<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St Francis Dr, Santa Fe, NM

87505

State of New Mexico $\ PLC\ pDM2012957092\ Form\ C-107-B$

Energy, Minerals and Natural Resources Department

Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

		COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME: Ascent E	nergy, LLC				
OPERATOR ADDRESS: 1125 17th	Street, Suite 410, Den	ver, CO 80202			
APPLICATION TYPE:					
☑ Pool Commingling ☐ Lease Commingling	ig ☐Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	rement (Only if not Surface	Commingled)
	State Feder				
Is this an Amendment to existing Order					
Have the Bureau of Land Management ⊠Yes □No	(BLM) and State Land	l office (SLO) been not	tified in writing o	of the proposed commi	ingling
ZICS LINO	(A) POO	I COMMINCI IN	<u> </u>		-
		L COMMINGLIN s with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Please see attached					
		1			
(2) Are any wells producing at top allowa	bles? ☐Yes ☑No		1		
(3) Has all interest owners been notified b	_	posed commingling?	⊠Yes □No.		
(4) Measurement type: ☑Metering [(5) Will commingling decrease the value		⊠No If "yes", descri	be why commingli	ng should be approved	
	(D) LEAG	SE COMMINCI IN	C		
		SE COMMINGLINGS with the following in			
(1) Pool Name and Code.					
(2) Is all production from same source of			□Vac □N		
(3) Has all interest owners been notified by (4) Measurement type: Metering		osed comminging?	∐Yes □N	U	
(1) Management type:					
	(C) P.C.C.	T D A CO T CO	CI DIC		
		LEASE COMMIN s with the following in			
(1) Complete Sections A and E.	1 icase attach sheet	s with the lonowing h	aror matron		
(1	O) OFF-LEASE ST				
		ets with the following	information		
(1) Is all production from same source of(2) Include proof of notice to all interest of		0			
(2) Include proof of notice to all interest of	wiiolo.				
(E) Al	DDITIONAL INFO Please attach sheet	RMATION (for all s with the following in		vpes)	
(1) A schematic diagram of facility, inclu					
(2) A plat with lease boundaries showing		ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.	
(3) Lease Names, Lease and Well Number	rs, and API Numbers.				

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

R.		
SIGNATURE:	TITLE: Vice President of Land	DATE: March 23, 2020
TYPE OR PRINT NAME: Lee Zink		TELEPHONE NO.: 720-710-8923
E-MAIL ADDRESS: lzink@ascentenergy.us		

Application for Surface Pool/Lease Commingling

Ascent Energy, LLC ("Ascent") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

Well		API		Pool		Oil			
<u>Name</u>	Location	NO.	Pool Name	Code	Status	BPD	Gravities	MSCFPD	BTU
Toque		30-	WC-025 G-08						
State Com	K-06-	025-	S213304D, Bone						
501H	21S-33E	44148	Spring	97895	Producing		40.2		1,372
Toque		30-	WC-025 G-08						
State Com	K-06-	025-	S213304D, Bone						
502H	21S-33E	44785	Spring	97895	Producing		40.2		1,381
Toque		30-	WC-025 G-08						
State Com	K-06-	025-	S213304D, Bone						
601H	21S-33E	44787	Spring	97895	Producing		42.3		1,400
Toque		30-	WC-025 G-08						
State Com	K-06-	025-	S213304D, Bone						
602H	21S-33E	44788	Spring	97895	Producing		42.3		1,422
Toque		30-	WC-025 G-08						
State Com	K-06-	025-	S213304D,						
701H	21S-33E	44789	Wolfcamp	98033	Producing		42.4		1,391

General Information

- State of New Mexico lease VB-2060 covers 311.13 acres, being lots 17, 18, E2SW, SE/4 of Section 6 in Township 21S South, Range 33 East, Lea County, New Mexico
- State of New Mexico lease VB-2837 covers 302.84 acres, being lots 1, 2, 3, 4, E2W2 in Section 7 in Township 21S South, Range 33 East, Lea County, New Mexico

Future Additions

Ascent Energy, LLC may drill additional wells within the same pool or leases to fully develop the reservoir at a future date.

