mud-gas separators, DST tools, test units, tubing, flanges, and other related equipment (elastomer packings and seals) .
- g. Communication from well site
 - i. Cell phones and/or two-way radios will be used to communicate from the well site.
- 4. A remote-controlled choke, mud-gas separator, and a rotating head will be installed before drilling or testing any formation expected to contain H₂S.

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 Lea County, New Mexico

Ascent Emergency Contact Numbers

Company Personnel to be Notified

Ascent Emergency Contact	(303) 281-9951
Gema Volek (Vice President of Drilling)	Cell: (785) 312-2092
Matt Ward (Chief Operations Officer)	Cell: (303) 506-6647
Dean Gimbel (Vice President Completions)	Cell: (303) 945-1323

Local and County Agencies

Monument Fire Department	911 or (575) 393-4339
Hobbs Fire Marshal	(575) 391-8185
Lea County Sheriff (Lovington)	911 or (575) 396-3611
Lea County Emergency Management (Lovington)	(575) 396-8602
Lea Regional Medical Center Hospital (Hobbs)	(575) 492-5000

State Agencies

NM State Police (Hobbs)	(575) 392-5588
NM Oil Conservation (Hobbs)	(575) 370-3186
NM oil Conservation (Santa Fe)	(505) 476-3440
NM Department of Transportation (Roswell)	(575) 637-7201

Federal Agencies

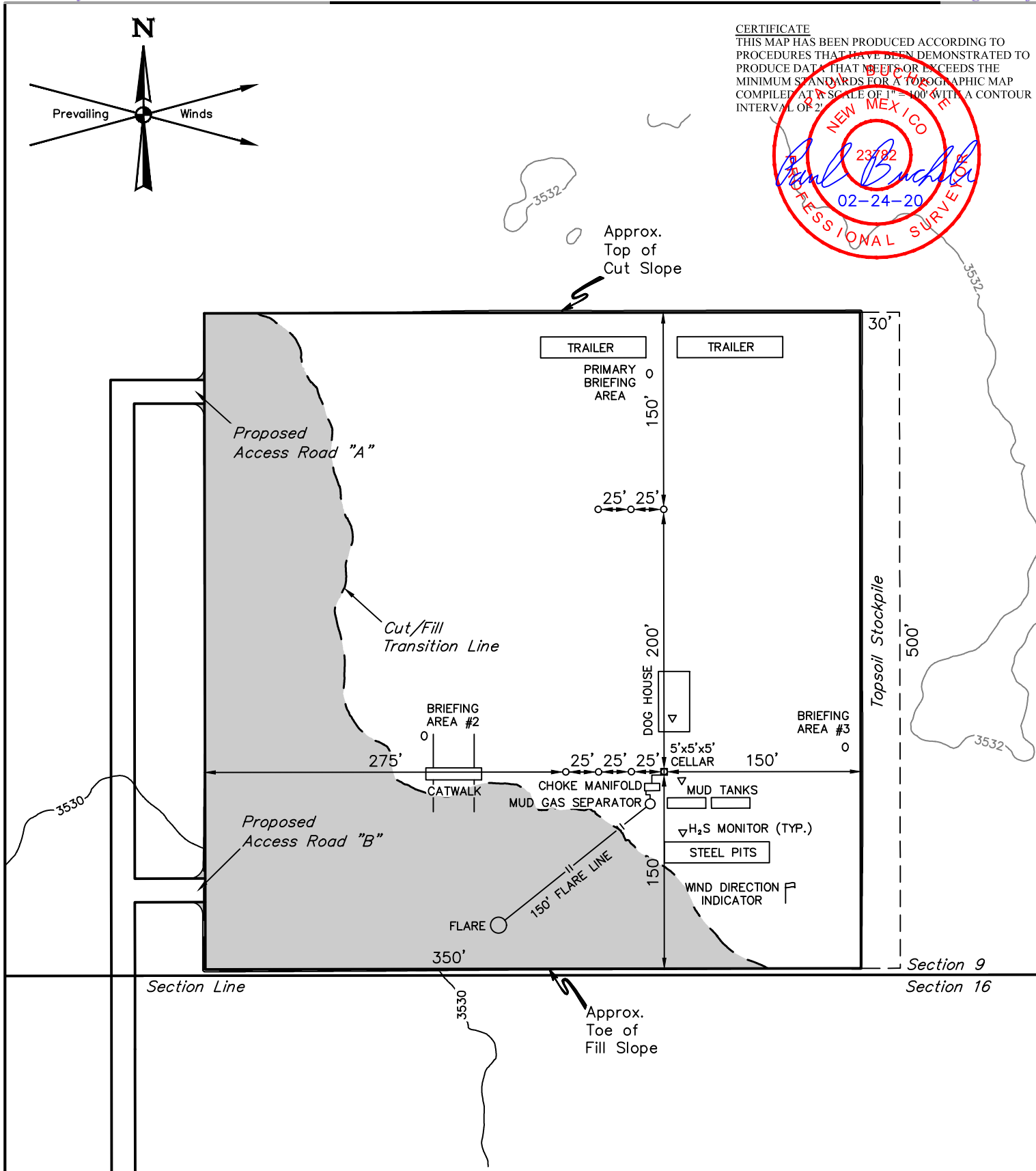
BLM Carlsbad Field Office	(575) 234-5972
BLM Hobbs Field Station	(575) 393-3612
National Response Center	(800) 424-8802
United States Environmental Protection Agency (USEPA Region 6 Dallas)	(800) 887-6063 (214) 665-6444

Air Evacuation

Med Flight Air Ambulance (Albuquerque)	(800) 842-4431
Lifeguard (Albuquerque)	(888) 866-7256

Veterinarians

Dal Paso Animal Hospital (Hobbs)	(575) 397-2286
Hobbs Animal Clinic And Pet Care (Hobbs)	(575) 392-5563
Great Plains Veterinary Clinic and Hospital (Hobbs)	(505) 392-5513

**NOTES:**

- Contours shown at 2' intervals.
- May have different number of Pump Houses and Combination Buildings.

