

District I  
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  
Energy, Minerals and Natural Resources Department

Form C-107-B  
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.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Ascent Energy, LLC  
OPERATOR ADDRESS: PO Box 270983, Littleton, CO 80127  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
 (4) Measurement type:  Metering  Other (Specify)  
 (5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code. WC-025 G-08 S213304D; Bone Spring [97895]  
 (2) Is all production from same source of supply?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
 (4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Cory Walk TITLE: Agent DATE: 12/17/2021  
 TYPE OR PRINT NAME Cory Walk TELEPHONE NO.: 505-466-8120  
 E-MAIL ADDRESS: cory@permitswest.com

Wells commingling production at the Big Bucks Central Tank Battery:

<u>Well Name</u>	<u>Location</u>	<u>API NO.</u>	<u>Pool Name</u>	<u>Pool Code</u>	<u>Status</u>	<u>Oil BPD</u>	<u>Gravities</u>	<u>MSCFPD</u>	<u>BTU</u>
Big Bucks Federal Com #501H	A-12-21S-32E	30-025-47064	WC-025 G-08 S213304D, Bone Spring	97895	Producing		40.2		1,372
Big Bucks Federal Com #502H	A-12-21S-32E	30-025-47435	WC-025 G-08 S213304D, Bone Spring	97895	Producing		40.2		1,381
Big Bucks Federal Com #601H	A-12-21S-32E	30-025-47065	WC-025 G-08 S213304D, Bone Spring	97895	Producing		42.3		1,400
Big Stag Federal Com #503H	A-12-21S-32E	30-025-46978	WC-025 G-08 S213304D, Bone Spring	97895	Producing		42.3		1,392
Big Stag Federal Com #504H	A-12-21S-32E	30-025-47066	WC-025 G-08 S213304D, Bone Spring	97895	Producing		42.3		1,372
Big Stag Federal Com #552H	A-12-21S-32E	30-025-46979	WC-025 G-08 S213304D, Bone Spring	97895	Producing		42.4		1,391

All wells will be producing from the same pool and formation (WC-025 G-08 S213304D; BONE SPRING).

1. This CAA will not negatively affect the royalty revenue of the federal government.
2. Communitization Agreements (CA's) to be commingled. These CAs are not yet approved. See attached CA's that have been submitted. Also attached are SRPs for individual leases involved in these CA's.
  - a. NMNM-xxxxxx (E2W2 of Section 12 & NENW of Section 13, T.21S, R.32E) – Big Stag 504H
    - i. Federal Lease NMNM-127892
      1. Type of production: Oil
      2. Royalty Rate: 12.5%
    - ii. Federal Lease NMNM-014155
      1. Type of production: Oil
      2. Royalty Rate: 12.5%
  - b. NMNM-xxxxxx (W2E2 of Section 12 & NWNE of Section 13, T.21S, R.32E) – Big Stag 503H
    - i. Federal Lease NMNM-127892
      1. Type of production: Oil
      2. Royalty Rate: 12.5%
    - ii. Federal Lease NMNM-0553706
      1. Type of production: Oil
      2. Royalty Rate: 12.5%
    - iii. Federal Lease NMNM-014155
      1. Type of production: Oil
      2. Royalty Rate: 12.5%

- c. NMNM-xxxxxx (E2E2 of Section 12 & NENE of Section 13, T.21S, R.32E) – Big Bucks 501H
  - i. Federal Lease NMNM-127892
    1. Type of production: Oil
    2. Royalty Rate: 12.5%
  - ii. Federal Lease NMNM-0553706
    1. Type of production: Oil
    2. Royalty Rate: 12.5%
  - iii. Federal Lease NMNM-014155
    1. Type of production: Oil
    2. Royalty Rate: 12.5%
3. Please see attached description of allocation methodology.
  - a. All allocation meters will meet FMP regulations as stated in 43 CFR 3174.4.
4. See attached map that shows lease and proposed CA boundaries, planned CTB location, well locations, and flowlines. FMPs will be located on the proposed CTB (see facility diagram).
5. Well test proving paying quantities will be submitted with the well completion report.
6. Gas Analysis: N/A
7. All proposed FMPs will be on a lease (NMNM-127892) from which all wells will be producing from. However, the FMP locations will be “off-agreement” and therefore Ascent requests off-lease measurement (OLM) for the Big Stag Fed Com 504H and the Big Bucks Fed Com 501H, 502H, and 601H.
8. No new surface disturbance is included as part of this CAA application.

# Communitization Agreements (Pending)

Federal Communitization Agreement

Contract No. \_\_\_\_\_

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

WITNESSETH:

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

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

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

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

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

Township 21 South – Range 32 East, N.M.P.M.  
 Section 12: E2E2  
 Section 13: NENE  
*Lea County, NM*

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

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ascent Energy, LLC, PO Box 270983, Littleton, CO 80127. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

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

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

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

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

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

Ascent Energy, LLC

Operator

By: Lee Zink

Operator/Attorney-in-Fact

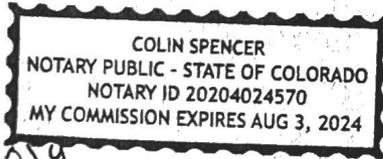
Feb 4, 2020  
Date

### ACKNOWLEDGEMENT

STATE OF COLORADO )  
 ) ss.  
 COUNTY OF DENVER )

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

(SEAL)



Aug 3<sup>rd</sup>, 2024  
 My Commission Expires

Colin Spencer  
 Notary Public

### ACKNOWLEDGEMENT

ConocoPhillips Company  
Working Interest Owner

December 10, 2020  
Date

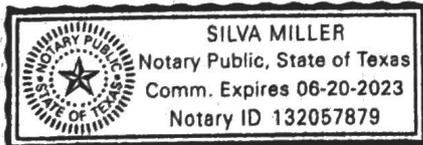
Justin K. Williams  
By: Justin K. Williams  
Title: Attorney-in-fact

### ACKNOWLEDGEMENT

STATE OF TEXAS            )  
  ) ss.  
COUNTY OF HARRIS        )

The foregoing instrument was acknowledged before me on the 10<sup>th</sup> day of Dec., 2020, by Justin K. Williams, as attorney-in-fact of **ConocoPhillips Company**, a Delaware corporation, on behalf of said corporation.

(SEAL)



6/20/2023  
My Commission Expires

Silva Miller  
Notary Public

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: \_\_\_\_\_

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

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

NAME: \_\_\_\_\_ (signature of officer)

Printed: Lee Zink \_\_\_\_\_

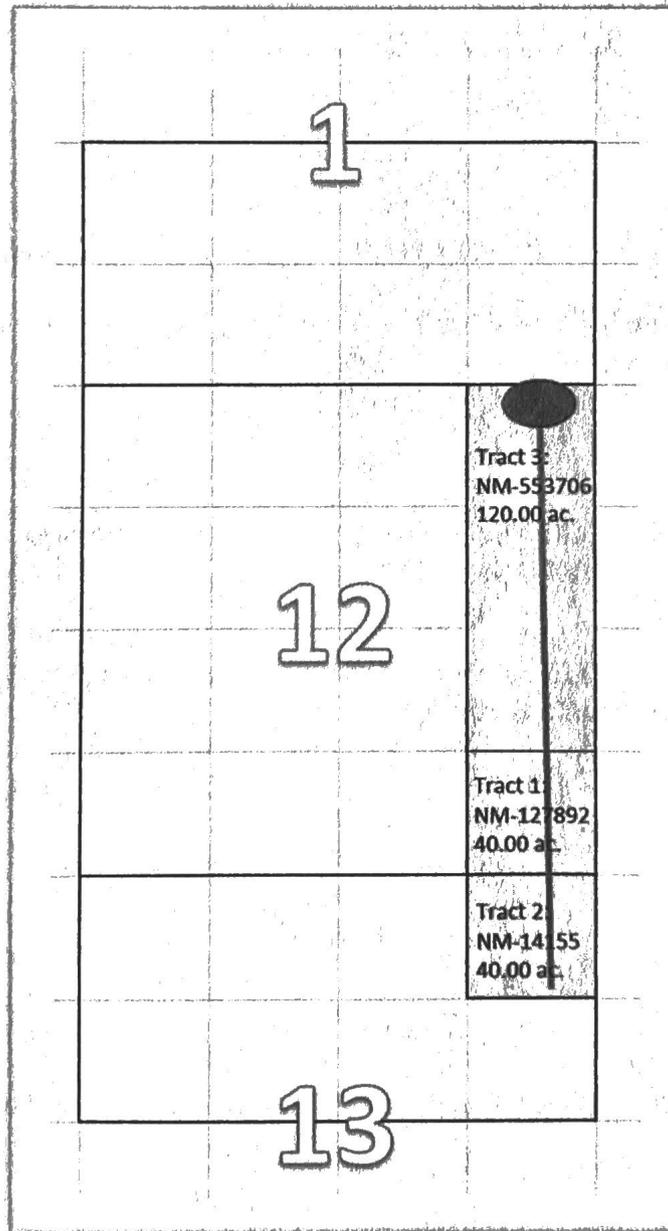
TITLE: Vice President of Land

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

### EXHIBIT "A"

Plat of communitized area covering 200.00 acres in:  
Township 21 South – Range 32 East, N.M.P.M.  
Section 12: E2E2  
Section 13: NENE  
Lea County, NM

#### Big Bucks Fed Com #501H



**EXHIBIT "B"**

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

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

Section 12: E2E2

Section 13: NENE

Lea County, NM

Operator of Communitized Area: Ascent Energy, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-127892

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

Number of Acres: 40.00

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

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

ORRI Owners:

Tract No. 2

Lease Serial Number: NMNM-14155

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

Number of Gross Acres: 40.00

Current Lessee of Record: Leland Hodges – 100%

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

Tract No. 3

Lease Serial Number: NMNM-553706

Description of Land Committed: Township 21 South, Range 32 East,  
 N.M.P.M.  
 Section 13: E/2NE/4, NE/4SE/4