Process and Flow Description

The production from each of the five wells will flow into a dedicated free water knockout separation vessel. Each production stream will be separated into three independent streams (oil, gas, water) by the free water knockout separator and the gas and water will be measured individually after it exits. The oil stream will continue to the three-phase heater treater where it will move into the next step of the separation process. In the heater treater the production stream will be split into three independent streams and each stream will be measured individually (oil, gas, water) after it exits.

The gas from each free water knockout and each heater treater will be combined into a common header and connected to the sales / flare / fuel gas line. The gas will be measured using orifice meters and used to allocate total measured at the facility. Additional pad gas orifice meters will used on sales gas line, flare gas line, and fuel gas line. The overhead gas from the vapor recovery tower is compressed by a vapor recovery unit and then measured by an orifice meter before joining the sales / flare / fuel header.

The water from each free water knockout and each heater treater will be combined into a common header and connected to six 1,000 bbl tanks where it will be pumped away to disposal via water transfer skids. The water will be measured using magnetic flow meters at each free water knock, each heater treater, and at each water transfer skid. Guided wave radar will be used to measure water volumes in the tanks.

The oil from each heater treater will be combined into a common header and connected to four 1,000 bbl tanks where it will be pumped away to sales via lease automatic custody transfer (LACT) unit. Guided wave radar will be used to measure oil volumes in the tanks.

- Toque State Com 501H. 30-025-44148
 - o Gas Allocation Meter: G-1 orifice meter (free water knockout)
 - o Gas Allocation Meter: G-2 orifice meter (heater treater)
 - Oil Allocation Meter: O-1 coriolis meter (heater treater)
 - Water Allocation Meter: W-2 mag meter (free water knockout)
 - Water Allocation Meter: W-1 mag meter (heater treater)
- Toque State Com 502H. 30-025-44785
 - Gas Allocation Meter: G-3 orifice meter (free water knockout)
 - Gas Allocation Meter: G-4 orifice meter (heater treater)
 - Oil Allocation Meter: O-2 coriolis meter (heater treater)
 - Water Allocation Meter: W-4 mag meter (free water knockout)
 - o Water Allocation Meter: W-3 mag meter (heater treater)
- Toque State Com 601H. 30-025-44787
 - Gas Allocation Meter: G-5 orifice meter (free water knockout)
 - Gas Allocation Meter: G-6 orifice meter (heater treater)
 - o Oil Allocation Meter: O-3 coriolis meter (heater treater)
 - Water Allocation Meter: W-6 mag meter (free water knockout)
 - Water Allocation Meter: W-5 mag meter (heater treater)
- Toque State Com 602H. 30-025-44788
 - o Gas Allocation Meter: G-7 orifice meter (free water knockout)
 - Gas Allocation Meter: G-8 orifice meter (heater treater)
 - Oil Allocation Meter: O-4 coriolis meter (heater treater)
 - Water Allocation Meter: W-7 mag meter (free water knockout)
 - Water Allocation Meter: W-8 mag meter (heater treater)

- Toque State Com 701H. 30-025-44789
 - Gas Allocation Meter: G-9 orifice meter (free water knockout)
 - o Gas Allocation Meter: G-10 orifice meter (heater treater)
 - o Oil Allocation Meter: O-5 coriolis meter (heater treater)
 - o Water Allocation Meter: W-2 mag meter (free water knockout)
 - Water Allocation Meter: W-1 mag meter (heater treater)
- Pad Meters
 - o Gas Allocation Meter: G-14 orifice meter (sales gas)
 - o Gas Allocation Meter: G-15 orifice meter (fuel gas)
 - o Gas Allocation Meter: G-13 orifice meter (flare gas)
 - Gas Allocation Meter: G-11 orifice meter (vapor recovery unit)
 - o Oil Allocation Meter: SK-901 coriolis meter (LACT)
 - Oil Allocation Meter: SK-902 coriolis meter (LACT)
 - o Water Allocation Meter: SK-903 mag meter (water transfer skid)
 - o Water Allocation Meter: SK-904 mag meter (water transfer skid)



March 23, 2020

NM Oil Conservation Division

Re: Pool/Lease Commingling Application

Toque State Com Wells

To Whom it May Concern:

This letter serves notice that the ownership in the production from the following wells is uniform:

Well Name	API NO.	Pool Name	Pool Code
Toque State Com 501H	30-025-44148	WC-025 G-08 S213304D, Bone Spring	97895
Toque State Com 502H	30-025-44785	WC-025 G-08 S213304D, Bone Spring	97895
Toque State Com 601H	30-025-44787	WC-025 G-08 S213304D, Bone Spring	97895
Toque State Com 602H	30-025-44788	WC-025 G-08 S213304D, Bone Spring	97895
Toque State Com 701H	30-025-44789	WC-025 G-08 S213304D, Wolfcamp	98033

I certify that this information is true and correct to the best of my knowledge.

