

CASE NOS. 21507 and 21508

**APPLICATIONS OF ASCENT ENERGY, LLC COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

EXHIBITS

1. Applications and Proposed Ads
2. Landman's Affidavit
- 3A. Geologist's Affidavit – Case 21507
- 3B. Geologist's Affidavit – Case 21508
4. Affidavit of Notice and Publication Affidavit
5. Pooling Checklist (Case No. 21507)
6. Pooling Checklist (Case No. 21508)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21507

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$ (the W $\frac{1}{2}$ W $\frac{1}{2}$) of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the following wells to test the Bone Spring formation:
 - (a) The Silver Fed. Com. Well No. 503H; and
 - (b) The Silver Fed. Com. Well No. 602H.

The wells are horizontal wells, with first take points in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9 and final take points in Lot 3 of Section 4. Applicant will dedicate the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 to the wells.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the wells or to otherwise commit their interests to the wells, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring

EXHIBIT 

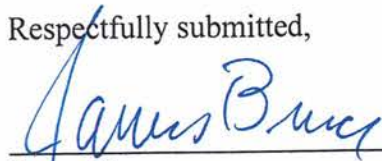
formation underlying the E½W½ of Section 4 and the E½W½ of Section 9 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Bone Spring formation underlying the E½W½ of Section 4 and the E½W½ of Section 9 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Bone Spring formation underlying the E½W½ of Section 4 and the E½W½ of Section 9;
- B. Designating applicant as operator of the wells;
- C. Considering the cost of drilling, completing, and equipping the wells, and allocating the cost among the wells' working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Ascent Energy, LLC

Case No. _____:

Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico.

Applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well Nos. 503H and 602H, with first take points in the SE/4SW/4 of Section 9 and last take points in Lot 3 of Section 4. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The unit is located approximately 5-1/2 miles northeast of Halfway, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21508

APPLICATION

Ascent Energy, LLC applies for an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$ (the E $\frac{1}{2}$ W $\frac{1}{2}$) of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

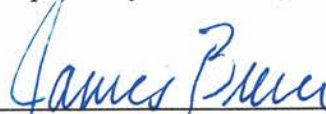
1. Applicant is an interest owner in the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9, and has the right to drill a well or wells thereon.
2. Applicant proposes to drill the Silver Fed. Com. Well No. 702H to test the Wolfcamp formation, with a first take point in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9 and a final take point in Lot 3 of Section 4. Applicant will dedicate the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 to the well.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interest owners in the Wolfcamp formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interest owners in the Wolfcamp formation underlying the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 9;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling, completing, and equipping the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Ascent Energy, LLC

Case No. _____:

Application of Ascent Energy, LLC for compulsory pooling, Lea County, New Mexico.

Applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well No. 702H, with a first take point in the SE/4SW/4 of Section 9 and a last take point in Lot 3 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling, completing, and equipping the well. The unit is located approximately 5-1/2 miles northeast of Halfway, New Mexico.

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21507

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21508

SELF-AFFIRMED STATEMENT OF LEE ZINK

Lee Zink, being duly sworn upon his oath, deposes and states:

1. I am a landman for Ascent Energy, LLC ("Ascent"), and have personal knowledge of the matters stated herein. I have been qualified by the Division as an expert petroleum landman.
2. The purpose of this application is to force pool working interest owners into the Bone Spring and Wolfcamp horizontal spacing units described below, and in wells to be drilled in the units.
3. Ascent seeks orders pooling all mineral interests in the following well units:
 - (a) In Case No. 21507 Ascent seeks to pool the Bone Spring formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well Nos. 503H and 602H, with first take points in the SE/4SW/4 of Section 9 and last take points in Lot 3 of Section 4; and
 - (b) In Case No. 21508 Ascent seeks to pool the Wolfcamp formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well No. 702H, with a first take point in the SE/4SW/4 of Section 9 and a last take point in Lot 3 of Section 4.

Form C-102s for the wells are submitted as part of the geology testimony.

EXHIBIT

2

4. The wells are in the proposed Silver Development Area, a development area approved by the Bureau of Land Management for drilling in the potash area. A plat outlining the Development Area is attached as Attachment A.

5. There are no depth severances within either the Bone Spring formation or the Wolfcamp formation. Ownership in each formation is set forth on Attachment B.

6. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests to the wells. Attachment C is a sample well proposal sent to the working interest owners in the well units. Ascent has had other contacts with the interest owners. All interest owners are locatable.

7. Phillip White owns 100% of the working interest in a lease covering the NE/4SW/4 of Section 4. I spoke with him after he received the well proposals, and he stated he would sell the lease for \$10,000/acre, reserving a 12.5% overriding royalty interest. I informed him that, under current market conditions, that was uneconomic for Ascent. He stated that was his final position and he wouldn't take less.

More recently I have been in touch with both Mr. White and his attorney, and made an offer to Mr. White at a lower bonus payment and lower overriding royalty. He countered, but the cost was still too high and didn't fit within our well economics. I again countered, increasing the prior offer, but Mr. White wouldn't budge any more. Therefore, we have not reached agreement. The latest conversations are in the e-mail chain submitted as Attachment D.

Mr. White still has the right to participate in the wells under a pooling order, or he could sign an operating agreement. In addition, he can sell his lease to a third party.

8. Ascent has made a good faith effort to obtain the voluntary joinder of the working interest owners in the proposed well.

9. Ascent has the right to pool the overriding royalty owners in the well unit.

10. Attachment E contains the Authorizations for Expenditure for the proposed wells. The estimated costs of the wells set forth therein are fair and reasonable, and comparable to the costs of other wells of similar depth and length drilled in this area of Lea County.

11. Ascent requests overhead and administrative rates of \$8000/month for a drilling well and \$800/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this portion of Lea County. They are also the rates set forth in the proposed Joint Operating Agreement for the well unit. Ascent requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

12. Ascent requests that the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

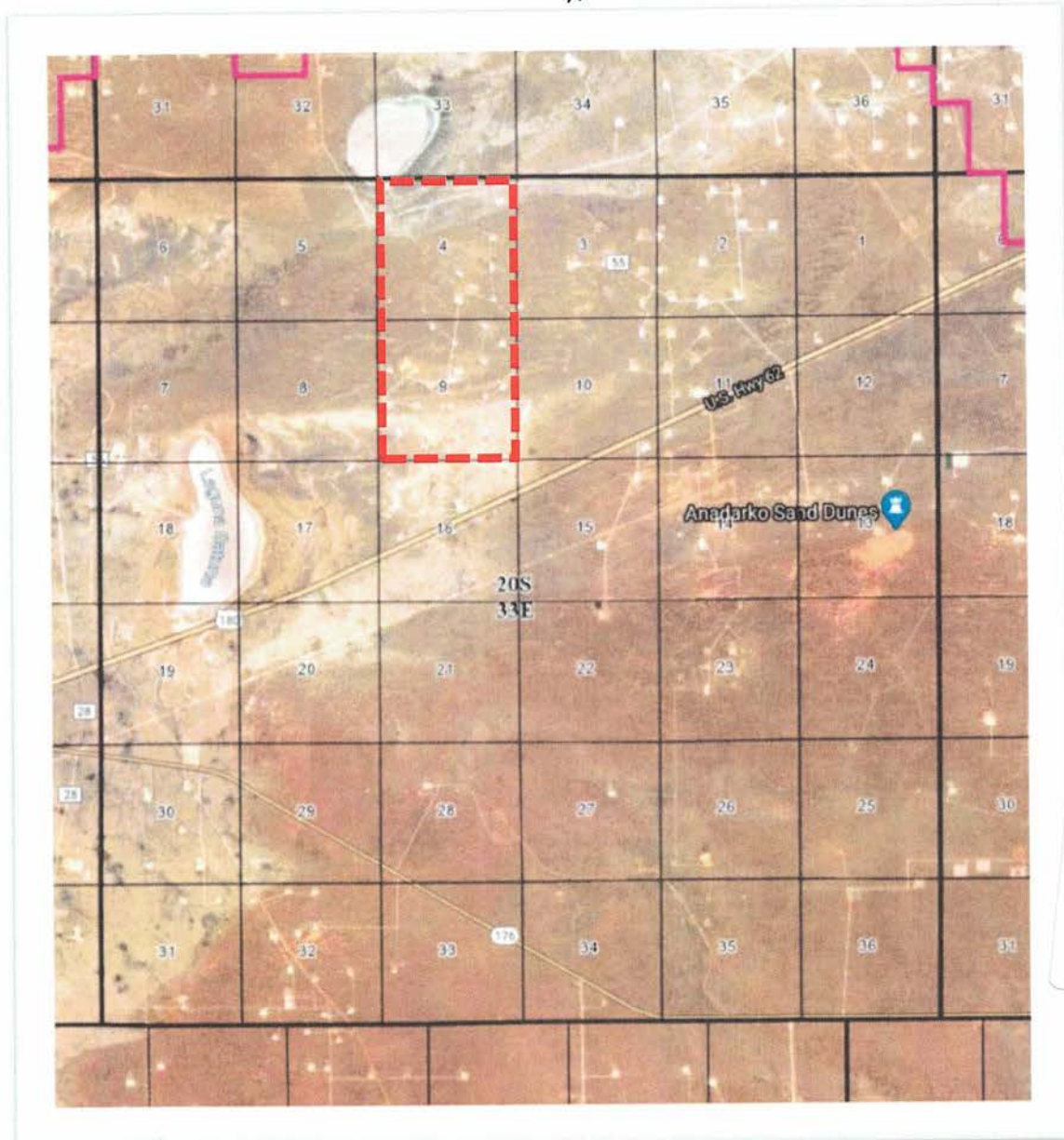
13. Ascent requests that it be designated operator of the wells.
14. The attachments to this affidavit were prepared by me, or compiled from Company business records.
15. The granting of this application is in the interests of conservation and the prevention of waste.
16. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 2(n) above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: January 14, 2021