Number of Gross Acres: 40.00

Current Lessee of Record: ConocoPhillips CO– 100%

Name of Working Interest Owners: ConocoPhillips CO

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	40.00	20.0000%
2	40.00	20.0000%
3	<u>120.00</u>	<u>60.0000%</u>
Total	200.00	100.0000%

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of July 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

Township 21 South – Range 32 East, N.M.P.M.  
Section 12: W2E2  
Section 13: NWNE  
*Lea County, NM*

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

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ascent Energy, LLC, PO Box 270983, Littleton, CO 80127. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

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

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

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

Ascent Energy, LLC  
Operator

\_\_\_\_\_, 2021  
Date

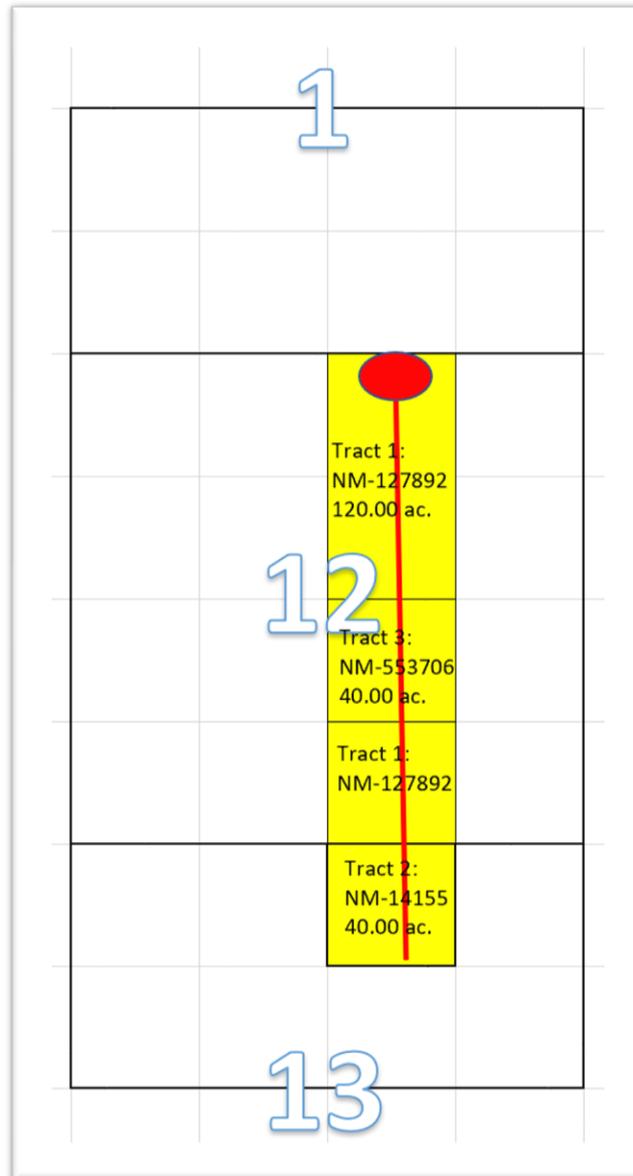
By: Lee Zink  
Operator/Attorney-in-Fact



## EXHIBIT "A"

Plat of communitized area covering **200.00** acres in:  
Township 21 South – Range 32 East, N.M.P.M.  
Section 12: W2E2  
Section 13: NWNE  
*Lea County, NM*

Big Stag Fed Com #503H



**EXHIBIT “B”**

To Communitization Agreement Dated July 1, 2021 embracing the following described land in:

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

Section 12: W2E2

Section 13: NWNE

*Lea County, NM*

Operator of Communitized Area: Ascent Energy, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM-127892
Description of Land Committed:	Township 21 South, Range 32 West, N.M.P.M. Section 12: W2NE, SWSE
Number of Acres:	120.00
Current Lessee of Record:	Ascent Energy, LLC – 75% Hanley Petroleum, Inc. – 25%
Name of Working Interest Owners:	Ascent Energy, LLC Advance Energy Partners Hat Mesa, LLC
ORRI Owners:	

Tract No. 2

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

Number of Gross Acres: 40.00

Current Lessee of Record: Leland Hodges – 100%

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

Tract No. 3

Lease Serial Number: NMNM-553706

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

Number of Gross Acres: 40.00

Current Lessee of Record: ConocoPhillips CO– 100%

Name of Working Interest Owners: ConocoPhillips CO

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	120.00	60.0000%
2	40.00	20.0000%
3	<u>40.00</u>	<u>20.0000%</u>
Total	200.00	100.0000%

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of July 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

Township 21 South – Range 32 East, N.M.P.M.  
Section 12: E2W2  
Section 13: NENW  
*Lea County, NM*

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

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Ascent Energy, LLC, PO Box 270983, Littleton, CO 80127. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

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

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is July 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations

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

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

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

Ascent Energy, LLC  
Operator

\_\_\_\_\_, 2021  
Date

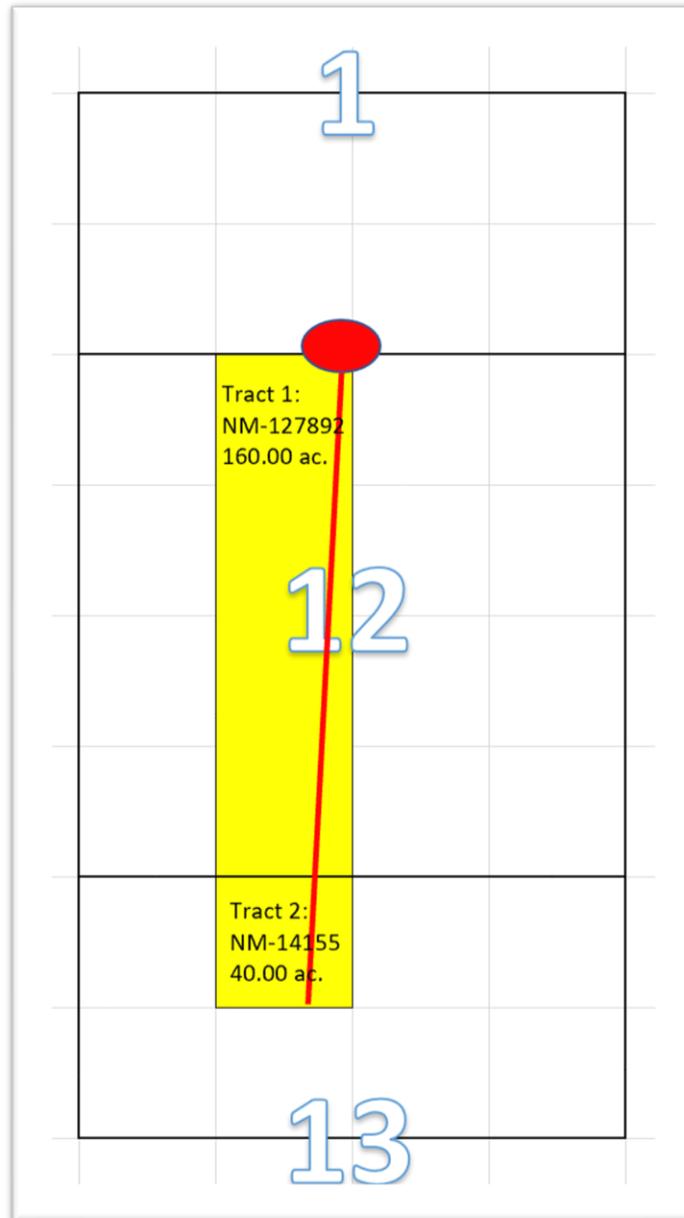
By: Lee Zink  
Operator/Attorney-in-Fact



## EXHIBIT "A"

Plat of communitized area covering **200.00** acres in:  
Township 21 South – Range 32 East, N.M.P.M.  
Section 12: E2W2  
Section 13: NENW  
*Lea County, NM*

Big Stag Fed Com #504H



**EXHIBIT “B”**

To Communitization Agreement Dated July 1, 2021 embracing the following described land in:

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

Section 12: E2W2

Section 13: NENW

*Lea County, NM*

Operator of Communitized Area: Ascent Energy, LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM-127892
Description of Land Committed:	Township 21 South, Range 32 West, N.M.P.M. Section 12: E2W2
Number of Acres:	160.00
Current Lessee of Record:	Ascent Energy, LLC – 75% Hanley Petroleum, Inc. – 25%
Name of Working Interest Owners:	Ascent Energy, LLC Advance Energy Partners Hat Mesa, LLC
ORRI Owners:	

Tract No. 2

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

Number of Gross Acres: 40.00

Current Lessee of Record: Leland Hodges – 100%

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

**RECAPITULATION**

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

# Serial Register Pages (SRPs)

DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 CASE RECORDATION  
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01 02-25-1920;041STAT0437;30USC181ETSEQ  
 Case Type 311211: O&G LSE SIMO PUBLIC LAND  
 Commodity 459: OIL & GAS  
 Case Disposition: AUTHORIZED

Total Acres:  
 600.000

Serial Number  
 NMNM 014155

Case File Juris:

							Serial Number: NMNM-- - 014155	
Name & Address							Int Rel	% Interest
ADVANCE ENERGY PARTNERS HAT MESA LLC	11490 WESTHEIMER RD STE 950	HOUSTON	TX	770776841	OPERATING RIGHTS	0.000000000		
NEW TEX OIL COMPANY	PO BOX 2390	HOBBS	NM	882412390	OPERATING RIGHTS	0.000000000		
NEW TEX OIL COMPANY	PO BOX 2390	HOBBS	NM	882412390	LESSEE	0.000000000		
MONARCH RES INC	115 W 7TH ST #1310	FORT WORTH	TX	76102	OPERATING RIGHTS	0.000000000		
MONARCH RES INC	115 W 7TH ST #1310	FORT WORTH	TX	76102	LESSEE	0.000000000		
PANAN ENERGY INC	PO BOX 1718	FORT WORTH	TX	76101	OPERATING RIGHTS	0.000000000		
PANAN ENERGY INC	PO BOX 1718	FORT WORTH	TX	76101	LESSEE	0.000000000		
HODGES LELAND A	306 W 7TH ST STE 701	FORT WORTH	TX	761024906	LESSEE	0.000000000		
HEC PARTNERS INCORPORATED	463 TURNER DR STE 101	DURANGO	CO	813037981	OPERATING RIGHTS	0.000000000		
VML RESOURCES INC	PO BOX 1718	FORT WORTH	TX	761011718	OPERATING RIGHTS	0.000000000		
VML RESOURCES INC	PO BOX 1718	FORT WORTH	TX	761011718	LESSEE	0.000000000		
ADVANCE ENERGY PARTNERS HAT MESA LLC	11490 WESTHEIMER RD STE 950	HOUSTON	TX	770776841	LESSEE	0.000000000		