If you should have any question or concerns, please contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us.

Sincerely,

Lee Zink

Vice President of Land Ascent Energy, LLC March 23, 2020 Page 2 of 2

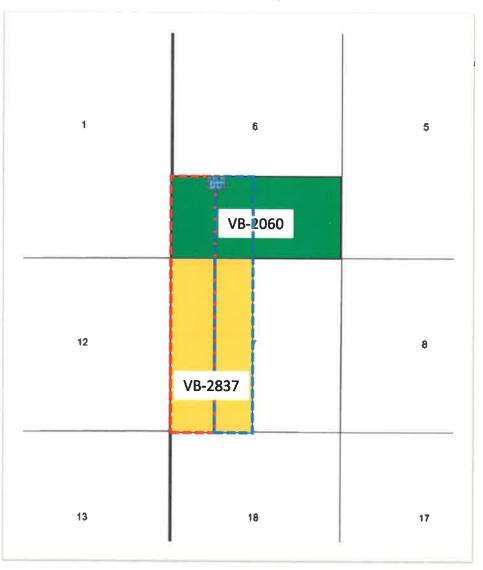
Commingling Application for Toque State Com Facility Ascent Energy, LLC Exhibit A – Notice List

New Mexico Conservation Division Attn: Mr. Dean McClure 1220 South ST. Francis Drive Santa Fe, NM 87505

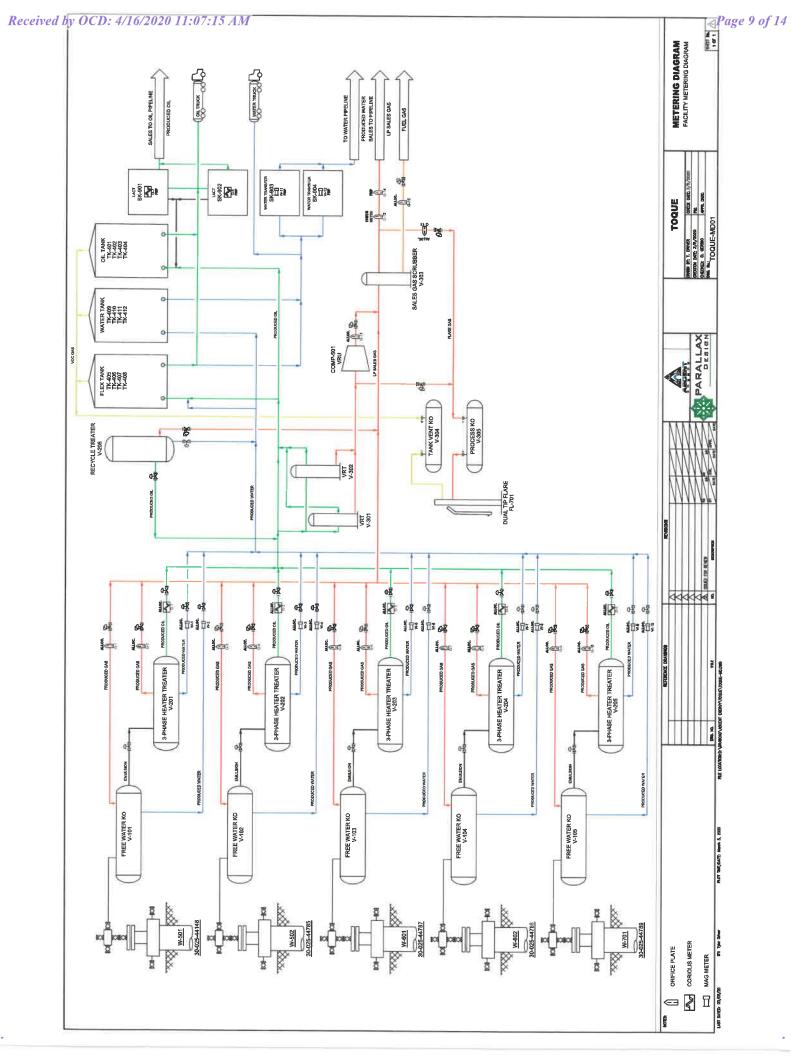
New Mexico Conservation Division Attn: Mr. Paul Kautz 1625 N. French Drive Hobbs, NM 88240