Lee Zink


Silver Development Area
Township 20 South, Range 33 East
 Section 4: Lots 1-4, S2N2, S2
 Section 9: All
 1281.44 Gross Acres
 Lea County, NM



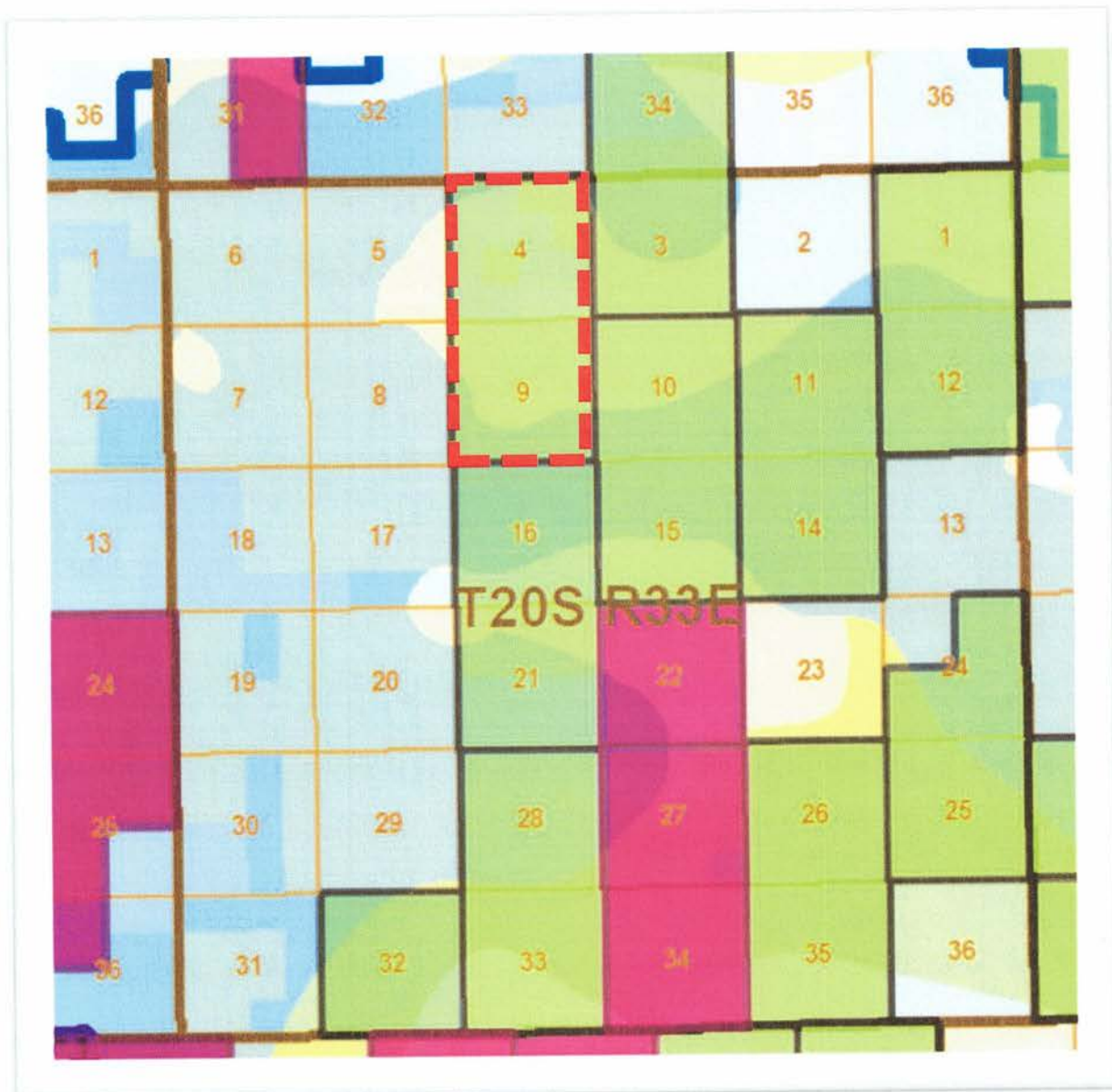
ATTACHMENT **A**



Silver Development Area

Ascent Energy, LLC	
Exhibit	
Google Map T20S-R33E	
Case No. 21507 & 21508	

Silver Development Area
Township 20 South, Range 33 East
Section 4: Lots 1-4, S2N2, S2
Section 9: All
1281.44 Gross Acres
Lea County, NM



Silver Development Area
Approved by BLM on 4/29/20

Ascent Energy, LLC



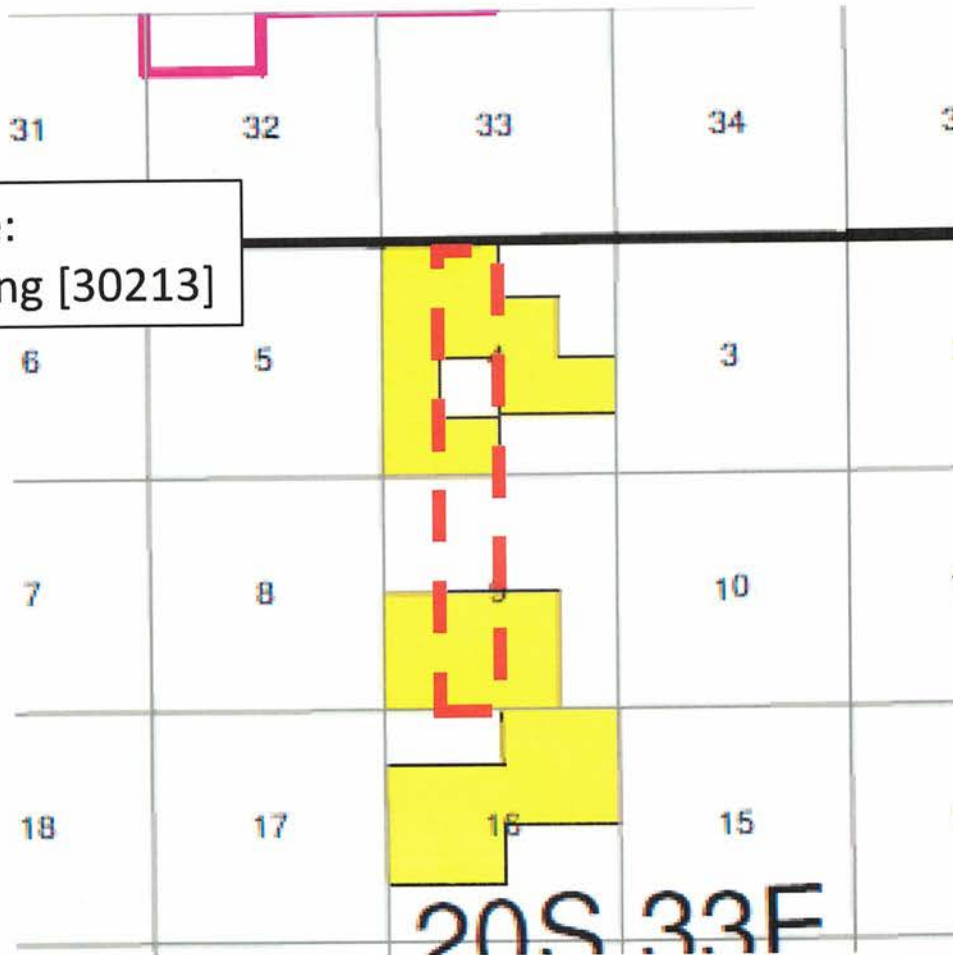
Exhibit

BLM Development Area Map
T20S-R33E

Case No. 21507 & 21508

Township 20 South, Range 33 East
 Section 4: Lot 3, SENW, E2SW
 Section 9: E2W2
 320.41 Gross Acres
 Lea County, NM
 Case No. 21507


Pool Code:
 Bone Spring [30213]



ATTACHMENT
 B

Working Interest for:
 Silver Fed Com #503H
 Silver Fed Com #602H
 Ascent Energy LLC: 62.55%
 Marathon Oil Permian LLC 20.81%
 Camterra Resources Partners LLC: 04.16%
 Philip White : 12.48%
 Total: 100.00%

Pooling Unit
 Sec. 4: Lot 3, SENW, E2SW
 Sec. 9: E2W2
 320.41 Gross Acres

Ascent Energy, LLC	
Exhibit	
Ascent Energy Pooling Unit Map Bone Spring Formation	
Case No. 21507	