							Serial Number: NMNM-- - 014155			
Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0210S	0320E	013	ALIQ			N2,N2SW,NWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0210S	0320E	014	ALIQ			NE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 014155

				Serial Number: NMNM-- - 014155	
Act Date	Act Code	Action Txt	Action Remarks	Pending Off	
06/27/1971	387	CASE ESTABLISHED	SPAR92;		
06/28/1971	888	DRAWING HELD			
08/19/1971	237	LEASE ISSUED			
09/01/1971	496	FUND CODE	05;145003		
09/01/1971	530	RLTY RATE - 12 1/2%			
09/01/1971	868	EFFECTIVE DATE			
03/16/1973	246	LEASE COMMITTED TO CA	SW-726;		

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
07/04/1973	650	HELD BY PROD - ACTUAL	/1/	
07/04/1973	658	MEMO OF 1ST PROD-ACTUAL	/1/SW-726;#1	
10/11/1973	102	NOTICE SENT-PROD STATUS		
07/02/1982	940	NAME CHANGE RECOGNIZED	BRUN-MCKN/NTX OIL CO	
11/18/1983	932	TRF OPER RGTS FILED		
11/16/1984	269	ASGN DENIED		
01/22/1985	963	CASE MICROFILMED/SCANNED	CNUM 106,366 GLC	
04/25/1985	140	ASGN FILED	HODGES/HALL TRUST	
04/25/1985	140	ASGN FILED	HODGES/LEONARD MIN	
05/09/1985	139	ASGN APPROVED	(1)EFF 05/01/85;	
05/09/1985	139	ASGN APPROVED	(2)EFF 05/01/85;	
03/03/1986	140	ASGN FILED	LEONARD/LENDON	
07/09/1986	139	ASGN APPROVED	EFF 08/01/86;	
04/29/1988	974	AUTOMATED RECORD VERIF	MRR/VG	
10/31/1988	974	AUTOMATED RECORD VERIF	RAO/MT	
02/13/1989	932	TRF OPER RGTS FILED		
03/13/1989	933	TRF OPER RGTS APPROVED	EFF 03/01/89;	
03/13/1989	974	AUTOMATED RECORD VERIF	RAO/MT	
03/14/1991	909	BOND ACCEPTED	EFF 03/01/91;MT0735	
12/04/1992	899	TRF OF ORR FILED		
12/21/1992	140	ASGN FILED	LENDON/O P LEONARD	
02/11/1993	139	ASGN APPROVED	EFF 01/01/93;	
02/11/1993	974	AUTOMATED RECORD VERIF	ST/MV	
10/31/1997	140	ASGN FILED	HODGES/MONARCH	
11/13/1997	139	ASGN APPROVED	EFF 11/01/97;	
11/13/1997	974	AUTOMATED RECORD VERIF	JLV	
12/05/1997	899	TRF OF ORR FILED		
07/24/1998	140	ASGN FILED	LEONARD/VML RESOURCES	
07/24/1998	140	ASGN FILED	LEONARD/PANAN ENE	
09/08/1998	139	ASGN APPROVED	(2)EFF 08/01/98;	
09/08/1998	139	ASGN APPROVED	(1)EFF 08/01/98;	
09/08/1998	974	AUTOMATED RECORD VERIF	MV/MV	
12/01/1998	140	ASGN FILED	ANTHONY/PANORAMIC	
01/20/1999	139	ASGN APPROVED	EFF 01/01/99;	
01/20/1999	974	AUTOMATED RECORD VERIF	LR	
10/25/2004	140	ASGN FILED	PANORAMIC/ANTHONY ENE	
12/02/2004	139	ASGN APPROVED	EFF 11/01/04;	
12/02/2004	974	AUTOMATED RECORD VERIF	MV	
01/24/2014	376	BOND FILED	NMB001149;	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
02/03/2014	909	BOND ACCEPTED	NMB001149;EFF 1/24/14	
02/03/2014	974	AUTOMATED RECORD VERIF	EMR	
08/13/2018	932	TRF OPER RGTS FILED	CHEVRON U/ADVANCE E;1	
08/27/2018	932	TRF OPER RGTS FILED	CHEVRON M/ASCENT EN;1	
09/25/2018	378	BOND PERIOD TERMINATED	NMB001149;EFF 3/22/17	
09/25/2018	974	AUTOMATED RECORD VERIF	EMR	
10/09/2018	932	TRF OPER RGTS FILED	ADVANCE E/BULLHEAD;1	
11/29/2018	932	TRF OPER RGTS FILED	CHEVRON M/ADVANCE E;1	
01/28/2019	899	TRF OF ORR FILED	1	
04/01/2019	957	TRF OPER RGTS DENIED	CHEVRON NO OR;	
04/01/2019	974	AUTOMATED RECORD VERIF	SD	
04/15/2019	957	TRF OPER RGTS DENIED	ADVANCE NO OR;	
04/15/2019	974	AUTOMATED RECORD VERIF	PM	
04/22/2019	957	TRF OPER RGTS DENIED	CHEVRON NO OR;	
04/22/2019	974	AUTOMATED RECORD VERIF	PM	
09/13/2019	932	TRF OPER RGTS FILED	CHEVRON M/ADVANCE E;1	
09/13/2019	932	TRF OPER RGTS FILED	CHEVRON M/ADVANCE E;2	
12/27/2019	899	TRF OF ORR FILED	1	
02/01/2020	246	LEASE COMMITTED TO CA	NMNM141569;	
02/13/2020	932	TRF OPER RGTS FILED	BELCO PET/QUINOCO P;1	
02/13/2020	932	TRF OPER RGTS FILED	QUINOCO P/QUINOCO C;1	
02/13/2020	932	TRF OPER RGTS FILED	QUINOCO C/HALLWOOD;1	
02/19/2020	932	TRF OPER RGTS FILED	CHEVRON M/ASCENT EN;1	
02/19/2020	932	TRF OPER RGTS FILED	CHEVRON M/ASCENT EN;2	
05/18/2020	140	ASGN FILED	LEONARD E/PANAN ENE;1	
06/05/2020	899	TRF OF ORR FILED	1	
06/05/2020	899	TRF OF ORR FILED	3	
06/05/2020	899	TRF OF ORR FILED	4	
06/05/2020	899	TRF OF ORR FILED	2	
08/10/2020	139	ASGN APPROVED	EFF 06/01/20;/A/	
08/10/2020	974	AUTOMATED RECORD VERIF	ADD	
09/14/2020	658	MEMO OF 1ST PROD-ACTUAL	/2/NMNM141569;#505H	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 03/01/20;1	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 03/01/20;3	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 03/01/20;2	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 03/01/20;4	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 03/01/20;5	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 10/01/19;1	
09/14/2020	933	TRF OPER RGTS APPROVED	EFF 10/01/19;2	

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Act Date	Act Code	Action Txt	Action Remarks	Pending Off
03/26/2021	932	TRF OPER RGTS FILED	BULLHEAD/ADVANCE E;1	
07/01/2021	140	ASGN FILED	ANTHONY E/REGENERAT;1	
07/01/2021	932	TRF OPER RGTS FILED	ANTHONY E/REGENERAT;1	
07/14/2021	899	TRF OF ORR FILED	1	
07/28/2021	140	ASGN FILED	REGENERAT/ADVANCE E;1	
07/28/2021	932	TRF OPER RGTS FILED	REGENERAT/ADVANCE E;1	
10/21/2021	957	TRF OPER RGTS DENIED	BULLHEAD NO OR	
10/21/2021	974	AUTOMATED RECORD VERIF	EH	
11/03/2021	139	ASGN APPROVED	EFF 08/01/21;1	
11/03/2021	139	ASGN APPROVED	EFF 08/01/21;2	
11/03/2021	933	TRF OPER RGTS APPROVED	EFF 08/01/21;1	
11/03/2021	933	TRF OPER RGTS APPROVED	EFF 08/01/21;2	
11/03/2021	974	AUTOMATED RECORD VERIF	PM	
11/08/2021	643	PRODUCTION DETERMINATION	/2/	
11/30/2021	899	TRF OF ORR FILED	2	
11/30/2021	899	TRF OF ORR FILED	1	

Line Number	Remark Text	Serial Number: NMNM-- - 014155
0002	CURRENT RECORD TITLE HOLDERS :	
0003	SEC 13: N2,N2SW,NWSE;	
0004	LELAND A. HODGES	100.00%
0005	SEC 14: NE.	
0006	PANAN ENERGY INC	6.25%
0007	VML RESOURCES INC	6.25%
0008	MONARCH RES INC	6.25%
0009	ADVANCE ENERGY PTRNS HAT MESA LLC	6.25%
0010	NEW TEX OIL CO	75.00%
0011	-----	
0012	BONDED OPERATOR	
0013	12/02/2004 SAMSON RESOURCES NM2037/NW	
0014	/A/CORRECT 07/24/1998, MISSING SPOUSAL SIGNATURE	
0015	08/10/2020 CHEVRON MIDCONTINENT NMB2881/NW	
0016	ADVANCE ENE PTRNS HAT MESA LLC NMB001444 NM - \$60K;	
0017	-----	
0018	11/14/2021 - OPERATING RIGHTS ADJUDICATED;	
0019	SEE WORKSHEET.	
0020	-----	