Cimarex Energy, CO Attn: Mr. Cody Elliott 600 N. Marienfeld Street, Suite 600 Midland, TX 79701

T21S-R33E Lea County, NM



Toque State Com #501H (BS) Communization Agreement
Toque State Com #701H (WC) Communization Agreement
Toque State Com #502H (BS) Communization Agreement
Facilities Toque State Com Wells – 21S-33E Sec. 6



<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
<u>District III</u>
1000 Rlo Brazos Road, Aztee, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
<u>District IV</u>
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

12 Dedicated Acres

13 Joint or Infill

14 Consolidation Code

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

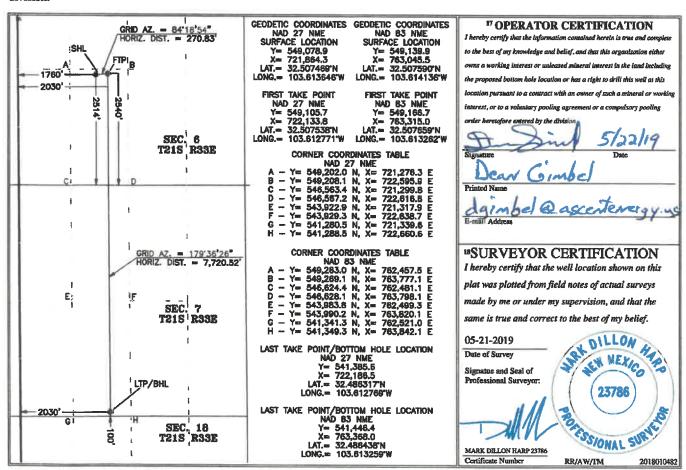
MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Number	•		² Pool Code		³ Pool Name				
⁴ Property	Property Code Property Name TOOUE STATE COM							6,	Well Number 501 H	
⁷ OGRID 32583	1.07			8 Operator Name ASCENT ENERGY					Elevation 3,795'	
					" Surface]	Location		-		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West fine	County	
K	6	21 S	33 E		2,514	SOUTH	1,760	WEST	LEA	
			и Bott	tom Hol	e Location If	Different From	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
N	7	21 S	33 E	- 1	100	SOUTH	2,030	WEST	LEA	

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.

15 Order No.



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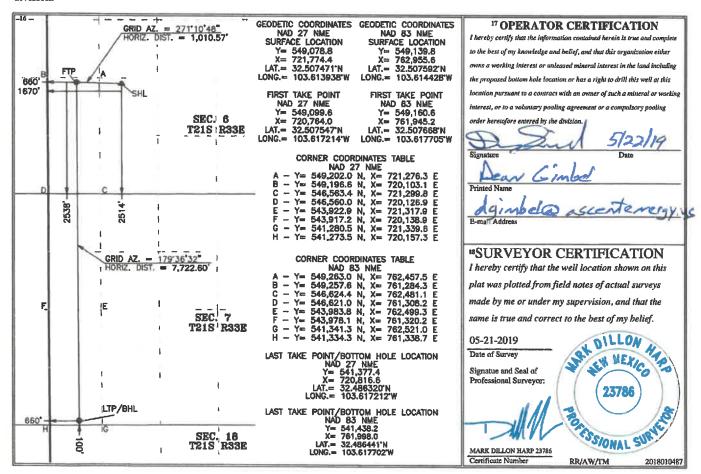
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102
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Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² Pool (de ³ Pool Name				
⁴ Property	Code				5 Property No TOQUE STAT			6 W	Vell Number 502H
⁷ OGRID 32583					9	⁹ Elevation 3,795'			
					¹⁰ Surface L	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	6	21 S	33 E		2,514	SOUTH	1,670	WEST	LEA
			¹¹ Bot	tom Hol	e 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
L4	7	21 S	33 E		100	SOUTH	660	WEST	LEA
12 Dedicated Acre	¹³ Joint o	r Tofill 14 (Consolidation C	Code 15 Or	der No.				