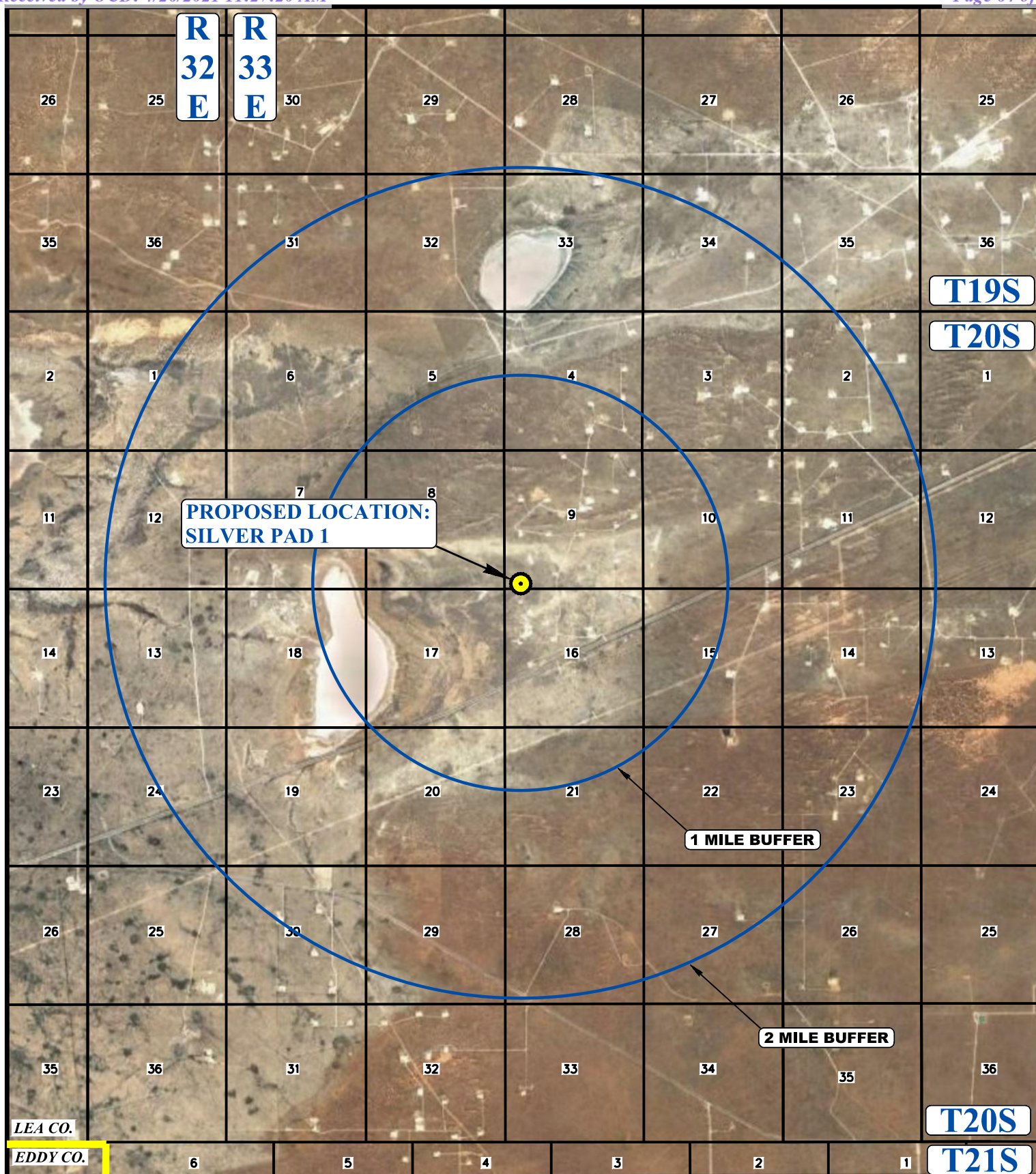
ASCENT ENERGY

SILVER PAD 1
SW 1/4 SW 1/4, SECTION 9, T20S, R33E, N.M.P.M.
LEA COUNTY, NEW MEXICO

SURVEYED BY	T.H., A.W.	01-30-20	SCALE
DRAWN BY	K.A.	02-24-20	1" = 100'
TYPICAL RIG LAYOUT			FIGURE #3



UELS, LLC
Corporate Office * 85 South 200 East
Vernal, UT 84078 * (435) 789-1017

**LEGEND:**

PROPOSED LOCATION

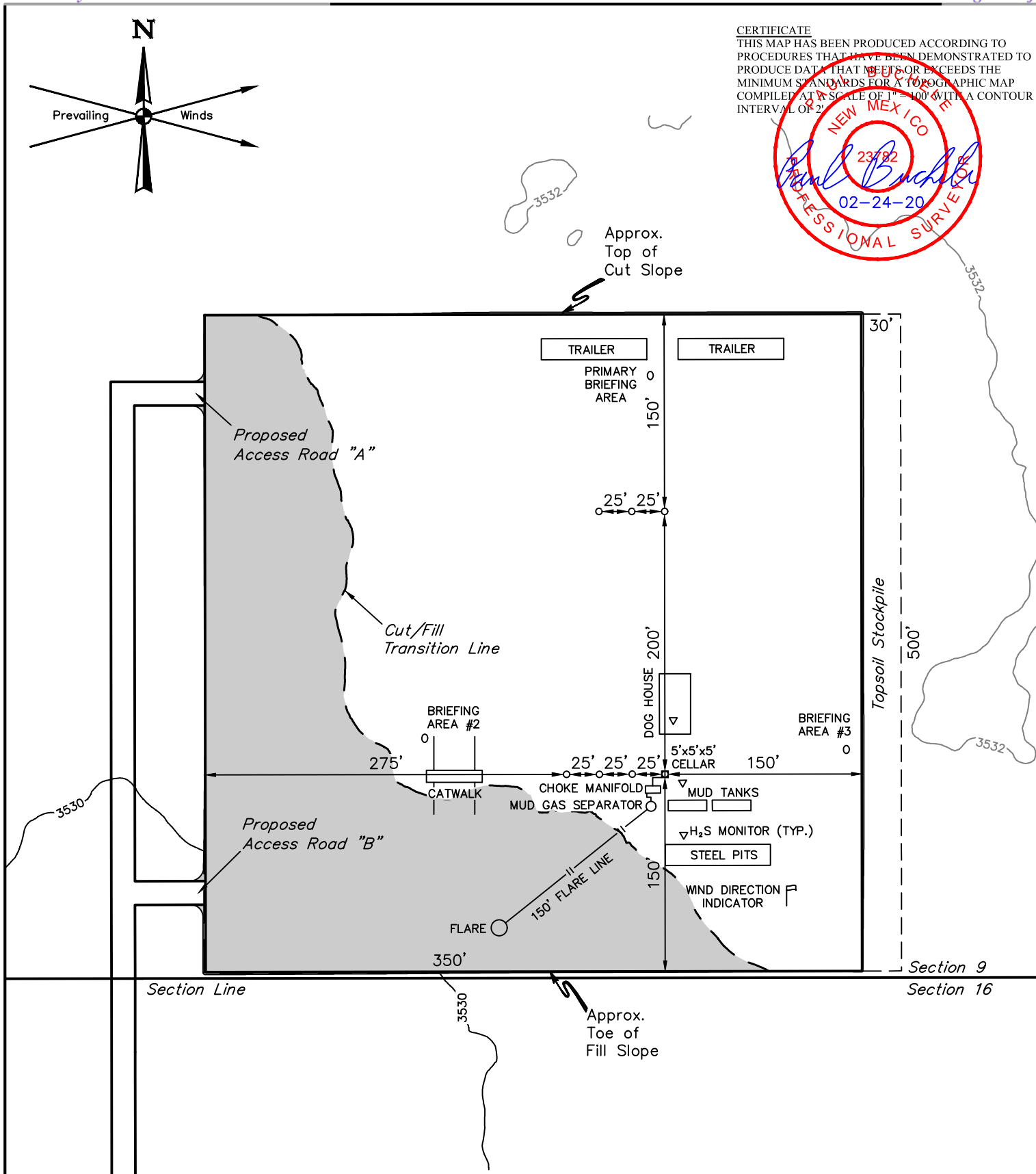
**ASCENT ENERGY**

SILVER PAD 1
SW 1/4 SW 1/4, SECTION 9, T20S, R33E, N.M.P.M.
LEA COUNTY, NEW MEXICO

SURVEYED BY	R.C., M.D.	01-31-20	SCALE
DRAWN BY	V.L.D.	03-17-20	1 : 60,000
2 MILE RADIUS MAP			



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Vernal, UT 84078 * (435) 789-1017

**NOTES:**

- Contours shown at 2' intervals.
- May have different number of Pump Houses and Combination Buildings.

ASCENT ENERGY

SILVER PAD 1
SW 1/4 SW 1/4, SECTION 9, T20S, R33E, N.M.P.M.
LEA COUNTY, NEW MEXICO

SURVEYED BY	T.H., A.W.	01-30-20	SCALE
DRAWN BY	K.A.	02-24-20	1" = 100'
TYPICAL RIG LAYOUT			FIGURE #3



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Silver Pad 1
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Lea County, New Mexico

Onshore Order No.1 Surface Use Plan of Operations

Silver Fed Com 301H

SHL: 355' FSL, 657' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 401H

SHL: 155' FSL, 631' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 601H

SHL: 155' FSL, 681' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 705H

SHL: 355' FSL, 682' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 302H

SHL: 355' FSL, 707' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 501H

SHL: 155' FSL, 656' FWL SEC. 9 Lot M, T20S, R33E

Silver Fed Com 701H

SHL: 155' FSL, 706' FWL SEC. 9 Lot M, T20S, R33E

This surface use plan of operations provides site specific information for the above referenced wells located on the Silver 1 Pad within the proposed Lone Ranger Drill Island.

1. **Existing Roads** *See Silver Pad 1 & Silver West CTB TOPO A & B – Access Road Map(s)
Existing roads providing access to the well site are shown on Topo Maps A and B. Non-state roads will be maintained as needed to Gold Book standards. This includes pulling ditches, preserving the crown, and cleaning culverts. This will be done at least once a year, and more often as needed.