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01 12-22-1987;101STAT1330;30USC181 ET SEQ  
 Case Type 312021: O&G LSE COMP PD -1987  
 Commodity 459: OIL & GAS  
 Case Disposition: AUTHORIZED

Total Acres:  
 480.000

Serial Number  
 NMNM 127892

Case File Juris:

						Serial Number: NMNM-- - 127892	
Name & Address						Int Rel	% Interest
ASCENT ENERGY LLC	1125 17TH ST STE 410	DENVER	CO	802022061	OPERATING RIGHTS	0.000000000	
HANLEY PETROLEUM INC	415 W WALL ST STE 1500	MIDLAND	TX	797014473	LESSEE	25.000000000	
ADVANCE ENERGY PARTNERS HAT MESA LLC	11490 WESTHEIMER RD STE 950	HOUSTON	TX	770776841	OPERATING RIGHTS	0.000000000	
ASCENT ENERGY LLC	1125 17TH ST STE 410	DENVER	CO	802022061	LESSEE	75.000000000	

						Serial Number: NMNM-- - 127892				
Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0210S	0320E	012	ALIQ			W2NE,W2,S2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 127892

				Serial Number: NMNM-- - 127892	
Act Date	Act Code	Action Txt	Action Remarks	Pending Off	
10/19/2011	387	CASE ESTABLISHED	201201019		
01/18/2012	143	BONUS BID PAYMENT RECD	\$960.00;		
01/18/2012	191	SALE HELD			
01/18/2012	267	BID RECEIVED	\$3360000.00;		
01/20/2012	143	BONUS BID PAYMENT RECD	\$3359040.00;		
03/26/2012	237	LEASE ISSUED			
03/26/2012	974	AUTOMATED RECORD VERIF	LBO		
04/01/2012	496	FUND CODE	05;145003		
04/01/2012	530	RLTY RATE - 12 1/2%			
04/01/2012	868	EFFECTIVE DATE			
04/16/2012	140	ASGN FILED	MARSHALL/HANLEY PE;1		
07/19/2012	139	ASGN APPROVED	EFF 05/01/12;		
07/19/2012	974	AUTOMATED RECORD VERIF	LR		
09/15/2016	932	TRF OPER RGTS FILED	HANLEY PE/LHAH PROP;1		
11/10/2016	933	TRF OPER RGTS APPROVED	EFF 10/01/16;		
11/10/2016	974	AUTOMATED RECORD VERIF	EMR		

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Serial Number: NMNM-- - 127892

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
07/10/2017	932	TRF OPER RGTS FILED	PLM-1/ADVANCE ENERG;1	
07/10/2017	932	TRF OPER RGTS FILED	TBO CATT/ADVANCE E;1	
07/10/2017	932	TRF OPER RGTS FILED	MT SI OIL/ADVANCE E;1	
07/10/2017	932	TRF OPER RGTS FILED	SLADE ET/ADVANCE E;1	
07/10/2017	932	TRF OPER RGTS FILED	GRAMPUTT/ADVANCE E;1	
10/18/2017	933	TRF OPER RGTS APPROVED	EFF 8/1/17;1	
10/18/2017	933	TRF OPER RGTS APPROVED	EFF 8/1/17;2	
10/18/2017	933	TRF OPER RGTS APPROVED	EFF 8/1/17;3	
10/18/2017	933	TRF OPER RGTS APPROVED	EFF 8/1/17;4	
10/18/2017	933	TRF OPER RGTS APPROVED	EFF 8/1/17;5	
10/18/2017	974	AUTOMATED RECORD VERIF	KM	
10/24/2017	140	ASGN FILED	MARSHALL/ASCENT EN;1	
10/26/2017	940	NAME CHANGE RECOGNIZED	HANLEY/HANLEY LLC	
11/03/2017	139	ASGN APPROVED	EFF 11/01/17;	
11/03/2017	974	AUTOMATED RECORD VERIF	RCC	
12/13/2017	932	TRF OPER RGTS FILED	LHAH PROP/ASCENT EN;1	
12/13/2017	932	TRF OPER RGTS FILED	HANLEY PE/ASCENT EN;1	
01/26/2018	933	TRF OPER RGTS APPROVED	EFF 01/01/18;1	
01/26/2018	933	TRF OPER RGTS APPROVED	EFF 01/01/18;2	
01/26/2018	974	AUTOMATED RECORD VERIF	RCC	
11/25/2019	899	TRF OF ORR FILED	1	
02/01/2020	246	LEASE COMMITTED TO CA	NMNM141569;	
09/14/2020	650	HELD BY PROD - ACTUAL	/1/	
09/14/2020	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM141569;#505H	
11/17/2020	932	TRF OPER RGTS FILED	ADVANCE E/ADVANCE E;1	
04/22/2021	933	TRF OPER RGTS APPROVED	EFF 12/01/20;	
04/22/2021	974	AUTOMATED RECORD VERIF	KB	
08/02/2021	899	TRF OF ORR FILED	1	
11/08/2021	643	PRODUCTION DETERMINATION	/1/	

Serial Number: NMNM-- - 127892

Line Number	Remark Text
0002	STIPULATIONS ATTACHED TO LEASE:
0003	NM-11-LN SPECIAL CULTURAL RESOURCE
0004	SENM-S-1 POTASH STIPULATION
0005	SENM-S-15 WILDLIFE HABITAT PROJECTS
0006	SENM-S-16 RAPTOR NESTS AND HERONRIES
0007	SENM-S-22 PRAIRIE CHICKENS
0008	SENM-S-47 LEASE RECLAMATION

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page

Run Date/Time: 12/17/2021 11:53 AM

Page 7 Of 9

Line Number	Remark Text	Serial Number: NMNM-- - 127892
0009	RENTAL PAID TO ONRR FROM 04/01/12 THRU 03/31/13	
0010	/A/11/09/2016 - TRANSFEROR DOES NOT HAVE	
0011	OPERATING RIGHTS INTEREST TO CONVEY.	
0012	RENTAL PAID FROM 04/01/2016 THRU 03/31/2017	
0013	RENTAL PAID PER ONRR 4/1/2017	
0014	11/03/17 - RENTAL PAID PER ONRR THRU 03/31/2018;	
0015	OR WORKSHEET UPDATED 4/22/2021	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 CASE RECORDATION  
 (MASS) Serial Register Page

Run Date/Time: 12/17/2021 11:53 AM

Page 8 Of 9

01 02-25-1920;041STAT0437;30USC226  
 Case Type 311111: O&G LSE NONCOMP PUB LAND  
 Commodity 459: OIL & GAS  
 Case Disposition: AUTHORIZED

Total Acres:  
 480.000

Serial Number  
 NMNM 0553706

Case File Juris:

Serial Number: NMNM-- 0 553706

Name & Address		Int Rel	% Interest
NEARBURG EXPLORATION CO LLC	3300 N A ST # 120	MIDLAND TX 797055421 OPERATING RIGHTS	0.000000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882 OPERATING RIGHTS	0.000000000
LEGACY RESERVES OPERATING LP	303 W WALL ST STE 1400	MIDLAND TX 797015126 OPERATING RIGHTS	0.000000000
CONOCOPHILLIPS CO	315 S JOHNSTONE	BARTLESVILLE OK 740057500 LESSEE	100.000000000
CONOCOPHILLIPS CO	315 S JOHNSTONE	BARTLESVILLE OK 740057500 OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 0 553706

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0210S	0320E	011	ALIQ			NW,SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0210S	0320E	012	ALIQ			E2NE,N2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- 0 553706

Serial Number: NMNM-- 0 553706

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
05/03/1964	387	CASE ESTABLISHED		
06/01/1964	496	FUND CODE	05;145003	
06/01/1964	530	RLTY RATE - 12 1/2%		
06/01/1964	868	EFFECTIVE DATE		
05/15/1967	232	LEASE COMMITTED TO UNIT	HAT MESA	
06/19/1968	500	GEOGRAPHIC NAME	HAT MESA FLD;	
06/19/1968	510	KMA CLASSIFIED		
06/19/1968	651	HELD BY PROD - ALLOCATED	SW-696	
08/08/1968	315	RENTAL RATE DET/ADJ	\$2.00;	
05/01/1969	336	UNIT AGRMT TERMINATED	HAT MESA	
06/26/1969	235	EXTENDED	THRU 04/30/71;	
09/01/1972	246	LEASE COMMITTED TO CA	SW 696	
01/22/1973	102	NOTICE SENT-PROD STATUS		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 CASE RECORDATION  
 (MASS) Serial Register Page

Run Date/Time: 12/17/2021 11:53 AM

Page 9 Of 9

Serial Number: NMNM-- 0 553706

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
06/16/1973	500	GEOGRAPHIC NAME	SOUTH SALT LAKE FLD;	
06/16/1973	512	KMA EXPANDED		
04/01/1975	246	LEASE COMMITTED TO CA	SW 990	
10/26/1988	932	TRF OPER RGTS FILED		
11/22/1988	933	TRF OPER RGTS APPROVED	EFF 09/01/88;	
11/22/1988	974	AUTOMATED RECORD VERIF	DGT/MT	
01/06/1989	963	CASE MICROFILMED/SCANNED	CNUM 100,391	
06/17/1992	974	AUTOMATED RECORD VERIF	ST/KRP	
02/28/1997	932	TRF OPER RGTS FILED	PHILLIPS/NEARBURG	
03/11/1997	933	TRF OPER RGTS APPROVED	EFF 03/01/97;	
03/11/1997	974	AUTOMATED RECORD VERIF	ANN	
03/12/1997	575	APD FILED		
04/16/1997	576	APD APPROVED	#1 MINIS "12" FED COM	
02/09/1998	932	TRF OPER RGTS FILED	NEARBURG/PHILLIPS	
03/05/1998	933	TRF OPER RGTS APPROVED	EFF 03/01/98;	
03/05/1998	974	AUTOMATED RECORD VERIF	MV/MV	
01/16/2003	817	MERGER RECOGNIZED	CONOCO/CONOCOPHILLIPS	
01/18/2005	932	TRF OPER RGTS FILED	LOWE PTNRS/COG OG	
02/16/2005	933	TRF OPER RGTS APPROVED	EFF 02/01/05;	
02/16/2005	974	AUTOMATED RECORD VERIF	LR	
03/17/2010	940	NAME CHANGE RECOGNIZED	COG O&G/COG OPER	
01/28/2011	932	TRF OPER RGTS FILED	COG OPERA/LEGACY RE;1	
04/19/2011	933	TRF OPER RGTS APPROVED	EFF 02/01/11;	
04/19/2011	974	AUTOMATED RECORD VERIF	RAYO/RAYO	
03/03/2020	899	TRF OF ORR FILED	2	
03/03/2020	899	TRF OF ORR FILED	1	
09/13/2021	899	TRF OF ORR FILED	2	
09/13/2021	899	TRF OF ORR FILED	1	
09/13/2021	899	TRF OF ORR FILED	3	