Township 20 South, Range 33 East

Section 4: Lot 3, SENW, E2SW

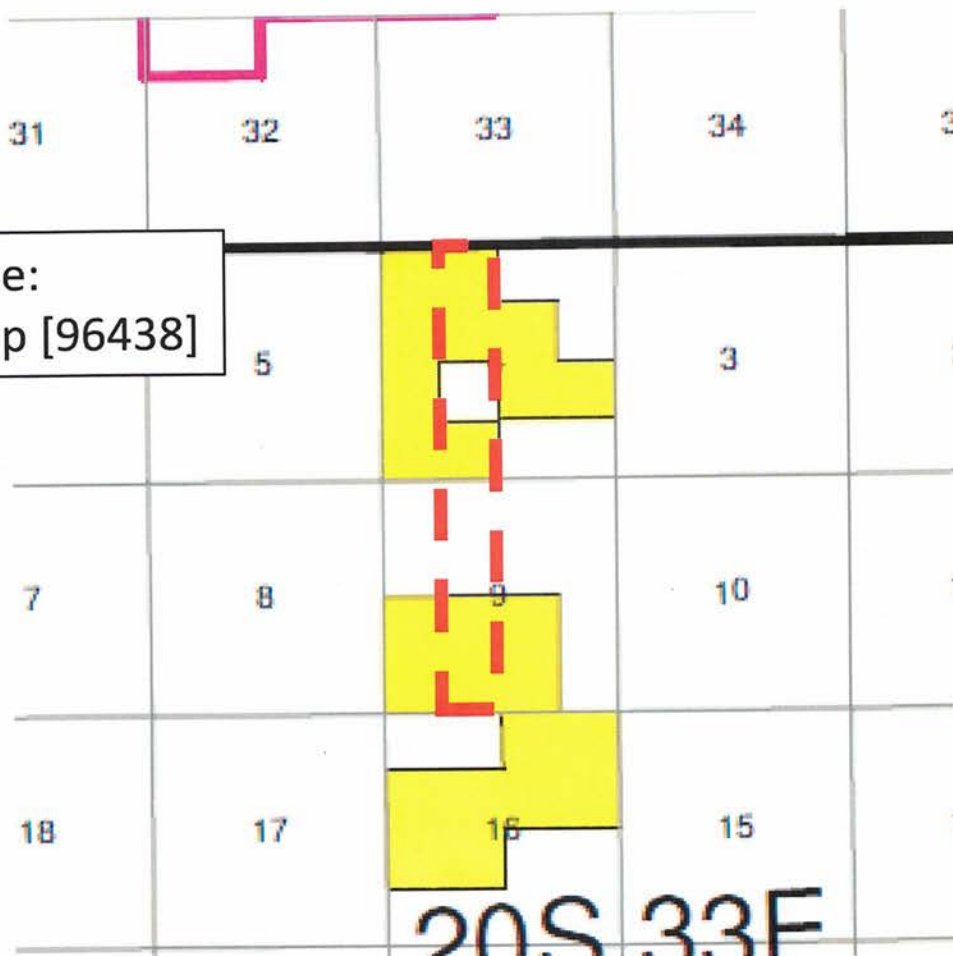
Section 9: E2W2

320.41 Gross Acres

Lea County, NM

Case No. 21508

Pool Code:
Wolfcamp [96438]



Working Interest for:

Silver Fed Com #702H

Ascent Energy LLC:

62.55%

Marathon Oil Permian LLC

20.81%

Camterra Resources Partners LLC:

04.16%

Philip White :

12.48%

Total:

100.00%



Pooling Unit

Sec. 4: Lot 3, SENW, E2SW

Sec. 9: E2W2

320.41 Gross Acres

Ascent Energy, LLC



Exhibit

Ascent Energy Pooling Unit Map
Wolfcamp Formation

Case No. 21508



July 28, 2020

Camterra Resources Partners, Ltd.
2615 East End Boulevard South
Marshall, Texas
Attn: Land Department

RE: Silver Development Area
T20S-R33E
Sec. 4: Lot 3, SENW, E2SW
Sec. 9: E2W2
320.41 Gross Acres, more or less
Lea County, New Mexico

ATTACHMENT

Dear Working Interest Owner:

Ascent Energy, LLC ("Ascent") hereby proposes the drilling, completing and equipping the following wells located in Sections 4 and 9 of T20S-R33E, Lea County, New Mexico, (collectively known as the "Silver Wells").

<u>Well Name</u>	<u>Legal Description</u>	<u>Formation</u>	<u>TVD</u>	<u>TMD</u>	<u>AFE</u>
Silver Fed Com #503H	T20S-R33E Sec. 4: Lot 3, SENW, E2SW, Sec. 9: E2W2				
	SLH: 155' FSL, 1518' FWL, in Sec. 9, T20S-R33E	2nd Bone Spring	9,937'	20,259'	\$7,685,935
	BHL: 100' FNL, 2178' FWL, in Sec. 4, T20S-R33E				
Silver Fed Com #602H	T20S-R33E Sec. 4: Lot 3, SENW, E2SW, Sec. 9: E2W2				
	SLH: 155' FSL, 1468' FWL, in Sec. 9, T20S-R33E	3rd Bone Spring	10,912'	21,187'	\$7,778,659
	BHL: 100' FNL, 1650' FWL, in Sec. 4, T20S-R33E				
Silver Fed Com #702H	T20S-R33E Sec. 4: Lot 3, SENW, E2SW, Sec. 9: E2W2				
	SLH: 155' FSL, 149E' FWL, in Sec. 9, T20S-R33E	Wolfcamp	11,152'	21,460'	\$8,123,180
	BHL: 100' FNL, 2310' FWL, in Sec. 4, T20S-R33E				

Ascent's records indicate that Camterra Resources Partners, Ltd. ("Camterra") owns a 4.16% working interest in the associated Silver Wells. Camterra's estimated collective costs associated with the Silver Wells are approximately \$981,251.

Ascent reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Ascent will advise you of any such modifications.

July 28, 2020

Page 2 of 3

In addition, Ascent proposes the Operation under the terms of a modified 2015 Horizontal AAPL Form 610 Operating Agreement ("OA") with the following basic terms.

- Contract Area:
Township 20 South, Range 33 East
Sec. 4: Lot 3, SENW, E2SW
Sec. 9: E2W2
- Ascent named as Operator
- 100%/300%/300% non-consent penalties
- \$8,000.00/\$800.00 drilling and producing overhead rates

Please indicate your election in the Operation and return a signed copy within thirty (30) days of receipt of this notice to Ascent. If Camterra is interested in selling its interest in the Contract Area, please contact the undersigned at your earliest convenience.

Ascent looks forward to working with Camterra on this matter and may file for compulsory pooling in the near future to pool any uncommitted working interest owners. If you have any questions or concerns, please do not hesitate to contact the undersigned at (720) 710-8923 or lzink@ascentenergy.us.

Very Truly Yours,



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

Enclosure(s): Silver Fed Com #503H AFE
Silver Fed Com #602H AFE
Silver Fed Com #702H AFE

Well Election(s)

____ Camterra hereby elects to participate in the proposed Silver Fed Com #503H Operation by paying its proportionate share of the costs outlined on the associated AFE.

____ Camterra hereby elects not to participate in the proposed Silver Fed Com #503H Operation.

____ Camterra hereby elects to participate in the proposed Silver Fed Com #602H Operation by paying its proportionate share of the costs outlined on the associated AFE.

____ Camterra hereby elects not to participate in the proposed Silver Fed Com #602H Operation.

____ Camterra hereby elects to participate in the proposed Silver Fed Com #702H Operation by paying its proportionate share of the costs outlined on the associated AFE.

____ Camterra hereby elects not to participate in the proposed Silver Fed Com #702H Operation.

Working Interest Owner:

Camterra Resources Partners, Ltd.

By: _____

Title: _____

Date: _____

From: dmb@modrall.com,
To: jamesbruc@aol.com,
Subject: FW: Lease NM-138874
Date: Mon, Jan 4, 2021 3:10 pm

Attachments:

FYI.

Deana



Deana M. Bennett

Lawyer

Modrall Sperling | www.modrall.com

P.O. Box 2168 | Albuquerque, NM 87103-2168

100 4th St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1834 | O: 505.848.1800

From: Deana M. Bennett
Sent: Monday, January 4, 2021 3:10 PM
To: 'Lee Zink' <lzink@ascentenergy.us>
Subject: RE: Lease NM-138874

Hello,

I passed your offer along to Mr. White. He let me know that the offer I emailed to Jim on 12/31 was Mr. White's final offer and so he is passing on your counteroffer. If you change your mind about his offer, please let me know.

Thanks much,

Deana

ATTACHMENT

D



Deana M. Bennett

Lawyer

Modrall Sperling | www.modrall.com

P.O. Box 2168 | Albuquerque, NM 87103-2168

500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1834 | O: 505.848.1800

From: Deana M. Bennett
Sent: Monday, January 4, 2021 10:01 AM
To: 'Lee Zink' <lzink@ascentenergy.us>
Subject: RE: Lease NM-138874

Ok. Thanks for the information. I will pass this along and then be back to you soon.

Deana



Deana M. Bennett

Lawyer

Modrall Sperling | www.modrall.com

P.O. Box 2168 | Albuquerque, NM 87103-2168

500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1834 | O: 505.848.1800

From: Lee Zink <lzink@ascentenergy.us>
Sent: Monday, January 4, 2021 9:59 AM

To: Deana M. Bennett <dmb@modrall.com>

Subject: RE: Lease NM-138874

Deana,

According to my understanding of the title, this would equal a 5% override. I believe the current lease burdens are 12.5% and with this offer, Mr. White would deliver unto Ascent a 82.5% net revenue interest.

I hope this helps.

Lee Zink

303-517-1627



PLEASE NOTE NEW MAILING ADDRESS:

P.O. Box 270983, Littleton, CO 80127

From: Deana M. Bennett <dmb@modrall.com>

Sent: Monday, January 4, 2021 9:49 AM

To: Lee Zink <lzink@ascentenergy.us>

Subject: RE: Lease NM-138874

Hello,

Happy New Year! Thanks for your response below. I will pass it along to Mr. White. Before I do, though, can you help me understand what you mean by "reserving unto Mr. White an overriding royalty interest equal to the difference of current burdens of record and 17.5%; therefore, delivering unto Ascent an 82.5% net revenue interest." I am sure Mr. White will understand this but before I pass along your offer to him I want to make sure I understand it. Is there a definite override percent you are offering? I am sure this is fairly self-evident but I am not as familiar with the terms as you and Mr. White are. Much appreciated!