Driving Directions: Proceed in a westerly, then southwesterly direction from Hobbs, New Mexico along Highway 180 approximately 33.3 miles to the junction of this road and an existing road to the northwest; turn right and proceed in a northwesterly, then westerly, then northerly direction approximately 0.6 to the beginning of the proposed access road "A" to the west; follow road flags in an westerly, then northerly, then easterly direction approximately 2,825' to the proposed location. Total distance from Hobbs, New Mexico to the proposed well location is approximately 34.4 miles.

2. **New Roads** *See Silver Pad 1 & Silver West CTB TOPO B – Access Road Map & R-O-W Plats

There will be 4,326' of new resource roads that will be crowned and ditched. The proposed construction width will be 30' with a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 30', maximum grade = 3%, maximum cut/fill = 3'. No culvert, cattle guard, or vehicle turn out is needed. Upgrading will consist of filling potholes with caliche.

- a. Road "A" Dimensions (Permanent road): 2,825'
- b. Road "B" Dimensions (Permanent road): 63'
- c. Road "C" Dimensions (Permanent road to CTB): 1,438'

New road access erosion control: Crowned and ditched



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Lea County, New Mexico

3. Location of Existing Wells *See Topo C: Well Proximity Map.

Existing oil, gas, water and P&A wells within a mile of the proposed wellbore.

No SWD or injection well is within a mile radius.

4. Location of Existing and/or Proposed Production Facilities *See Silver Pad 1 Figure 3-4 & Silver West CTB Figure 1

Flare(s) will be set on the south in the middle of the well pad. Separators and treaters will be placed in the northeast corner of the well pad. A central tank battery (CTB) will be built northeast of the well pad. Tanks will be on the northwest side of the CTB.

A 762' long x 3' wide x 3' deep trench will run between the well pad and CTB. Trench will hold 4" O.D. steel, HODE, or composite oil line, fuel gas and gas sale lines, and SWD line. (There will be one trench per well. Trenches will be 3' apart. There will be 7 wells on the pad.)

A 254' long above ground powerline will run between the well pad and CTB.

5. Location and Types of Water Supply *See Water Transportation Map

Water will be trucked from the 3Bear Libby water station on private land, located NE1/4 Section 26, T20S, R34E.

6. Construction Materials *See Construction Materials Source Map

NM One Call (811), offset operators will be notified before construction starts, if necessary. Top 4" of soil and brush will be stockpiled East of the well pad. V-door will face East. Closed loop drilling system will be used. Top 4" of soil and brush will be piled East of the CTB. Caliche will be hauled from an existing caliche pit on private (Berry) land in E2N34 35-20S-34E.

7. Methods of Handling Waste

All trash will be placed in a portable trash cage. It will be hauled to the Lea County landfill. There will be no trash burning. Contents (drill cuttings, mud, salts, and other chemicals) of the mud tanks will be hauled to state approved disposal site at R360's state approved (NM-01-0006) disposal site at Halfway, NM. Human waste will be disposed of in chemical toilets and hauled to the Hobbs wastewater treatment plant.

Reserve pit: No reserve pit planned.

8. Ancillary Facilities

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, and mud logger.



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 Silver Pad 1
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 Lea County, New Mexico

- 9. Well Site Layout** *See Silver Pad 1 Figures 1-3 & Silver West CTB Figures 1 & 2
 Also see Rig Layout (Figure #3) for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

- 10. Plans for Final Surface Reclamation** *See Silver Pad 1 Figure 4

Interim Reclamation: Once the last well has been drilled, then the pad will be interim reclaimed to a reduced working surface area. The reclaimed area will be recontoured and reseeded to match preconstruction grades.

Final Reclamation: Once the last well is plugged, then the pad, CTB, and new road will be reclaimed within 6 months of plugging. Disturbed areas will be recontoured to match pre- construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with BLM requirements. Road will be blocked. Noxious weeds will be controlled.

APPROXIMATE SURFACE DISTURBANCE AREAS	DISTANCE	ACRES
WELL SITE DISTURBANCE	NA	6.116
CTB SITE DISTURBANCE	NA	3.248
10' WIDE POWER LINE R-O-W DISTURBANCE	254'	0.058
10' WIDE POWER LINE TO CTB R-O-W DISTURBANCE	3,019'	0.693
30' WIDE FLOWLINE R-O-W DISTURBANCE	762'	0.525
30' WIDE ROAD "A" PERMANENT ROAD R-O-W DISTURBANCE	2,825'	1.946
30' WIDE ROAD "B" PERMANENT ROAD R-O-W DISTURBANCE	63'	0.043
30' WIDE ROAD "C" PERMANENT ROAD TO CTB R-O-W DISTURBANCE	1,438'	0.991
TOTAL SURFACE USE AREA:		13.62

11. Surface Ownership

Well site:

Surface owner: BLM

Contact/Office location:

Carlsbad Field Office
 620 E. Greene Street
 Carlsbad, NM 88220
 Phone: (575) 234-5972

Roads (New/Existing):

Surface owner: BLM

Contact/Office location:

Carlsbad Field Office
 620 E. Greene Street
 Carlsbad, NM 88220
 Phone: (575) 234-5972



Ascent Energy, LLC
Silver Pad 1
SWSW, SEC 9, T20S, R33E, N.M.P.M.
Lea County, New Mexico