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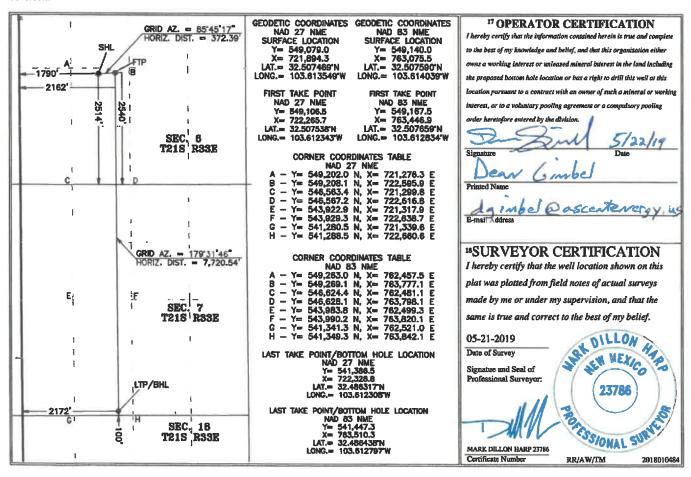
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² p.					ol Code ³ Pool Name					
4 Property	Code				Froperty N	6 1	⁶ Well Number			
7 OGRID	TOQUE STATE COM GRID No. Bonerator Name								601H 9 Elevation	
32583							3,795'			
					16 Surface L	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
K	6	21 S	33 E		2,514	SOUTH	1,790	WEST	LEA	
			11 Bott	tom Hole	e 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	
N	7	21 S	33 E		100	SOUTH	2,162	WEST	LEA	
12 Dedicated Acre	s ¹³ Joint o	r Infili 14 C	onsolidation C	ode 15 Ord	ter No.					
777	s 13 Joint o			ode ¹⁵ Ord		555111	2,102	11 2.0 1		



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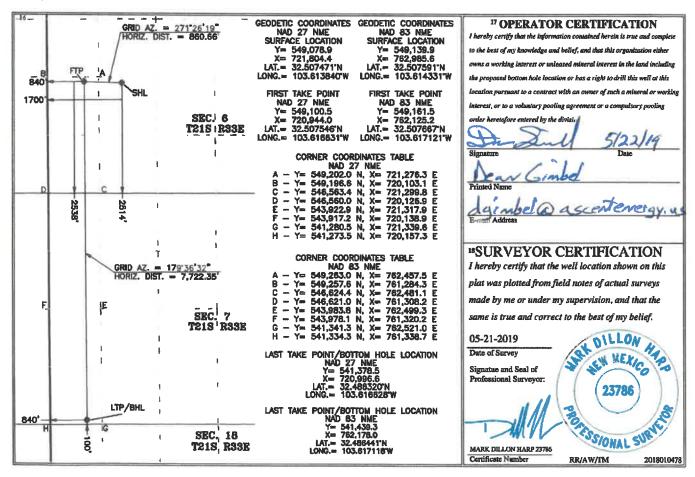
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

-1	API Number	•		² Pool Code		³ Pool Name			
⁴ Property (Code	⁵ Property Name TOQUE STATE COM						6 W	'ell Number 602H
⁷ OGRID 32583				8 Operator Name Selevati ASCENT ENERGY 3,795					
					" Surface L	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feel from the	East/West line	County
K	6	21 S	33 E		2,514	SOUTH	1,700	WEST	LEA
			^п Во	tom Hol	e 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
L4	7	21 S	33 E		100	SOUTH	840	WEST	LEA
12 Dedicated Acres	Joint o	r Infill ²⁴ C	onsolidation (Code 15 Ore	der No.				



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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number ² Pool C					³ Poel Name					
						Property Name 6 Well N				
TOQUE STATE COM TOQUE STATE COM Operator Name									701H Elevation	
325830 ASCENT ENERGY							1	3,796'		
					10 Surface Lo	ocation				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
K	6	21 S	33 E		2,514	SOUTH	1,730	WEST	LEA	
			11 Bott	om Hole	Location If I	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	
N	7	21 S	33 E		100	SOUTH	1,500	WEST	LEA	
Dedicated Acres	13 Joint or	Infill 14 C	onsolidation C	ode 15 Orde	er No.					