Line Number	Remark Text	Serial Number: NMNM-- 0 553706
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NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

# Allocation Methodology

### Process and Flow Description

The production from each of the six wells will flow into a dedicated 3 Phase oil/gas/water test separation vessel. Each production stream will be separated into three independent streams (oil, gas, water) by the test separator and the oil, 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 3 phase test separator 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 Daniels senior orifice meters and used to allocate total measured gas at the facility. Additional pad gas Daniels senior orifice meters will used on sales gas line, flare gas line, and fuel gas line. The overhead gas from the heater treater flash and tank vent lines 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 water turbine meters at each test separator, and at each water transfer skid. Guided wave radar will be used to measure water volumes in the tanks.

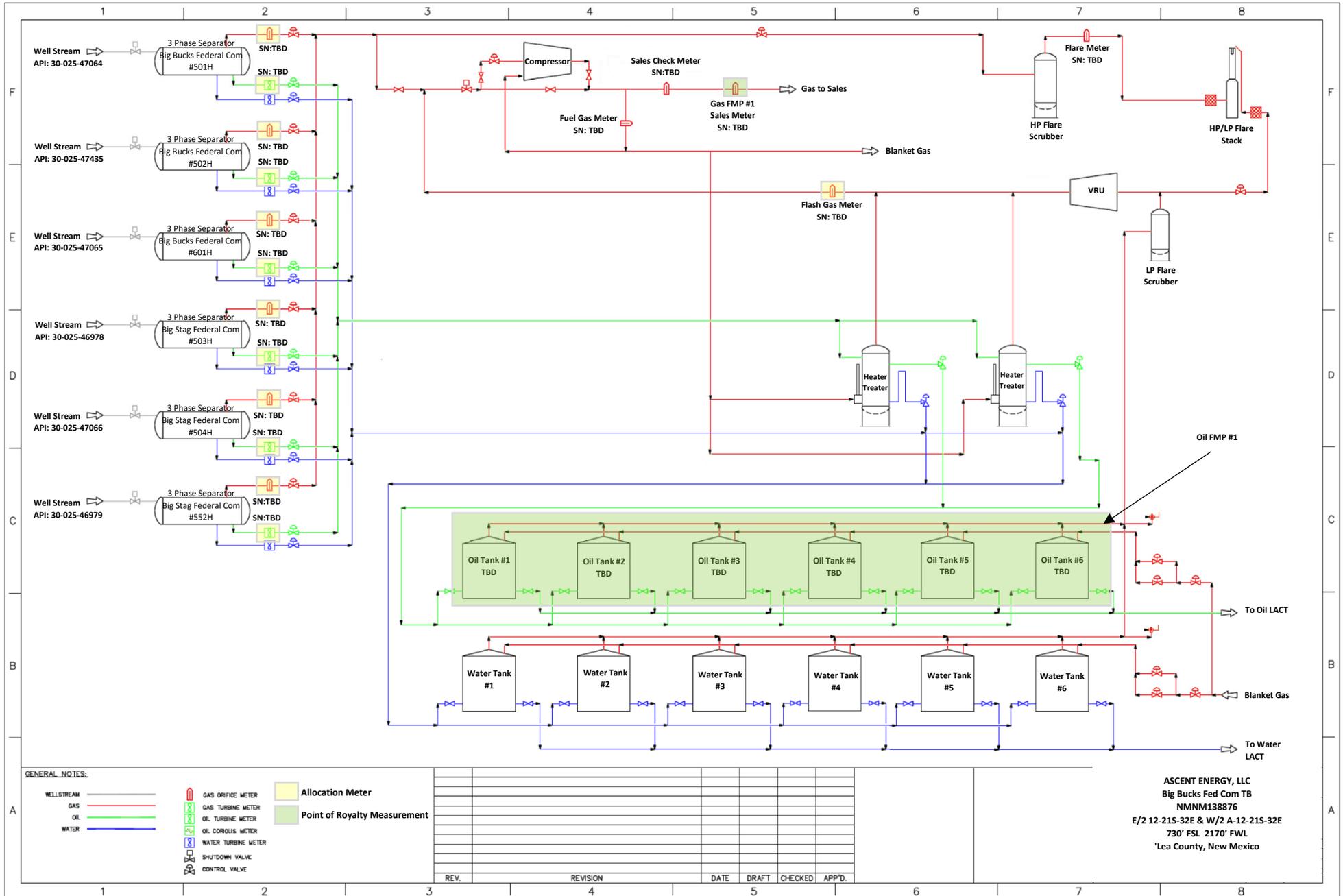
The oil from each separator will be combined into a common header and heated in a heater treater which is connected to six 1,000 bbl tanks where it will be pumped away to sales via lease automatic custody transfer (LACT) unit. Guided wave radar will be used to measure oil volumes in the tanks.

- Big Bucks Federal Com #501H. 30-025-47064
  - Gas Allocation Meter: F-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: F-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: F-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-6 turbine meter (heater treater)
- Big Bucks Federal Com #502H. 30-025-47435
  - Gas Allocation Meter: F-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: F-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: F-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-6 turbine meter (heater treater)
- Big Bucks Federal Com #601H. 30-025-47065
  - Gas Allocation Meter: E-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: E-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: E-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-6 turbine meter (heater treater)
- Big Stag Federal Com #503H. 30-025-46978
  - Gas Allocation Meter: D-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: D-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-6 turbine meter (heater treater)

- Big Stag Federal Com #504H. 30-025-47066
  - Gas Allocation Meter: D-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: D-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-6 turbine meter (heater treater)
- Big Stag Federal Com #552H. 30-025-46979
  - Gas Allocation Meter: C-2 orifice meter (3 Phase Separator)
  - Gas Allocation Meter: D-5 orifice meter (heater treater)
  - Oil Allocation Meter: C-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: C-2 turbine meter (3 Phase Separator)
  - Water Allocation Meter: D-7 turbine meter (heater treater)
- Pad Meters
  - Gas Allocation Meter: F-4 orifice meter (sales gas)
  - Gas Allocation Meter: F-4 orifice meter (fuel gas)
  - Gas Allocation Meter: F-7 orifice meter (flare gas)
  - Gas Allocation Meter: E-7 orifice meter (vapor recovery unit)
  - Oil Allocation Meter: SK-901 coriolis meter (LACT)
  - Oil Allocation Meter: SK-902 coriolis meter (LACT)
  - Water Allocation Meter: SK-903 mag meter (water transfer skid)
  - Water Allocation Meter: SK-904 mag meter (water transfer skid)