Additional Information

An onsite inspection was conducted for Silver Pad 1 on January 29, 2020. In attendance at the inspection were the following individuals:

Name	Agency/Company
Jeffery Roberts	Bureau of Land Management
Chaz Sartin	Bureau of Land Management
Jim Rutley	Bureau of Land Management
Ben Metz	Ascent Energy, LLC
Gema Volek	Ascent Energy, LLC
Amy Doebele	UELS, LLC
Bryan Bergstresser	UELS, LLC
Shane Lobdell	UELS, LLC
Michael Daniels	UELS, LLC

Field representative will be:

Gema Volek
Drilling Manager
Ascent Energy, LLC
1125 17th St., Suite 410
Denver, CO 80202
Office: (720) 710-8999
Cell: (785) 312-2092



Planning Report

Database:	Database 1	Local Co-ordinate Reference:	Well SILVER FED COM 301H
Company:	ASCENT ENERGY	TVD Reference:	KB EST 25' @ 3555.00usft
Project:	LEA COUNTY, NEW MEXICO (NAD 83) (GRID)	MD Reference:	KB EST 25' @ 3555.00usft
Site:	SEC 9 T20S R33E N.M.P.M. (GRID)	North Reference:	Grid
Well:	SILVER FED COM 301H	Survey Calculation Method:	Minimum Curvature
Wellbore:	ORIGINAL WELLBORE		
Design:	PROPOSAL #1		

Planned Survey

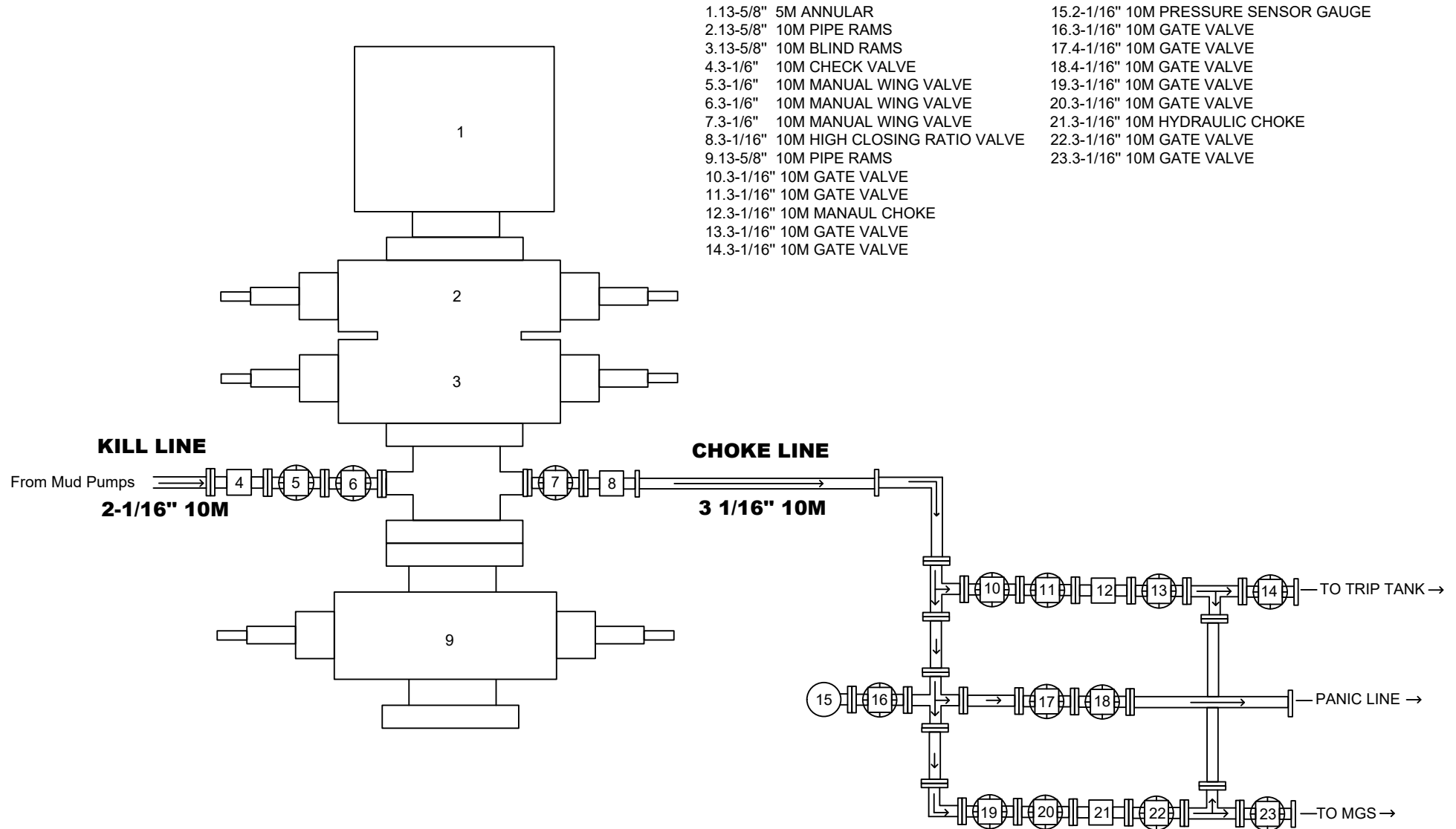
MD (usft)	Inc (°)	Azi (°)	TVD (usft)	SS (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
17,400.00	90.75	359.81	8,572.80	-5,017.80	8,640.60	-354.38	8,641.73	0.00	0.00	0.00
17,500.00	90.75	359.81	8,571.49	-5,016.49	8,740.59	-354.71	8,741.72	0.00	0.00	0.00
17,600.00	90.75	359.81	8,570.18	-5,015.18	8,840.58	-355.04	8,841.71	0.00	0.00	0.00
17,700.00	90.75	359.81	8,568.87	-5,013.87	8,940.57	-355.37	8,941.70	0.00	0.00	0.00
17,800.00	90.75	359.81	8,567.56	-5,012.56	9,040.56	-355.70	9,041.69	0.00	0.00	0.00
17,900.00	90.75	359.81	8,566.25	-5,011.25	9,140.55	-356.04	9,141.69	0.00	0.00	0.00
18,000.00	90.75	359.81	8,564.94	-5,009.94	9,240.55	-356.37	9,241.68	0.00	0.00	0.00
18,100.00	90.75	359.81	8,563.63	-5,008.63	9,340.54	-356.70	9,341.67	0.00	0.00	0.00
18,200.00	90.75	359.81	8,562.33	-5,007.33	9,440.53	-357.03	9,441.66	0.00	0.00	0.00
18,300.00	90.75	359.81	8,561.02	-5,006.02	9,540.52	-357.36	9,541.65	0.00	0.00	0.00
18,400.00	90.75	359.81	8,559.71	-5,004.71	9,640.51	-357.69	9,641.64	0.00	0.00	0.00
18,500.00	90.75	359.81	8,558.40	-5,003.40	9,740.50	-358.03	9,741.63	0.00	0.00	0.00
18,600.00	90.75	359.81	8,557.09	-5,002.09	9,840.49	-358.36	9,841.63	0.00	0.00	0.00
18,700.00	90.75	359.81	8,555.78	-5,000.78	9,940.48	-358.69	9,941.62	0.00	0.00	0.00
18,800.00	90.75	359.81	8,554.47	-4,999.47	10,040.47	-359.02	10,041.61	0.00	0.00	0.00
LTP: 100ft FNL & 330ft FWL of Sec 4										
18,868.86	90.75	359.81	8,553.57	-4,998.57	10,109.33	-359.25	10,110.46	0.00	0.00	0.00
18,900.00	90.75	359.81	8,553.16	-4,998.16	10,140.46	-359.35	10,141.60	0.00	0.00	0.00
BHL: 50ft FNL & 330ft FWL of Sec 4										
18,928.87	90.75	359.81	8,553.00	-4,998.00	10,169.33	-359.77	10,170.47	0.00	0.00	0.00