Thanks,

Deana



Deana M. Bennett

Lawyer

Modrall Sperling | www.modrall.com

P.O. Box 2168 | Albuquerque, NM 87103-2168%

500 4th St. NW, Ste. 1000 | Albuquerque, NM 87102

D: 505.848.1834 | O: 505.848.1800

From: Lee Zink <lzink@ascentenergy.us>
Sent: Monday, January 4, 2021 8:45 AM
To: Deana M. Bennett <dmb@modrall.com>
Subject: FW: Lease NM-138874

Mrs. Bennett,

In response to your email below, Ascent Energy is pleased to offer Mr. Philip White \$112,000 (\$2,800 per acre X 40 net acres) for the purchase of lease NM-138874 (T20S-R33E Sec. 4: NESW), reserving unto Mr. White an overriding royalty interest equal to the difference of current burdens of record and 17.5%; therefore, delivering unto Ascent an 82.5% net revenue interest. The offer is subject to customary title due diligence and subject to management approval.

If Ascent has not received a response to this email by January 6, 2021 at 4:00pm (MST), this offer will terminate and shall be deemed withdrawn.

If you have any questions, please contact me at the numbers below.

Thanks for your consideration.

Lee Zink

303-517-1627

**PLEASE NOTE NEW MAILING ADDRESS:**

P.O. Box 270983, Littleton, CO 80127

From: jamesbruc@aol.com <jamesbruc@aol.com>
Sent: Thursday, December 31, 2020 2:48 PM
To: Lee Zink <lzink@ascentenergy.us>
Subject: Fwd: Lease NM-138874

-----Original Message-----

From: Deana M. Bennett <dmb@modrall.com>
To: James Bruce <jamesbruc@aol.com>
Sent: Thu, Dec 31, 2020 2:02 pm
Subject: Fwd: Lease NM-138874

Hi Jim,

Phil White forwarded me the email below from Ascent. He and I spoke about the offer and it doesn't work for him for a couple of reasons. First, it doesn't include an override royalty which is important to Mr. White. Second the amount of \$100,000 is low, especially after taxes and with no override as part of the offer.

Mr. White has already come down from his original offer of \$400k and is willing to go down to \$200k plus the 12% override. Hopefully Ascent will accept as Mr. White is now agreeing to half the amount of compensation he was originally asking for. This is a reasonable, fair offer and hopefully Ascent will agree so we can resolve this without going the contested hearing route.

Ascent asked Mr. White to respond by 4pm mountain on the 6th. I'm asking the same—please let Ascent know that we would like a response by 4pm mountain on January 6. If we don't hear back, we will consider this offer terminated and withdrawn. We will then be preparing for the contested hearing and whatever next steps we decide to take after that to protect Mr. White's interests. Mr. White is also considering his other options, including whether to release the lease which would mean Ascent would have to then go through the process of acquiring it at higher amounts than Mr. White is asking.

Hopefully Ascent will see the benefit of moving forward with Mr. White now rather than the delay that will happen if we can't reach a deal.

Thanks Jim.

Deana

Sent from my iPhone

Begin forwarded message:

From: Philip <blancoco1@msn.com>
Date: December 30, 2020 at 5:52:38 PM MST
To: "Deana M. Bennett" <dmb@modrall.com>
Subject: Fwd: Lease NM-138874

EXTERNAL EMAIL: Please do not click any links or open any attachments unless you trust the sender and are expecting this message and know the content is safe.

Sent from my iPhone

Begin forwarded message:

From: Lee Zink <lzink@ascentenergy.us>
Date: December 30, 2020 at 14:51:24 MST
To: blancoco1@msn.com
Subject: Lease NM-138874

Dear Mr. White,

Ascent Energy is pleased to offer you \$100,000 (\$2,500 per acre X 40 net acres) for the purchase of lease NM-138874 (T20S-R33E Sec. 4: NESW) at current burdens of record; therefore, delivering unto Ascent an 87.5% net revenue interest. The offer is subject to customary title due diligence and subject to management approval.

If Ascent has not received a response to this email by January 6, 2021 at 4:00pm (MST), this offer will terminate and shall be deemed withdrawn.

If you have any questions, please contact me at the numbers below.

Thanks for your consideration.

Lee Zink
Vice President of Land
(303) 517-1627 (Cell)
(720) 710-8923 (Office)
lzink@ascentenergy.us



PO Box 270983
Littleton, CO 80127

This e-mail may be a confidential attorney-client communication. If you received it in error, please delete it without forwarding it to others and notify the sender of the error.

Ascent Energy, LLC

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST CENTER **Silver Fed Com #503H**

BUD YEAR **2021**

DATE **July 9, 2020**

AFE NO.

CATEGORY **D&C**

SUPPLEMENT NO.

FIELD

Hat Mesa

REGION

Delaware Basin

LEGAL:

OPERATOR

Ascent Energy, LLC

WELL NO.

#

W.I.

OBJECTIVE

2nd Bone Spring

STATE

NM

MD/TVD

20,260' / 9,937'

ESTIMATED PROJECT START DATE: **2Q2021**

DESCRIPTION: Drill to 10,040ft vertical, drill curve and 2 mile lateral. 4 string design.

INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$150,000	\$150,000
8305 102	Rig Move - MIRU, RDMO			\$150,000	150,000
8305 103	Rig Contractor-Daywork/FT			\$528,125	528,125
8305 104	Rig Contractor-Turnkey			\$132,600	132,600
8305 105	Power & Fuel			\$80,000	80,000
8305 106	Drill Fluids & Chemicals			\$100,000	100,000
8305 107	Bits, Reamer, Stabilizers			\$115,000	115,000
8305 108	Cement & Cementing Services			\$40,000	40,000
8305 109	Mud Logging/Geosteering			\$0	0
8305 110	Open Hole Logging			\$90,000	90,000
8305 111	Csg Crews & Tools			\$292,500	292,500
8305 112	Directional Tools & Service			\$0	0
8305 114	Form Eval - Well Testing DST - Coring, Sampling			\$50,000	50,000
8305 115	Tubular Inspection			\$200,000	200,000
8305 116	Equipment Rentals			\$105,000	105,000
8305 117	Contract Labor & Services			\$108,875	108,875
8305 118	Wellsite Consultants			\$0	0
8305 119	Company Supervision & Labor			\$60,000	60,000
8305 120	Transportation			\$110,000	110,000
8305 121	Mud, Cuttings & Water Disposal			\$0	0
8305 122	Insurance			\$25,000	25,000
8305 123	Overhead			\$60,000	60,000
8305 124	Water & Water Well			\$0	0
8305 125	Unanticipated MjExp (Fishing)			\$30,000	30,000
8305 126	Legal			\$0	0
8305 127	Outside Operated Other			\$10,000	10,000
8305 128	Permits			\$20,000	20,000
8305 129	Environmental & Safety			\$0	0
8305 130	Plugging			\$2,457,100	\$2,457,100
	SUBTOTAL			245,710	245,710
8305 199	CONTINGENCY (%)	10.00%		\$2,702,810	\$2,702,810
	SUB-TOTAL INTANGIBLE DRILLING COSTS				

INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			150,000	150,000
8306 203	Compl Fluids & Chemicals			50,000	50,000
8306 204	Bits, Reamer, Stabilizers			\$0	0
8306 205	Cement & Cementing Svcs			\$0	0
8306 206	Logging & Perforation Svcs			350,000	350,000
8306 207	Csg Crews & Tools-Drive Hammer			\$0	0
8306 208	Directional Tools & Svcs			\$0	0
8306 209	Formation Stimulatn Acid Frac			1,425,000	1,425,000
8306 210	Formation Evaluation			\$0	0
8306 211	Tubular Inspection			\$0	0
8306 212	Equipment Rentals			250,000	250,000
8306 213	Contract Labor & Services			\$0	0
8306 214	Wellsite Consultant	\$ -	0	67,500	67,500
8306 215	Company Supervision & Labor			\$0	0
8306 216	Transportation			15,000	15,000
8306 217	Mud Cuttings & Water Disposal			125,000	125,000
8306 218	Insurance			\$0	0
8306 219	Overhead			\$0	0
8306 220	Water & Water Well			450,000	450,000
8306 221	Unanticipated MajExp Fishing			\$0	0
8306 222	Coil Tubing Services			105,000	105,000
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			75,000	75,000
8306 225	Legal & Permits			\$0	0
8306 226	Environmental & Safety Costs			25,000	25,000
8306 227	Plugging			\$0	0
8306 228	Completion Rig	\$ -	0	\$0	0
	SUBTOTAL			30,000	30,000
8306 299	CONTINGENCY (%)	5.00%		\$3,162,500	\$3,162,500
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			158,125	158,125
	SUB-TOTAL INTANGIBLE COSTS			\$3,320,625	\$3,320,625
	SUB-TOTAL TANGIBLE COSTS			\$2,702,810	\$6,023,435

TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$30,000	\$30,000
8308 302	Surface Casing 13-3/8"	\$ -	0	\$30,000	30,000
8308 303	Intermediate Casing 9-5/8"	\$ -	0	\$60,000	60,000
8308 304	2nd Intermediate 7-5/8" Liner Casing	\$ -	0	\$65,000	65,000
8308 305	Subs Flt Eqp Centralizers Etc			\$0	0
8308 306	Casinghead Drilling Spool			\$60,000	60,000
8308 307	Sub Surface Equipment			\$0	0
8308 308	Outside Operated Other			\$0	0
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$295,000	\$295,000