**Future Additions**

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

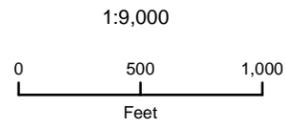


# Ascent Energy, LLC

## Big Stag / Big Bucks Surface Commingling Overview Map

T.21S, R.32E, Lea County, New Mexico

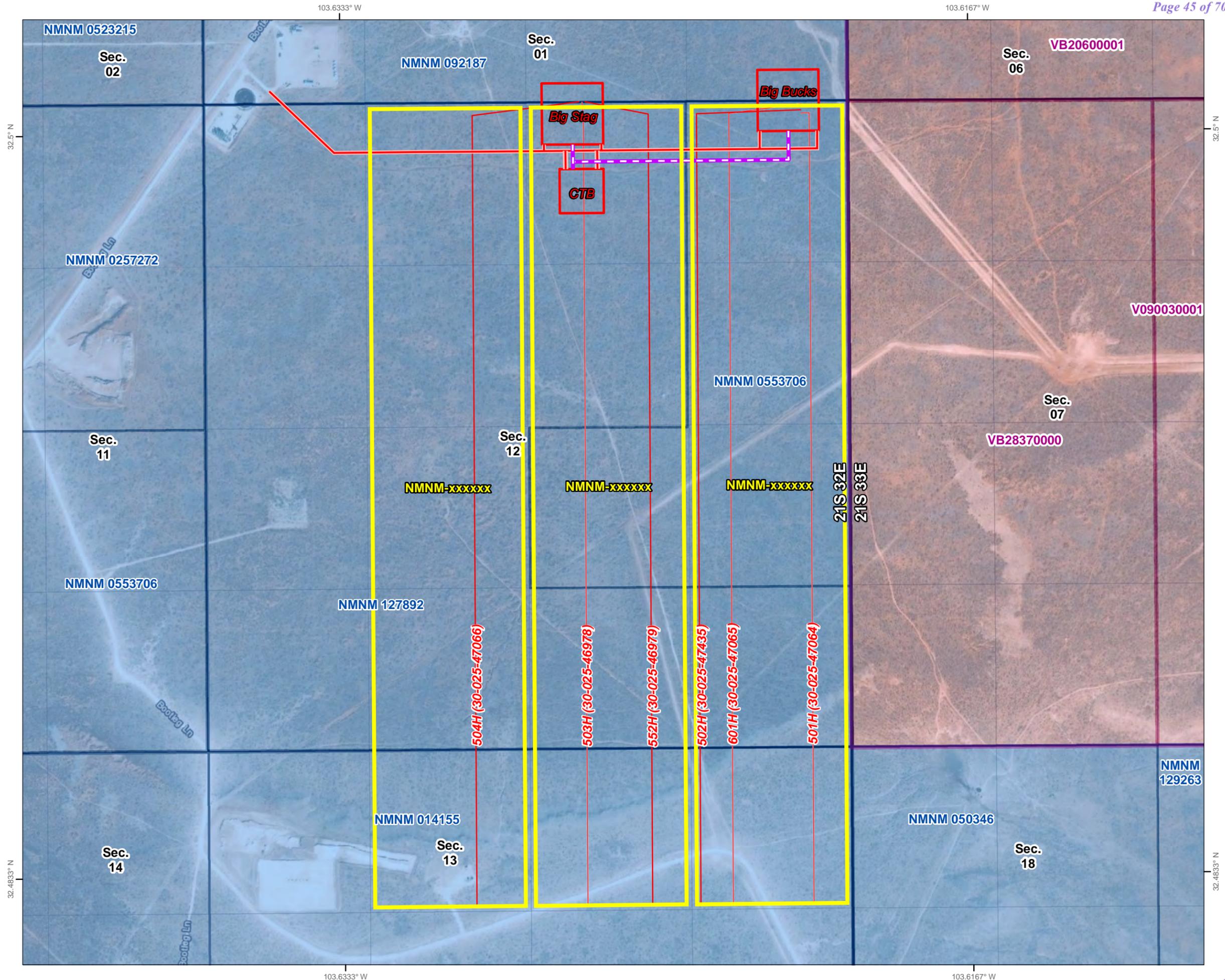
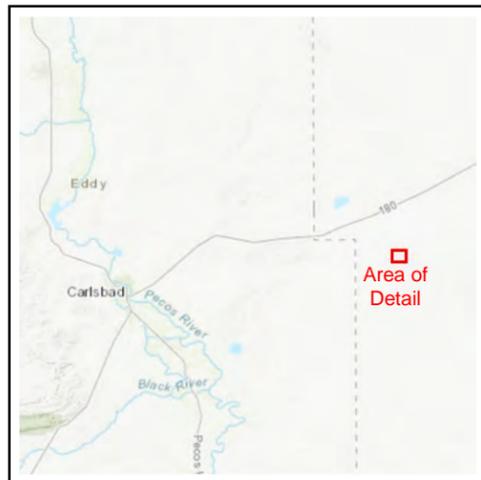
-  Proposed Communitization Agreements
-  Wellbores
-  Flowlines
-  Well Pads
-  Access Roads
-  State O&G Lease
-  Federal O&G Lease



NAD 1983 New Mexico State Plane East  
FIPS 3001 Feet



Prepared by Permits West, Inc., January 5, 2022  
for Ascent Energy, LLC





January 6, 2022

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

Re: Request for commingling  
Big Stag Federal Com 504H  
Sec. 12, T21S, R32E  
API: 30-025-47066  
WC-025 G-08 S213304D  
Lea County, NM

Dear Interest Owner:

This letter is to advise you that Ascent Energy, LLC, is filing an application with the New Mexico Oil Conservation Division seeking approval for oil and gas commingling at the Big Bucks Central Tank Battery.

A copy of our submitted application is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (505) 466-8120 should you have any questions or need any additional information.

Sincerely,

Cory Walk  
Agent  
Permits West Inc.

### Process and Flow Description

The production from each of the six wells will flow into a dedicated 3 Phase oil/gas/water test separation vessel. Each production stream will be separated into three independent streams (oil, gas, water) by the test separator and the oil, 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 3 phase test separator 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 Daniels senior orifice meters and used to allocate total measured gas at the facility. Additional pad gas Daniels senior orifice meters will used on sales gas line, flare gas line, and fuel gas line. The overhead gas from the heater treater flash and tank vent lines is compressed by a vapor recovery unit and then measured by an orifice meter before joining the sales / flare / fuel header.

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**Future Additions**

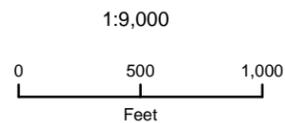
Ascent Energy, LLC may drill additional wells within the same pool or leases to fully develop the reservoir at a future date.

# Ascent Energy, LLC

## Big Stag / Big Bucks Surface Commingling Overview Map

T.21S, R.32E, Lea County, New Mexico

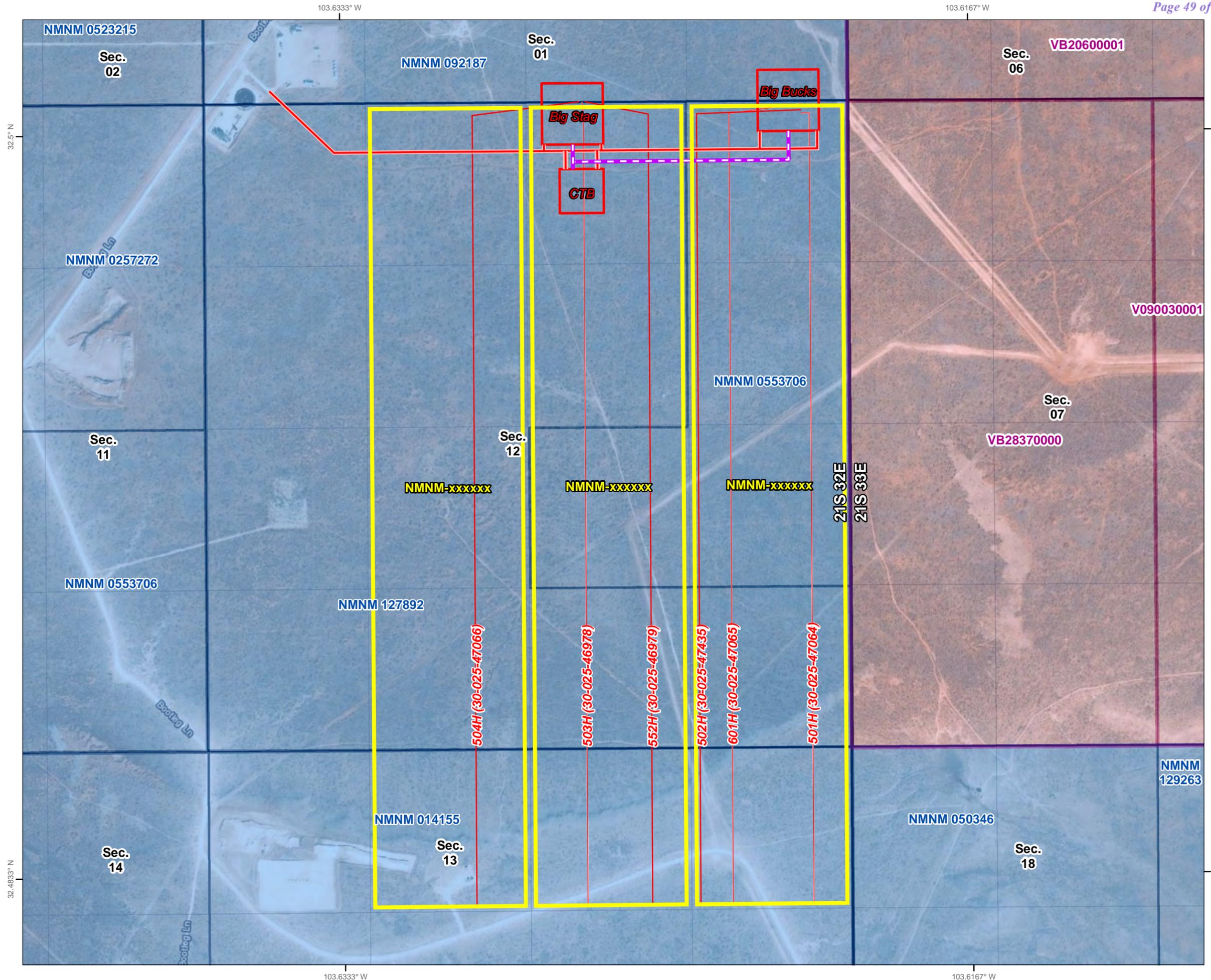
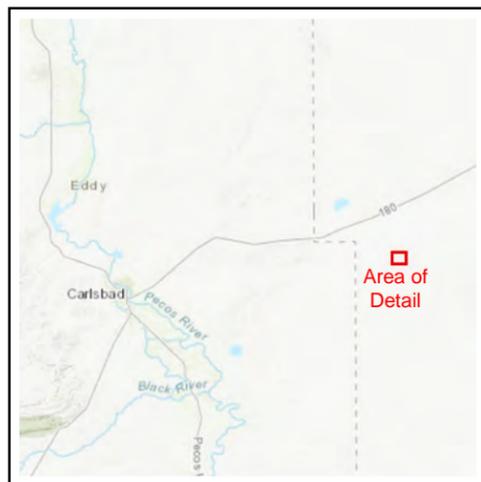
-  Proposed Communitization Agreements
-  Wellbores
-  Flowlines
-  Well Pads
-  Access Roads
-  State O&G Lease
-  Federal O&G Lease