Formations

MD (usft)	TVD (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,220.00	1,220.00	RSTLR		0.00	
1,550.00	1,550.00	SALDO		0.00	
2,901.60	2,895.00	TANSIL		0.00	
3,034.50	3,025.00	YATES		0.00	
3,310.53	3,295.00	CAPITAN_REEF_TOP		0.00	
5,215.78	5,175.00	TOP_DELAWARE_SAND		0.00	
5,285.78	5,245.00	CHERRY_CANYON		0.00	
6,625.78	6,585.00	BRUSHY_CANYON		0.00	
8,180.80	8,140.00	BSPG_LIME		0.00	
8,307.77	8,265.00	AVLN		0.00	
8,909.76	8,665.00	LEONARD_B		0.00	

Ascent Energy

5M BOPE & CHOKE MANIFOLD DIAGRAM





Blowout Prevention and Control Well Kick: Shut-In Procedures

Primary Kick Indicators

If any primary kick indicators are observed, report them IMMEDIATELY TO THE DRILLER and initiate the proper shut-in procedures.

1. Increase flow rate.
2. Pit volume gain.
3. Well flows with pump off.
4. Hole not taking proper amount of mud on trips.

If a kick occurs while drilling:

1. Raise the Kelly until a tool joint is above the rotary table.
2. Stop the mud pumps.
3. Open the hydraulic gate valve.
4. Close the annular preventer.
5. Close the hydraulic choke.
6. Notify the Drill Site Manager and Drilling Manager.
7. Read and record:
 - a. Shut-in drill pipe pressure,
 - b. Shut-in annulus pressure, and
 - c. Pit gain.
8. Prepare the well-killing spreadsheet.

If a kick occurs during a trip:

1. Set the top tool joint on the slips.
2. Install and make up a full-opening, full opened safety valve in the fill pipe.
3. Close the safety valve.
4. Open the hydraulic gate valve.
5. Close the annular preventer.
6. Close the hydraulic choke.
7. Notify the Drill Site Manager and Drilling Manager.
8. Pick up the Kelly and make it up.
9. Open the safety valve.
10. Read and record:
 - a. Shut-in drill pipe pressure,
 - b. Shut-in casing pressure, and
 - c. Pit gain.
11. Prepare the well-killing spreadsheet.

Ascent Energy, LLC
Blowout Prevention and Control
Well Kick Shut-In Procedures

It is assumed the hydraulic choke is always open while drilling or tripping.

Note: check all lines and valves for leaks after the well has been shut-in.