ATTACHMENT



TANGIBLE COMPLETION COSTS						
ACCT.	DESCRIPTION	Rate	Units		COMPLETION	TOTAL WELL COST
8309 401	Production Casing 5-1/2"	\$ -	0		245,000	\$245,000
8309 402	Tubing	\$ -	0		42,500	42,500
8309 403	Subs Fit Eqp Centralizers Etc					0
8309 404	Sub Surface Equipment				25,000	25,000
8309 405	Xmas Tree Upper Section					0
8309 406	Outside Operated Other					0
	SUB-TOTAL TANGIBLE COMPLETION COSTS				\$312,500	\$312,500
	SUB-TOTAL TANGIBLE COSTS			\$295,000	\$312,500	\$607,500
	SUB-TOTAL INTANGIBLE & TANGIBLE COSTS			\$2,997,810	\$3,633,125	\$6,630,935

PRODUCTION EQUIPMENT COSTS						
					COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment				\$30,000	\$30,000
8311 502	Prime Mover Electric Gas					0
8311 503	Sales Gathering Line				35,000	35,000
8311 504	Separation Equipment				90,000	90,000
8311 505	Oil Treating Heating Equipment				45,000	45,000
8311 506	Gas Treating Dehy Equipment					0
8311 507	Tanks				60,000	60,000
8311 508	Meters				30,000	30,000
8311 509	Electrical Equip Install				80,000	80,000
8311 510	Compressor				45,000	45,000
8311 511	Flowlines				70,000	70,000
8311 512	Labor				100,000	100,000
8311 513	Trucks Hauling Transportation				60,000	60,000
8311 514	Buildings					0
8311 515	Roads & Locations				40,000	40,000
8311 516	Manifolds & Headers				30,000	30,000
8311 517	Chemical Injection System				6,000	6,000
8311 518	Piping & Valves				100,000	100,000
8311 519	Welding				60,000	60,000
8311 520	Surface Pumps				10,000	10,000
8311 521	Filters				10,000	10,000
8311 522	Outside Operated Other					0
8311 523	Environmental & Safety				30,000	30,000
8311 524	Engineering Supervision				24,000	24,000
8311 525	Surface Facilities				100,000	100,000
	SUB-TOTAL PRODUCTION EQUIPMENT				\$1,055,000	\$1,055,000
	SUB-TOTAL INTANGIBLE COSTS (PAGE 1)			\$2,702,810	\$3,320,625	\$6,023,435
	SUB-TOTAL TANGIBLE COSTS (PAGE 2)			\$295,000	\$312,500	\$607,500
	GRAND TOTAL			\$2,997,810	\$4,688,125	\$7,685,935
	LESS OUTSIDE INTERESTS			\$2,997,810	\$4,688,125	\$7,685,935
	TOTAL NET COSTS			\$0	\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE	GROSS AFE AMOUNT - DRY HOLE	\$2,997,810
		NET DRYHOLE AFE AMOUNT	\$0
APPROVED	DATE	NET ASSET TRANSFERS	\$0
		CASH OUTLAY THIS AFE	\$0
APPROVED	DATE	PREVIOUS AFE'S ISSUED	\$0
		TOTAL CASH OUTLAY	\$0
APPROVED	DATE		

WORKING INTEREST APPROVAL			
COMPANY	WORKING INTEREST	APPROVED BY	DATE

Ascent Energy, LLC

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST CENTER Silver Fed Com #602H

BUD YEAR 2021

DATE July 9, 2020

AFE NO.

CATEGORY D&C

SUPPLEMENT NO.

FIELD

Hat Mesa

REGION

Delaware Basin

LEGAL:

OPERATOR

Ascent Energy, LLC

WELL NO.

#

W.I.

OBJECTIVE

3rd Bone Spring

STATE

NM

MD/TVD

21,190' / 10,910'

ESTIMATED PROJECT START DATE: 2Q2021

DESCRIPTION: Drill to 10,040ft vertical, drill curve and 2 mile lateral. 4 string design.

INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$150,000	\$150,000
8305 102	Rig Move - MIRU, RDMO			\$150,000	150,000
8305 103	Rig Contractor-Daywork/FT			\$536,250	536,250
8305 104	Rig Contractor-Turnkey				0
8305 105	Power & Fuel			\$134,640	134,640
8305 106	Drill Fluids & Chemicals			\$80,000	80,000
8305 107	Bits, Reamer, Stabilizers			\$100,000	100,000
8305 108	Cement & Cementing Services			\$115,000	115,000
8305 109	Mud Logging/Geosteering			\$40,000	40,000
8305 110	Open Hole Logging			\$0	0
8305 111	Csg Crews & Tools			\$90,000	90,000
8305 112	Directional Tools & Service			\$297,000	297,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				0
8305 115	Tubular Inspection			\$50,000	50,000
8305 116	Equipment Rentals			\$200,000	200,000
8305 117	Contract Labor & Services			\$105,000	105,000
8305 118	Wellsite Consultants			\$110,550	110,550
8305 119	Company Supervision & Labor				0
8305 120	Transportation			\$60,000	60,000
8305 121	Mud,Cuttings & Water Disposal			\$110,000	110,000
8305 122	Insurance			\$0	0
8305 123	Overhead			\$25,000	25,000
8305 124	Water & Water Well			\$60,000	60,000
8305 125	Unanticipated MjrExp (Fishing)				0
8305 126	Legal			\$30,000	30,000
8305 127	Outside Operated Other				0
8305 128	Permits			\$10,000	10,000
8305 129	Environmental & Safety			\$20,000	20,000
8305 130	Plugging				0
	SUBTOTAL			\$2,473,440	\$2,473,440
8305 199	CONTINGENCY (%) 10.00%			247,344	247,344
	SUB-TOTAL INTANGIBLE DRILLING COSTS			\$2,720,784	\$2,720,784

INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			160,000	160,000
8306 203	Compl Fluids & Chemicals			50,000	50,000
8306 204	Bits, Reamer, Stabilizers				0
8306 205	Cement & Cementing Svcs				0
8306 206	Logging & Perforation Svcs			350,000	350,000
8306 207	Csg Crews & Tools-Drive Hammer				0
8306 208	Directional Tools & Svcs				0
8306 209	Formation Stimulatn Acid Frac			1,450,000	1,450,000
8306 210	Formation Evaluation				0
8306 211	Tubular Inspection				0
8306 212	Equipment Rentals			250,000	250,000
8306 213	Contract Labor & Services				0
8306 214	Wellsite Consultant	\$ -	0	67,500	67,500
8306 215	Company Supervision & Labor				0
8306 216	Transportation			15,000	15,000
8306 217	Mud Cuttings & Water Disposal			125,000	125,000
8306 218	Insurance				0
8306 219	Overhead				0
8306 220	Water & Water Well			450,000	450,000
8306 221	Unanticipated MajExp Fishing				0
8306 222	Coil Tubing Services			115,000	115,000
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			75,000	75,000
8306 225	Legal & Permits				0
8306 226	Environmental & Safety Costs			25,000	25,000
8306 227	Plugging				0
8306 228	Completion Rig	\$ -	0		0
	SUBTOTAL			30,000	\$3,207,500
8306 299	CONTINGENCY (%) 5.00%			160,375	160,375
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,367,875	\$3,367,875
	SUB-TOTAL INTANGIBLE COSTS			\$2,720,784	\$6,088,659

TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$30,000	\$30,000
8308 302	Surface Casing 13-3/8"	\$ -	0	\$30,000	30,000
8308 303	Intermediate Casing 9-5/8"	\$ -	0	\$60,000	60,000
8308 304	2nd Intermediate 7-5/8" Liner Casing	\$ -	0	\$65,000	65,000
8308 305	Subs Fit Epgt Centralizers Etc			\$0,000	50,000
8308 306	Casinghead Drilling Spool			\$60,000	60,000
8308 307	Sub Surface Equipment				0
8308 308	Outside Operated Other				0
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$295,000	\$295,000

TANGIBLE COMPLETION COSTS						
ACCT.	DESCRIPTION	Rate	Units		COMPLETION	TOTAL WELL COST
8309 401	Production Casing 5-1/2"	\$ -	0		260,000	\$260,000
8309 402	Tubing	\$ -	0		45,000	45,000
8309 403	Subs Fit Eqp Centralizers Etc					0
8309 404	Sub Surface Equipment				25,000	25,000
8309 405	Xmas Tree Upper Section					0
8309 406	Outside Operated Other					0
	SUB-TOTAL TANGIBLE COMPLETION COSTS				\$330,000	\$330,000
	SUB-TOTAL TANGIBLE COSTS			\$295,000	\$330,000	\$625,000
	SUB-TOTAL INTANGIBLE & TANGIBLE COSTS			\$3,015,784	\$3,697,875	\$6,713,659