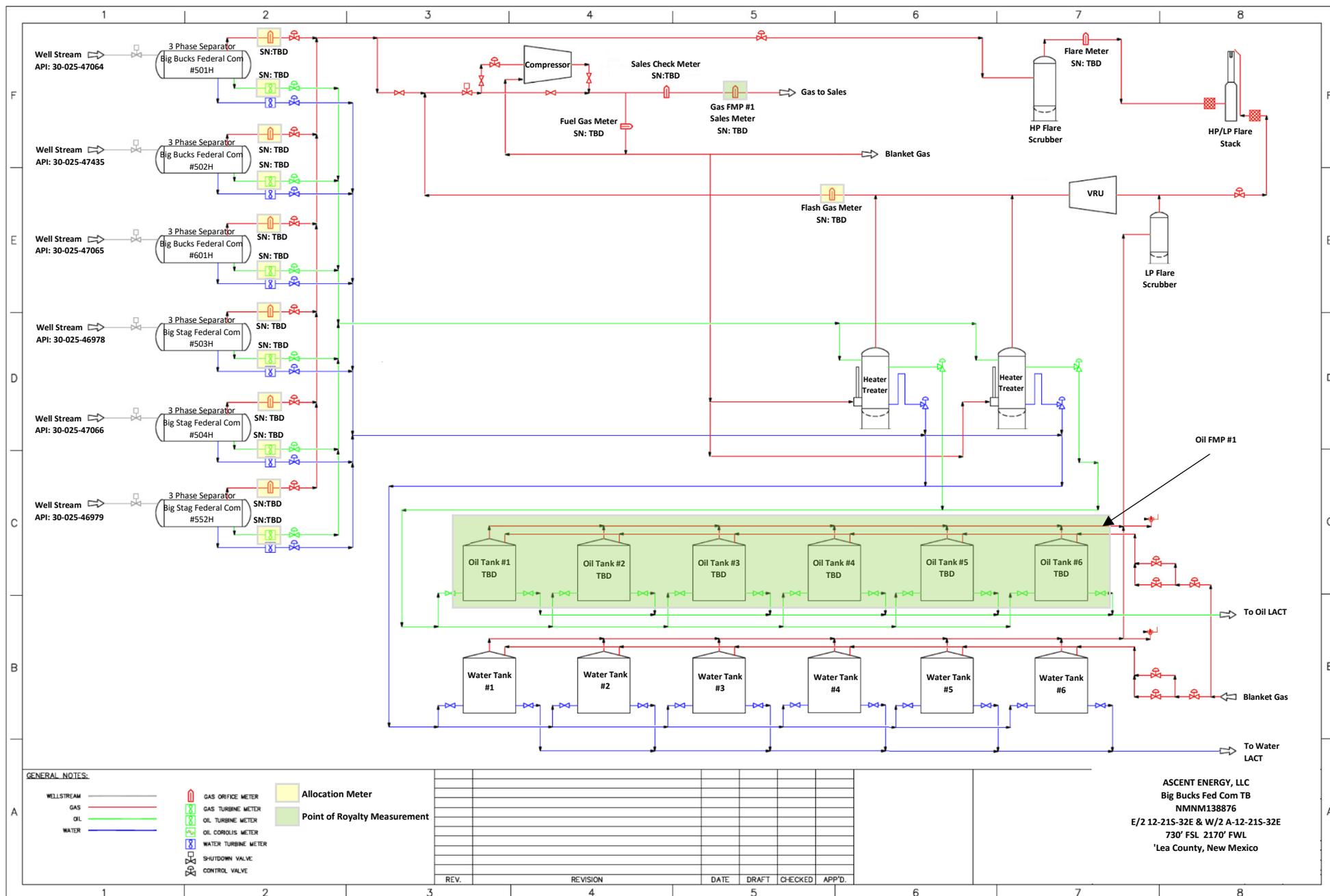


NAD 1983 New Mexico State Plane East  
FIPS 3001 Feet



Prepared by Permits West, Inc., January 5, 2022  
for Ascent Energy, LLC





**GENERAL NOTES:**

WELLSTREAM			GAS ORIFICE METER		Allocation Meter
GAS			GAS TURBINE METER		Point of Royalty Measurement
OIL			OIL TURBINE METER		
WATER			OIL CORIOLIS METER		
			WATER TURBINE METER		
			SHUTDOWN VALVE		
			CONTROL VALVE		

REV.	REVISION	DATE	DRAFT	CHECKED	APP'D.

ASCENT ENERGY, LLC  
 Big Bucks Fed Com TB  
 NMMN138876  
 E/2 12-21S-32E & W/2 A-12-21S-32E  
 730' FSL 2170' FWL  
 'Lea County, New Mexico

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Total Postage and Fees \$

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 909 W WALL ST STE 1400  
 MIDLAND, TX 79701-5126

Street and Apt. No., or PO Box No. Ascent - Big Bucks FC Commingle

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

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 PO BOX 1718  
 FORT WORTH, TX 76101-1718

Street and Apt. No., or PO Box No. Ascent - Big Bucks FC Commingle

City, State, ZIP+4®

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Adult Signature Restricted Delivery \$

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 306 W 7TH ST STE 701  
 FORT WORTH, TX 76102-4906

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Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

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 415 W WALL ST SUITE 1500  
 MIDLAND, TX 79701-4473

Street and Apt. No., or PO Box No. Ascent - Big Bucks FC Commingle

City, State, ZIP+4®

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**OFFICIAL USE**

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

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Sent To COG OPERATING LLC  
 600 W ILLINOIS AVE  
 MIDLAND, TX 79701-4882

Street and Apt. No., or PO Box No. Ascent - Big Bucks FC Commingle

City, State, ZIP+4®

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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 315 S JOHNSTONE  
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Street and Apt. No., or PO Box No.	115 W 7TH ST #1310 FORT WORTH, TX 76102
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

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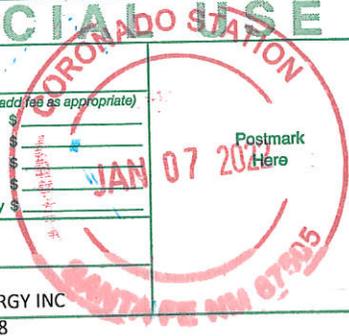
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$



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Total Postage and Fees	\$

Sent To	PANAN ENERGY INC
Street and Apt. No., or PO Box No.	PO BOX 1718 FORT WORTH, TX 76101
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

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<input type="checkbox"/> Return Receipt (hardcopy)	\$
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<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$



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Sent To	HEC PARTNERS INCORPORATED
Street and Apt. No., or PO Box No.	463 TURNER DR STE 101 DURANGO, CO 81303-7981
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$



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Total Postage and Fees	\$

Sent To	NEARBURG EXPLORATION CO LLC
Street and Apt. No., or PO Box No.	3300 N A ST #120 MIDLAND, TX 79705-5421
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

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Total Postage and Fees	\$

Sent To	ADVANCE ENERGY PARTNERS HAT MESA LLC
Street and Apt. No., or PO Box No.	11490 WESTHEIMER RD STE 950 HOUSTON, TX 77077-6841
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<input type="checkbox"/> Adult Signature Restricted Delivery	\$



Postage	\$
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Sent To	NEW TEX OIL COMPANY
Street and Apt. No., or PO Box No.	PO BOX 2390 HOBBS, NM 88241-2390
City, State, ZIP+4®	Ascent - Big Bucks FC Commingle

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
BIG BUCKS FED	502H	3002547435	NMNM0553706	NMNM0553706	ASCENT
BIG STAGG FED	503H	3002546978	NMNM92187	NMNM92187	ASCENT
BIG STAGG FED	603H	3002547066	NMNM127892	NMNM127892	ASCENT
BIG STAGG FED	703H	3002546979	NMNM92187	NMNM92187	ASCENT
BIG BUCKS FED	601H	3002547065	NMNM0553706	NMNM0553706	ASCENT
BIG BUCKS FED	501H	3002547064	NMNM92187	NMNM92187	ASCENT

**Notice of Intent**

**Sundry ID:** 2651629

**Type of Submission:** Notice of Intent

**Type of Action:** Commingling (Surface) and Off-Lease Measurement

**Date Sundry Submitted:**

**Time Sundry Submitted:**

**Date proposed operation will begin:** 01/17/2022

**Procedure Description:** Ascent Energy, LLC would like to request oil and gas commingling at the Big Bucks Central Tank Battery located in NWNE, section 12, T-21-S, R-32-E under 43 CFR 3173.14 (a)(1)(i). Ascent would also like to request off-lease measurement (OLM) for the Big Stag Fed Com 504H (formerly 603H) and the Big Bucks Fed Com 501H, 502H, and 601H. Please see the attached list of wells, map, facility diagram, allocation methodology description, pending communitization agreements, serial register pages of involved federal leases, and a letter to all interest owners for additional information. Please see attached BLM Sundry approvals for name changes to the 603H and 703H (now 552H). The Big Stag 703H also has an approved name change to the 552H.

**Surface Disturbance**

**Is any additional surface disturbance proposed?:** No

**NOI Attachments**

**Procedure Description**

Colgate\_BigBucks\_BLMsundry\_Commingle\_Attachment\_20220107114815.pdf

**Operator Certification**

I certify that the foregoing is true and correct. 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

**Operator Electronic Signature:** BRIAN WOOD

**Signed on:** JAN 07, 2022 11:48 AM

**Name:** ASCENT ENERGY LLC

**Title:** President

**Street Address:** 37 VERANO LOOP

**City:** SANTA FE **State:** NM

**Phone:** (505) 466-8120

**Email address:** AFMSS@PERMITSWEST.COM

**Field Representative**

**Representative Name:**

**Street Address:**

**City:** **State:** **Zip:**

**Phone:**

**Email address:**

CONFIDENTIAL

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Ascent Energy, LLC **OGRID Number:** 325830  
**Well Name:** Big Stag Fed Com #504H **API:** 30-025-47066  
**Pool:** WC-025 G-08 S213304D; BONE SPRING **Pool Code:** 97895

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

**FOR OCD ONLY**

Notice Complete

Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders
  - B.  Royalty, overriding royalty owners, revenue owners
  - C.  Application requires published notice
  - D.  Notification and/or concurrent approval by SLO
  - E.  Notification and/or concurrent approval by BLM
  - F.  Surface owner
  - G.  For all of the above, proof of notification or publication is attached, and/or,
  - H.  No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Cory Walk  
 \_\_\_\_\_  
 Print or Type Name

Cory Walk  
 \_\_\_\_\_  
 Signature

12/17/2021  
 \_\_\_\_\_  
 Date

(505) 466-8120  
 \_\_\_\_\_  
 Phone Number

cory@permitswest.com  
 \_\_\_\_\_  
 e-mail Address

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Adam Rankin](#); [Paula M. Vance](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order CTB-1052  
**Date:** Friday, January 20, 2023 3:38:34 PM  
**Attachments:** [CTB1052 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1052 which authorizes Matador Production Company (228937) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47064	Big Bucks Federal Com #501H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-47435	Big Bucks Federal Com #502H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-47065	Big Bucks Federal Com #601H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-46978	Big Stag Federal Com #503H	W/2 E/2	12-21S-32E	97895
		NW/4 NE/4	13-21S-32E	
30-025-47066	Big Stag Federal Com #504H	E/2 W/2	12-21S-32E	97895
		NE/4 NW/4	13-21S-32E	
30-025-46979	Big Stag Federal Com #552H	W/2 E/2	12-21S-32E	97895
		NW/4 NE/4	13-21S-32E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**From:** [Adam Rankin](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Paula M. Vance](#)  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052 (MRC - Big Bucks/Big Stag) - Request to Proceed under Ascent's pending application  
**Date:** Friday, January 6, 2023 11:48:33 AM  
**Attachments:** [image001.png](#)  
[20631533\\_1.pdf](#)

---

Dean,

Thanks for taking the time to talk with me today. As discussed, Matador is requesting to proceed under Ascent's application for surface commingling, which was previously filed. The only change in the physical set up for Matador from what was represented by Ascent in the application is that Matador will not meter at the exit of the heater treaters as described in Ascent's application.