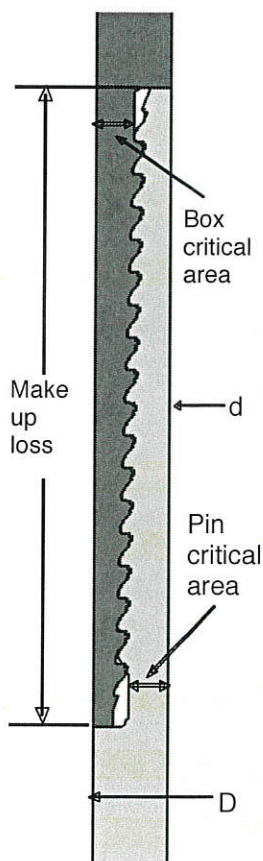
Crewmember Stations for well kicks after the well has been shut-in:

Crewmember	Station
Driller	On the brake.
Derrickman	Check pumps, line up mud and mixing equipment, check mud weight in pits.
Motorman	On hydraulic closing unit.
Floorhand #1	On hydraulic choke control panel to watch and record shut-in procedures.
Floorhand #2	Check BOPs, choke manifold, etc. for leaks then go to floor with driller.
Toolpusher	Make sure all crewmembers carry out their assignments.

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		Date	25-Jan-17
		Rev.	N - 1

GeometryImperialS.I.**Pipe Body**

Grade	P110		P110	
Pipe OD (D)	7 5/8	in	193.68	mm
Weight	29.70	lb/ft	44.20	kg/m
Actual weight	29.04		43.21	kg/m
Wall Thickness (t)	0.375	in	9.53	mm
Pipe ID (d)	6.875	in	174.63	mm
Pipe body cross section	8.537	in ²	5,508	mm ²
Drift Dia.	6.750	in	171.45	mm

FLUSHMAX-III**Connection**

Box OD (W)	7.625	in	193.68	mm
PIN ID	6.875	in	174.63	mm
Make up Loss	3.040	in	77.22	mm
Box Critical Area	4.424	in ²	2854	mm ²
Joint load efficiency	60	%	60	%
Thread Taper	1 / 16 (3/4" per ft)			
Number of Threads	5 TPI			

Performance**Performance Properties for Pipe Body**

S.M.Y.S.	939	kips	4,177	kN
M.I.Y.P.	9,470	psi	65.31	MPa
Collapse Strength	5,350	psi	36.90	MPa

Note S.M.Y.S.= Specified Minimum YIELD Strength of Pipe body
M.I.Y.P. = Minimum Internal Yield Pressure of Pipe body

Performance Properties for Connection

Tensile Yield load	563 kips (60% of S.M.Y.S.)
Min. Compression Yield	563 kips (60% of S.M.Y.S.)
Internal Pressure	7,580 psi (80% of M.I.Y.P.)
External Pressure	100% of Collapse Strength
Max. DLS (deg. /100ft)	25

Recommended Torque

Min.	15,500	ft-lb	21,000	N-m
Opti.	17,200	ft-lb	23,300	N-m
Max.	18,900	ft-lb	25,600	N-m
Operational Max.	23,600	ft-lb	32,000	N-m

Note : Operational Max. torque can be applied for high torque application

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		Rev.	N-0

Geometry

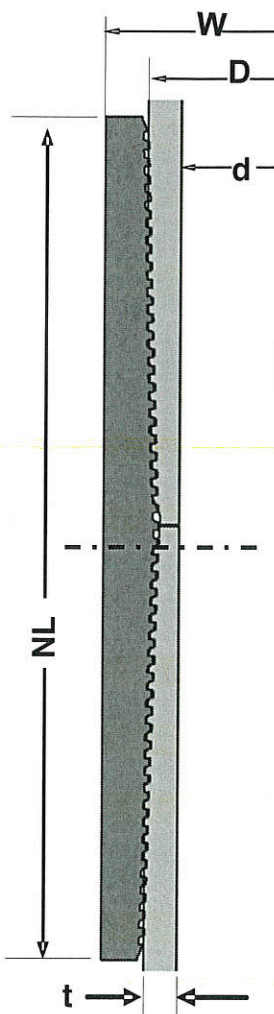
Imperial

S.I.

Pipe Body

Grade	P110		P110	
Pipe OD (D)	5 1/2	in	139.70	mm
Weight	20.00	lb/ft	29.76	kg/m
Wall Thickness (t)	0.361	in	9.17	mm
Pipe ID (d)	4.778	in	121.36	mm
Drift Dia.	4.653	in	118.19	mm

GEOCONN



Connection

Coupling OD (W)	6.050	in	153.67	mm
Coupling Length (NL)	8.350	in	212.09	mm
Make up Loss	4.125	in	104.78	mm
Pipe Critical Area	5.83	in ²	3,758	mm ²
Box Critical Area	6.10	in ²	3,935	mm ²
Thread Taper	1 / 16 (3/4" per ft)			
Number of Threads	5 TPI			

Performance

Performance Properties for Pipe Body

S.M.Y.S.	641	kips	2,850	kN
M.I.Y.P.	12,640	psi	87.17	MPa
Collapse Strength	11,100	psi	76.55	MPa

Note S.M.Y.S.= Specified Minimum YIELD Strength of Pipe body
M.I.Y.P. = Minimum Internal Yield Pressure of Pipe body

Performance Properties for Connection

Min. Connection Joint Strength	100% of S.M.Y.S.
Min. Compression Yield	100% of S.M.Y.S.
Internal Pressure	100% of M.I.Y.P.
External Pressure	100% of Collapse Strength
Max. DLS (deg. /100ft)	>90