PRODUCTION EQUIPMENT COSTS						
					COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment				\$40,000	\$40,000
8311 502	Prime Mover Electric Gas				35,000	35,000
8311 503	Sales Gathering Line				90,000	90,000
8311 504	Separation Equipment				45,000	45,000
8311 505	Oil Treating Heating Equipment					0
8311 506	Gas Treating Dehy Equipment				60,000	60,000
8311 507	Tanks				30,000	30,000
8311 508	Meters				80,000	80,000
8311 509	Electrical Equip Install				45,000	45,000
8311 510	Compressor				70,000	70,000
8311 511	Flowlines				100,000	100,000
8311 512	Labor				60,000	60,000
8311 513	Trucks Hauling Transportation					0
8311 514	Buildings				40,000	40,000
8311 515	Roads & Locations				30,000	30,000
8311 516	Manifolds & Headers				6,000	6,000
8311 517	Chemical Injection System				100,000	100,000
8311 518	Piping & Valves				60,000	60,000
8311 519	Welding				10,000	10,000
8311 520	Surface Pumps				10,000	10,000
8311 521	Filters					0
8311 522	Outside Operated Other				30,000	30,000
8311 523	Environmental & Safety				24,000	24,000
8311 524	Engineering Supervision				100,000	100,000
8311 525	Surface Facilities					0
	SUB-TOTAL PRODUCTION EQUIPMENT				\$1,065,000	\$1,065,000
	SUB-TOTAL INTANGIBLE COSTS (PAGE 1)			\$2,720,784	\$3,367,875	\$6,088,659
	SUB-TOTAL TANGIBLE COSTS (PAGE 2)			\$295,000	\$330,000	\$625,000
	GRAND TOTAL			\$3,015,784	\$4,762,875	\$7,778,659
	LESS OUTSIDE INTERESTS			\$3,015,784	\$4,762,875	\$7,778,659
	TOTAL NET COSTS			\$0	\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY	DATE	GROSS AFE AMOUNT - DRY HOLE	\$3,015,784
		NET DRYHOLE AFE AMOUNT	\$0
APPROVED	DATE	NET ASSET TRANSFERS	\$0
		CASH OUTLAY THIS AFE	\$0
APPROVED	DATE	PREVIOUS AFE'S ISSUED	\$0
		TOTAL CASH OUTLAY	\$0
APPROVED	DATE		

WORKING INTEREST APPROVAL			
COMPANY	WORKING INTEREST	APPROVED BY	DATE

Ascent Energy, LLC

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE (AFE)

COST CENTER	Silver Fed Com #702H	BUD YEAR	2021	DATE	July 9, 2020
AFE NO.		CATEGORY	D&C	SUPPLEMENT NO.	
FIELD	Hat Mesa	REGION	Delaware Basin	LEGAL:	
OPERATOR	Ascent Energy, LLC	WELL NO.	#	W.I.	
OBJECTIVE	WolfCamp A	STATE	NM	MD/TVD	21,460' / 11,150'

ESTIMATED PROJECT START DATE: 2Q2021
 DESCRIPTION: Drill to 10,040ft vertical, drill curve and 2 mile lateral. 5 string design.

INTANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8305 101	Location Cleanup & Damages			\$150,000	\$150,000
8305 102	Rig Move - MIRU, RDMO			\$150,000	150,000
8305 103	Rig Contractor-Daywork/FT			\$568,750	568,750
8305 104	Rig Contractor-Turnkey				0
8305 105	Power & Fuel			\$142,800	142,800
8305 106	Drill Fluids & Chemicals			\$100,000	100,000
8305 107	Bits, Reamer, Stabilizers			\$110,000	110,000
8305 108	Cement & Cementing Services			\$115,000	115,000
8305 109	Mud Logging/Geosteering			\$40,000	40,000
8305 110	Open Hole Logging			\$65,000	65,000
8305 111	Csg Crews & Tools			\$90,000	90,000
8305 112	Directional Tools & Service			\$315,000	315,000
8305 114	Form Eval - Well Testing DST - Coring, Sampling				0
8305 115	Tubular Inspection			\$50,000	50,000
8305 116	Equipment Rentals			\$200,000	200,000
8305 117	Contract Labor & Services			\$105,000	105,000
8305 118	Wellsite Consultants			\$117,250	117,250
8305 119	Company Supervision & Labor				0
8305 120	Transportation			\$60,000	60,000
8305 121	Mud Cuttings & Water Disposal			\$150,000	150,000
8305 122	Insurance			\$0	0
8305 123	Overhead			\$25,000	25,000
8305 124	Water & Water Well			\$60,000	60,000
8305 125	Unanticipated MirExp (Fishing)				0
8305 126	Legal			\$30,000	30,000
8305 127	Outside Operated Other				0
8305 128	Permits			\$10,000	10,000
8305 129	Environmental & Safety			\$20,000	20,000
8305 130	Plugging				0
	SUBTOTAL			\$2,673,800	\$2,673,800
8305 199	CONTINGENCY (%)	10.00%		267,380	267,380
	SUB-TOTAL INTANGIBLE DRILLING COSTS			\$2,941,180	\$2,941,180

INTANGIBLE COMPLETION COSTS

ACCT.	DESCRIPTION	Rate	Units	COMPLETION	TOTAL WELL COST
8306 201	Location & Cleanup			\$10,000	\$10,000
8306 202	Power & Fuel			160,000	160,000
8306 203	Compl Fluids & Chemicals			50,000	50,000
8306 204	Bits, Reamer, Stabilizers				0
8306 205	Cement & Cementing Svcs				0
8306 206	Logging & Perforation Svcs			350,000	350,000
8306 207	Csg Crews & Tools-Drive Hammer				0
8306 208	Directional Tools & Svcs				0
8306 209	Formation Stimulatn Acid Frac			1,450,000	1,450,000
8306 210	Formation Evaluation				0
8306 211	Tubular Inspection				0
8306 212	Equipment Rentals			250,000	250,000
8306 213	Contract Labor & Services				0
8306 214	Wellsite Consultant	\$ -	0	67,500	67,500
8306 215	Company Supervision & Labor				0
8306 216	Transportation			15,000	15,000
8306 217	Mud Cuttings & Water Disposal			125,000	125,000
8306 218	Insurance				0
8306 219	Overhead				0
8306 220	Water & Water Well			450,000	450,000
8306 221	Unanticipated MajExp Fishing				0
8306 222	Coil Tubing Services			115,000	115,000
8306 223	Misc Supplies & Materials			35,000	35,000
8306 224	Flowback Testing			75,000	75,000
8306 225	Legal & Permits				0
8306 226	Environmental & Safety Costs			25,000	25,000
8306 227	Plugging				0
8306 228	Completion Rig	\$ -	0		0
	SUBTOTAL			\$3,207,500	\$3,207,500
8306 299	CONTINGENCY (%)	0.00%		0	0
	SUB-TOTAL INTANGIBLE COMPLETION COSTS			\$3,207,500	\$3,207,500
	SUB-TOTAL INTANGIBLE COSTS			\$2,941,180	\$6,148,680

TANGIBLE DRILLING COSTS

ACCT.	DESCRIPTION	Rate	Units	DRYHOLE	TOTAL WELL COST
8308 301	Drive Pipe Conductor Casing	\$ -	0	\$30,000	\$30,000
8308 302	Surface Casing 13-3/8"	\$ -	0	\$115,000	115,000
8308 303	Intermediate Casing 9-5/8"	\$ -	0	\$100,000	100,000
8308 304	2nd Intermediate 7-5/8" Liner Casing	\$ -	0	\$220,000	220,000
8308 305	Subs Fit Eqp Centralizers Etc			50,000	50,000
8308 306	Casinghead Drilling Spool			\$60,000	60,000
8308 307	Sub Surface Equipment				0
8308 308	Outside Operated Other				0
	SUB-TOTAL TANGIBLE DRILLING COSTS			\$575,000	\$575,000

TANGIBLE COMPLETION COSTS						
ACCT.	DESCRIPTION	Rate	Units		COMPLETION	TOTAL WELL COST
8309 401	Production Casing 5-1/2"	\$ -	0		262,000	\$262,000
8309 402	Tubing	\$ -	0		47,500	47,500
8309 403	Subs Fit Eqpt Centralizers Etc					0
8309 404	Sub Surface Equipment					0
8309 405	Xmas Tree Upper Section				25,000	25,000
8309 406	Outside Operated Other					0
SUB-TOTAL TANGIBLE COMPLETION COSTS					\$334,500	\$334,500
SUB-TOTAL TANGIBLE COSTS				\$575,000	\$334,500	\$909,500
SUB-TOTAL INTANGIBLE & TANGIBLE COSTS				\$3,516,180	\$3,542,000	\$7,058,180

PRODUCTION EQUIPMENT COSTS						
					COMPLETION	TOTAL WELL COST
8311 501	Artificial Lift Equipment				\$40,000	\$40,000
8311 502	Prime Mover Electric Gas					0
8311 503	Sales Gathering Line				35,000	35,000
8311 504	Separation Equipment				90,000	90,000
8311 505	Oil Treating Heating Equipment				45,000	45,000
8311 506	Gas Treating Dehy Equipment					0
8311 507	Tanks				60,000	60,000
8311 508	Meters				30,000	30,000
8311 509	Electrical Equip Install				80,000	80,000
8311 510	Compressor				45,000	45,000
8311 511	Flowlines				70,000	70,000
8311 512	Labor				100,000	100,000
8311 513	Trucks Hauling Transportation				60,000	60,000
8311 514	Buildings					0
8311 515	Roads & Locations				40,000	40,000
8311 516	Manifolds & Headers				30,000	30,000
8311 517	Chemical Injection System				6,000	6,000
8311 518	Piping & Valves				100,000	100,000
8311 519	Welding				60,000	60,000
8311 520	Surface Pumps				10,000	10,000
8311 521	Filters				10,000	10,000
8311 522	Outside Operated Other					0
8311 523	Environmental & Safety				30,000	30,000
8311 524	Engineering Supervision				24,000	24,000
8311 525	Surface Facilities				100,000	100,000
SUB-TOTAL PRODUCTION EQUIPMENT					\$1,065,000	\$1,065,000
SUB-TOTAL INTANGIBLE COSTS (PAGE 1)				\$2,941,180	\$3,207,500	\$6,148,680
SUB-TOTAL TANGIBLE COSTS (PAGE 2)				\$575,000	\$334,500	\$909,500
GRAND TOTAL				\$3,516,180	\$4,607,000	\$8,123,180
LESS OUTSIDE INTERESTS				\$3,516,180	\$4,607,000	\$8,123,180
TOTAL NET COSTS				\$0	\$0	\$0

Notice to Nonoperator: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on monies which will be required to perform the proposed operation.