We appreciate you reviewing the notice to let us know if you believe a notice of publication will be required.

Thank you for the consideration.

All best,  
Adam

**Adam Rankin**

Partner, Holland & Hart LLP

[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com) | T: (505) 954-7294 | M: (505) 570-0377

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---

**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Sent:** Wednesday, January 4, 2023 12:21 PM  
**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052 (MRC - Big Bucks/Big Stag)

Adam,

Thanks and you as well. If you are available, lets plan to touch base Friday.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Sent:** Wednesday, January 4, 2023 11:05 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052 (MRC - Big Bucks/Big Stag)

Dean,

Happy New Year to you. I have an update for you on this commingling application and a request but wondering if we can quickly discuss on a call. It will be a lot easier to discuss and explain a call than to try to do it over email. Do you have time today or tomorrow to touch base?

**Adam Rankin**

**Partner, Holland & Hart LLP**

[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com) | **T:** (505) 954-7294 | **M:** (505) 570-0377

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Sent:** Wednesday, December 21, 2022 9:08 AM

**To:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>; Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Sounds good.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>

**Sent:** Wednesday, December 21, 2022 9:01 AM

**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>; McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

Just FYI. I reached out to Matador last Friday and hoping to have a response to you soon on this.

Thanks! Happy Holidays.

Kind Regards,

**Paula Vance**

**Associate, Holland & Hart LLP**

[pmvance@hollandhart.com](mailto:pmvance@hollandhart.com) | **T:** (505) 954-7286 | **M:** (337) 280-9055

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**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>

**Sent:** Friday, December 16, 2022 3:20 PM

**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>; Paula M. Vance

<[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

Both Paula and I are out of the office today. If we can't get a response to you today, we will follow up on Monday. Thank you.

**Adam Rankin**

Partner, Holland & Hart LLP

[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com) | T: (505) 954-7294 | M: (505) 570-0377

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrn.dnm.gov](mailto:Dean.McClure@emnrn.dnm.gov)>

**Sent:** Friday, December 16, 2022 3:17 PM

**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>; Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Adam or Paula,

Do you have an update regarding this application?

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

---

**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>

**Sent:** Friday, September 2, 2022 11:18 AM

**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>

**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Thanks Dean. They are reviewing it to be sure it accurately represents the set up. We will follow up on this.

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>

**Sent:** Friday, September 2, 2022 10:08 AM

**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>

**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>

**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

External Email

Sounds good; I had not completed my review of it prior to noticing that the operator of the wells had changed hands, but will pick it back up again if that's what Matador wants to do.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Sent:** Thursday, September 1, 2022 4:45 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

Matador is evaluating Ascent's application to see if that resolves this issue.

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, August 26, 2022 4:50 PM  
**To:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>; Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

**External Email**

Paula,

Please see the attached document and the below snip from the completion information found in the well details. Matador will need to submit a change of plans correcting the spacing for this well which was approved by the BLM. In the interest of time for obtaining approval for the surface commingling permit, please provide a print off of the sundry once it has been submitted to the BLM. However, they will still need to follow though on submitting the approved BLM sundry to the Division.

**Well Completions**

**[97895] WC-025 G-08 S213304D; BONE SPRING**

**Status:** New, Not Drilled  
**Bottomhole Location:** B-13-21S-32E 1270 FNL 2310 FEL  
**Lat/Long:**  
**Acreage:** 200 12-21S-32E Units: C F K N  
13-21S-32E Units: C  
**DHC:** No

Dean McClure  
Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Sent:** Friday, August 26, 2022 2:50 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>; Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

I just looked in the well files and on GIS and it appears to be correct in the application (W/2 E/2). Where are you seeing the incorrect reference in the OCD system? I looked and didn't see where there was an error. Let me know and I'll see if we can fix from our end, but the application is correct.

Thanks, again!

Kind Regards,  
Paula

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, August 26, 2022 2:32 PM  
**To:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>; Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

**External Email**

Paula,

Please confirm the spacing unit for the well referenced in the email chain below. If it is within the W/2 E/2 as described by the application, then it will need to be corrected within the OCD system to match. Diversly, if it is within the E/2 W/2 as detailed in the OCD system, then the application will need to be amended to include the additional lease. Please note that the addition of a lease is considered to be a major modification and new notice will be required.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

---

**From:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Sent:** Friday, August 26, 2022 2:11 PM  
**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>; McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

We confirmed with Matador that their preference is for their own application (Matador application) to be considered.

Please let me know if you have any further questions or follow-up.

Kind Regards,  
Paula

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**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Sent:** Monday, August 22, 2022 3:43 PM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

Dean,

Thanks for the heads up on this.

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Monday, August 22, 2022 9:13 AM  
**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** RE: [EXTERNAL] RE: surface commingling application CTB-1052

**External Email**

Adam,

Please note there is another application for this commingling facility which could be pursued at Matador's discretion. The Divisions current intent is to leave the Ascent application on hold until the commingling project has an order issued for it unless requested otherwise.

Attached is the application and my correspondence with Matador. I bring it up because it may be more relevant when the spacing for Big Stag Federal Com #504H (30-025-47066) is taken into consideration and if it turns out that an additional "lease" may need to be included for approval of the Matador application. Please note that I have not fully reviewed the Ascent application and additional information could be needed for that application to be approved.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

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**From:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Sent:** Friday, August 19, 2022 3:00 PM

**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** [EXTERNAL] RE: surface commingling application CTB-1052

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

We're pulling together the newspaper affidavit and will get it over to you for this one and the others. I will confirm the spacing unit with Matador and follow up shortly.

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, August 19, 2022 12:51 PM  
**To:** Adam Rankin <[AGRankin@hollandhart.com](mailto:AGRankin@hollandhart.com)>  
**Cc:** Paula M. Vance <[PMVance@hollandhart.com](mailto:PMVance@hollandhart.com)>  
**Subject:** surface commingling application CTB-1052

**External Email**

Mr. Rankin,

I am reviewing surface commingling application CTB-1052 which involves a commingling project that includes the Big Bucks Tank Battery and is operated by Matador Production Company (228937).

Please confirm the spacing for the Big Stag Federal Com #504H (30-025-47066). It appears that the original APD was approved with this well in the W/2 E/2 as stated in this application, but then a change of plans had been approved which with this well proposed to be in the E/2 W/2.

Was public notice provided for this application? If so, please provide the affidavit of publication.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MATADOR PRODUCTION COMPANY                      ORDER NO. CTB-1052**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Matador Production Company (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling

application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall

reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.

10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**DYLAN M. FUGE  
DIRECTOR (ACTING)**

**DATE:** 1/20/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: CTB-1052**  
**Operator: Matador Production Company (228937)**  
**Central Tank Battery: Big Bucks Tank Battery**  
**Central Tank Battery Location: UL B, Section 12, Township 21 South, Range 32 East**  
**Gas Title Transfer Meter Location: UL B, Section 12, Township 21 South, Range 32 East**

### Pools

Pool Name	Pool Code
WC-025 G-08 S213304D; BONE SPRING	97895

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMNM 143047	E/2 E/2	12-21S-32E
	NE/4 NE/4	13-21S-32E
NMNM 0553706	J	12-21S-32E
NMNM 127892	B C F G K N O	12-21S-32E
NMNM 014155	B C	13-21S-32E
NMNM 127892	B G O	12-21S-32E
NMNM 014155	B	13-21S-32E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-47064	Big Bucks Federal Com #501H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-47435	Big Bucks Federal Com #502H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-47065	Big Bucks Federal Com #601H	E/2 E/2	12-21S-32E	97895
		NE/4 NE/4	13-21S-32E	
30-025-46978	Big Stag Federal Com #503H	W/2 E/2	12-21S-32E	97895
		NW/4 NE/4	13-21S-32E	
30-025-47066	Big Stag Federal Com #504H	E/2 W/2	12-21S-32E	97895
		NE/4 NW/4	13-21S-32E	
30-025-46979	Big Stag Federal Com #552H	W/2 E/2	12-21S-32E	97895
		NW/4 NE/4	13-21S-32E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Exhibit B**

Order: **CTB-1052**  
Operator: **Matador Production Company (228937)**

**Pooled Areas**

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105720812	W/2 E/2	12-21S-32E	200	A
	NW/4 NE/4	13-21S-32E		
CA Bone Spring NMNM 105720813	E/2 W/2	12-21S-32E	200	B
	NE/4 NW/4	13-21S-32E		

**Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 127892	B G O	12-21S-32E	120	A
NMNM 0553706	J	12-21S-32E	40	A
NMNM 014155	B	13-21S-32E	40	A
NMNM 127892	E/2 W/2	12-21S-32E	160	B
NMNM 014155	C	13-21S-32E	40	B

**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 73098

**CONDITIONS**

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 73098
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	1/20/2023