Recommended Torque

Min.	14,600	ft-lb	19,700	N-m
Opti.	16,200	ft-lb	21,900	N-m
Max.	17,800	ft-lb	24,100	N-m
Operational Max.	19,500	ft-lb	26,400	N-m

Note : Operational Max. torque can be applied for high torque application

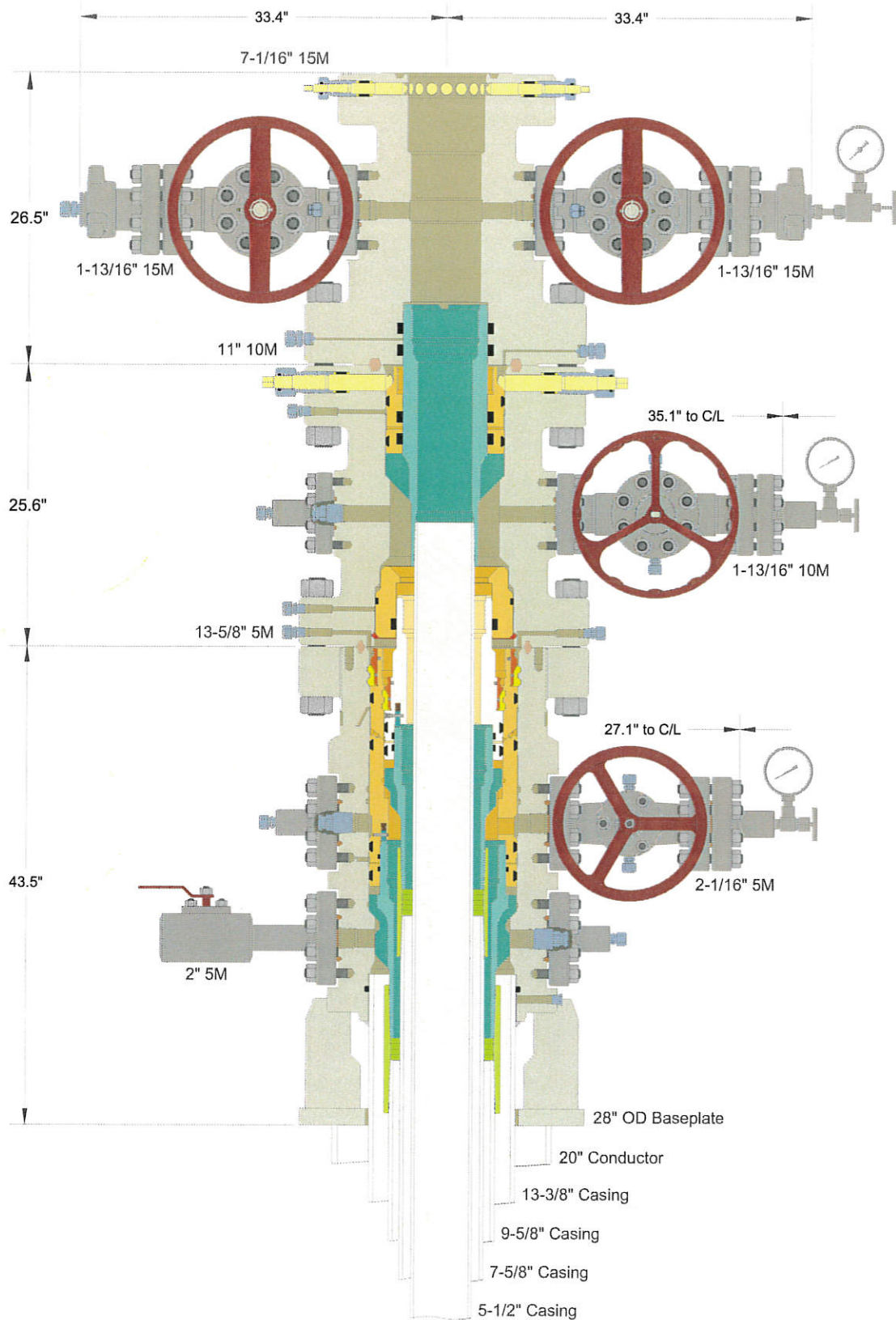
Connection Yield Torque	22,900	ft-lb	31,000	N-m
-------------------------	--------	-------	--------	-----

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The use of this information is at the reader/user's risk and no warranty is implied or expressed by Metal One Corporation or its parents, subsidiaries or affiliates (herein collectively referred to as "Metal One") with respect to the use of information contained herein. The information provided on this Connection Data Sheet is for informational purposes only, and was prepared by reference to engineering information that is specific to the subject products, without regard to safety-related factors, all of which are the sole responsibility of the operators and users of the subject connectors. Metal One assumes no responsibility for any errors with respect to this information.

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CACTUS WELLHEAD LLC

13-3/8" x 9-5/8" x 7-5/8" x 5-1/2" 5M MBU-3T Wellhead System
 With 13-5/8" 5M x 11" 10M CTH-P-HPS-F Tubing Spool
 And 11" 10M x 7-1/16" 15M CTH-DBLHPS-SB Tubing Head

ASCENT ENERGY, LLC
 DELAWARE BASIN

DRAWN	DLE	06APR18
APPRV		
DRAWING NO.	ODE0002219	

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 25540

CONDITIONS

Operator: ASCENT ENERGY, LLC. 1125 17th St Denver, CO 80202	OGRID: 325830
	Action Number: 25540
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	5/26/2021
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	5/26/2021