PREPARED BY		DATE	
APPROVED		DATE	
APPROVED		DATE	
APPROVED		DATE	

GROSS AFE AMOUNT - DRY HOLE	\$3,516,180
NET DRYHOLE AFE AMOUNT	\$0
NET ASSET TRANSFERS	\$0
CASH OUTLAY THIS AFE	\$0
PREVIOUS AFE'S ISSUED	\$0
TOTAL CASH OUTLAY	\$0

WORKING INTEREST APPROVAL			
COMPANY	WORKING INTEREST	APPROVED BY	DATE

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

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21507

VERIFIED STATEMENT OF WILLIAM METZ

William Metz, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Ascent Energy, LLC ("Ascent"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert ~~petroleum~~ geologist.
3. The geological plats in Attachment A pertain to the Second Bone Spring Sand, which is prospective in this area. They show:
 - (a) Structure of the Second Bone Spring Sand. They show that structure dips gently to the east. The plat also shows producing Second Bone Spring Sand wells in the area.
 - (b) A gross isopach of the Second Bone Spring Sand. This zone is continuous across the well units being pooled. It also shows a line of cross-section.
 - (c) A cross-section of the Second Bone Spring Sand. The well logs on the cross-sections give a representative sample of Second Bone Spring Sand in this area.
 - (d) A list of producing Second Bone Spring Sand wells in the area. Based on production, there is a preferred North-South orientation in this area.
4. The geological plats in Attachment B pertain to the Third Bone Spring Sand, which is prospective in this area. They show:
 - (a) Structure of the Third Bone Spring Sand. They show that structure dips gently to the south. The plat also shows producing Third Bone Spring Sand wells in the area.
 - (b) A gross isopach of the Third Bone Spring Sand. This zone is continuous across the well units being pooled. It also shows a line of cross-section.
 - (c) A cross-section of the Third Bone Spring Sand. The well logs on the cross-sections give a representative sample of Third Bone Spring Sand in this area.

(d) A list of producing Third Bone Spring Sand wells in the area. Based on production, there is a preferred North-South orientation in this area.

5. The C-102s for the wells are attached as Attachment C, showing the first and last take points. The wells comply with the Division's setback requirements.

6. I conclude from the maps that:

(a) The Bone Spring horizontal spacing units are justified from a geologic standpoint, and horizontal drilling is the best method to produce Bone reserves in this area.

(b) Each quarter-quarter section in the well units will contribute more or less equally to production.

(c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

7. The granting of this application is in the interests of conservation and the prevention of waste.

8. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 7 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 1-14-21


William Metz

2nd Bone Spring Sand

Pony Express

Case No. 21501: W2W2 Bone Spring 501H, 502H & 601H

Case No. 21503: E2W2 Bone Spring 503H & 602H

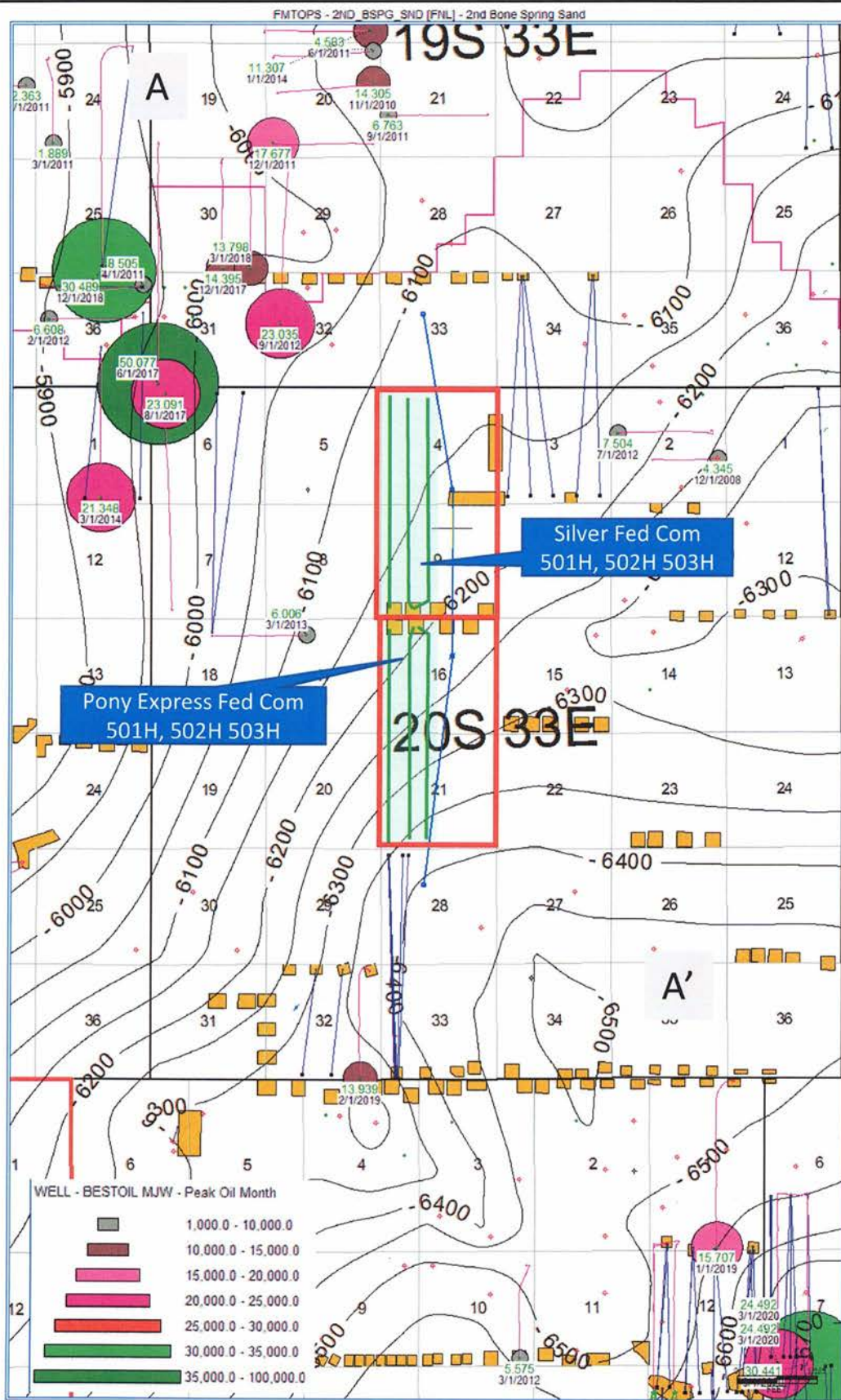
Silver

Case No. 21505: W2W2 Bone Spring 501H, 502H & 601H

~~Case No. 21507 E2W2 Bone Spring 503H & 602H~~

ATTACHMENT

A



Proposed Pooling Units

Pony Express & Silver BLM Approved
Potash Development Areas

Ascent Energy, LLC

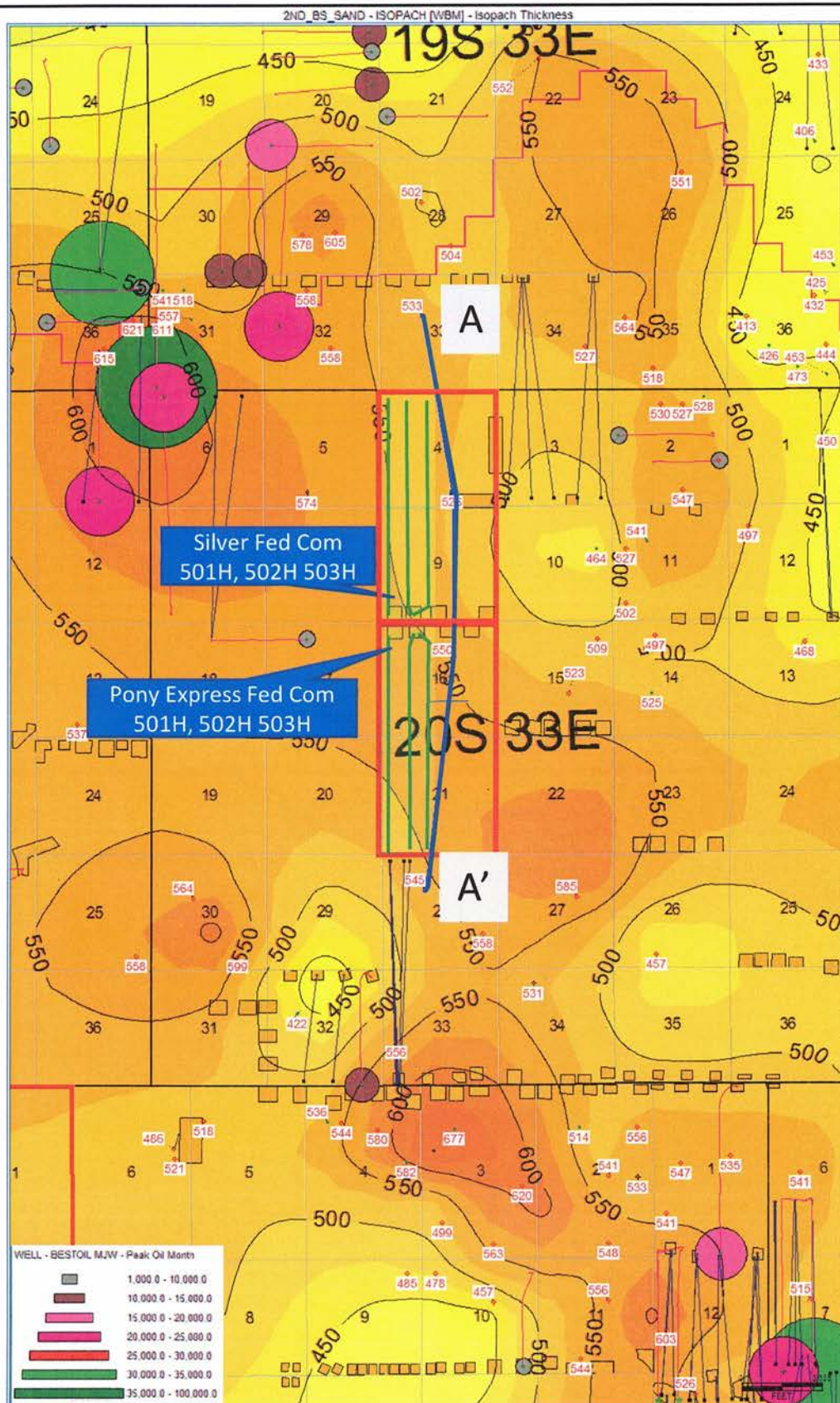


Case No. Exhibit

2nd Bone Spring Sand Structure &
Producing 2nd Bone Spring Sand Wells & Bone
Spring Permits

CI = 50'

Oct 20, 2020



Proposed Pooling Units

Pony Express & Silver BLM Approved
Potash Development Areas

Ascent Energy, LLC



Case Nos.

Exhibit

2nd Bone Spring Sand Gross Isopach &
Producing 2nd Bone Spring Sand Wells & Bone
Spring Permits

CI = 50'

Oct. 20, 2020

A

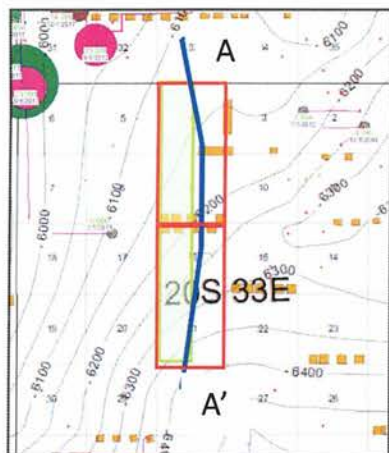
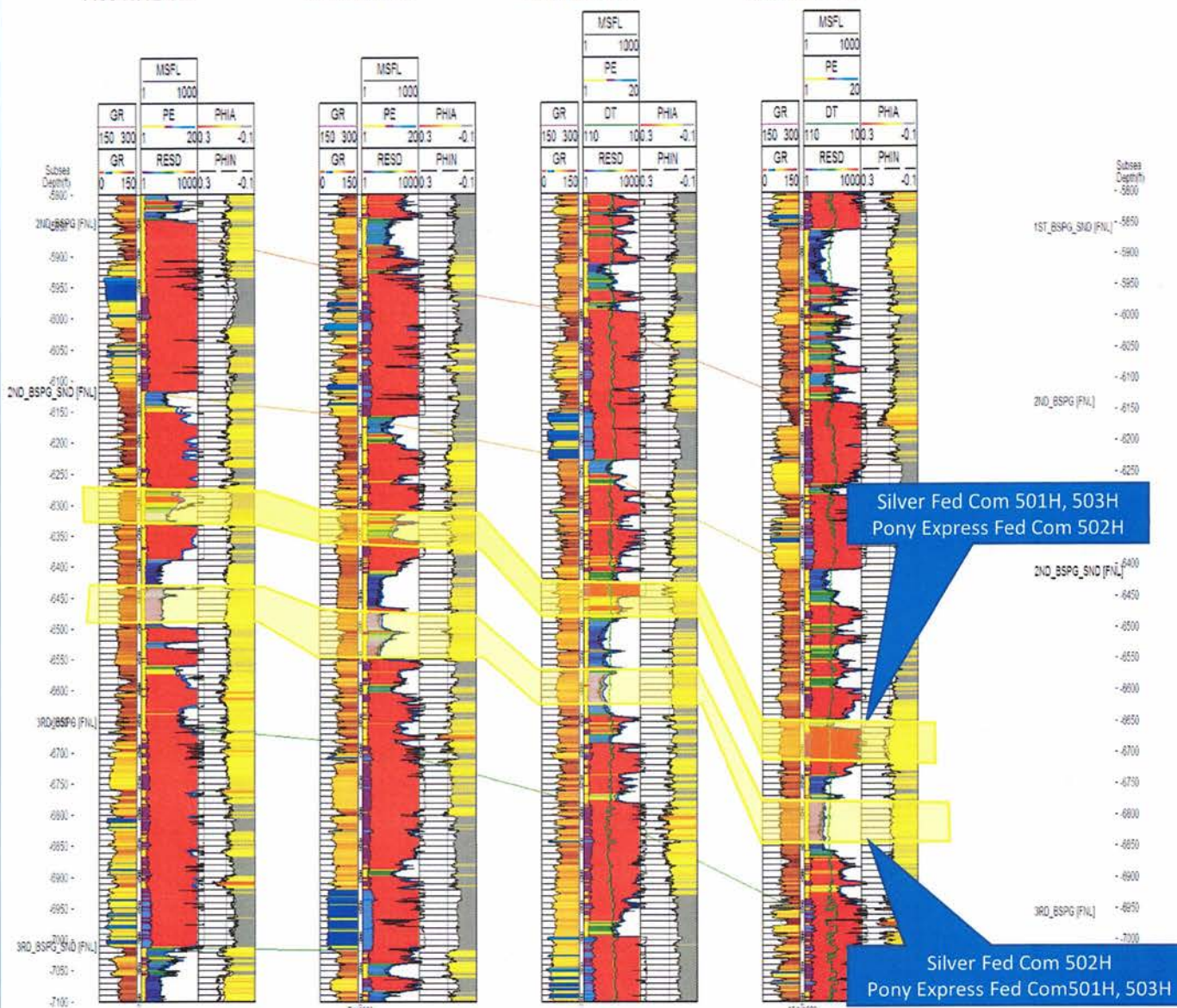
A'

MADURO UNIT 3
30025276190000
T19S R33E S33

SCHARBAUER '4' 1
30025318570000
T20S R33E S4

ANASAZI '16' STATE C 1
30025318560000
T20S R33E S16

TOMAHAWK '28' FEDERA 001
30025318950000
T20S R33E S28



Ascent Energy, LLC



Case Nos.

Exhibit

2nd Bone Spring Sand Structural Cross Section

Oct. 20, 2020

UWI (APINum)	Operator	Well Label	Township	Range	Section	SPUD_DATE	COMP_DATE	Peak Oil Month	Peak Gas Month	Peak Water Month	1ST_6 MONTHS CUM OIL	1ST_6 MONTHS CUM GAS	1ST_6 MONTHS CUM WATER	CUM OIL	CUM GAS	CUM WATER	LATERAL AZI	HOR_ZONE
30025313180100	BTA OIL PRODUCERS LLC	GEM 8705 IV-P 6	20S	33E	2	8/26/2008	1/12/2009	4,345	4,092	1,744	17,440	14,881	6,389	77,506	140,299	73,251	E/W	2ND 8596 S
30025396230100	CHIMAREX ENERGY CO OF COLORADO	MADURO NORTH FEDERAL 3	19S	33E	20	9/30/2010	12/13/2010	14,305	10,018	8,940	38,482	24,970	19,381	168,823	252,454	147,658	E/W	2ND 8596 S
30025399570100	CHIMAREX ENERGY CO OF COLORADO	LUSK 24 EAST FEDER 1H	19S	32E	24	1/30/2011	4/19/2011	1,889	2,174	4,548	7,056	7,513	18,226	44,280	58,468	128,462	N/S	2ND 8596 S
30025399980100	CHIMAREX ENERGY CO OF COLORADO	MADURO NORTH FEDERAL 4H	19S	33E	20	2/10/2011	5/5/2011	4,583	5,289	3,125	20,320	24,221	13,713	96,698	133,705	61,871	E/W	2ND 8596 S
3002540070100	CHIMAREX ENERGY CO OF COLORADO	STATE HH COM 3H	19S	32E	36	2/23/2011	5/10/2011	8,505	9,633	8,663	30,557	30,031	26,879	118,070	180,162	123,172	E/W	2ND 8596 S
30025401320100	CHIMAREX ENERGY CO OF COLORADO	DIAMANTE 21 FEDER 2	19S	33E	21	7/17/2011	10/21/2011	6,763	9,219	9,292	25,092	28,114	24,496	87,335	128,103	76,864	E/W	2ND 8596 S
30025401870000	CHIMAREX ENERGY CO OF COLORADO	MADURO NORTH FEDERAL 5	19S	33E	20	9/28/2011	1/18/2012	17,677	11,154	12,017	54,189	44,984	40,469	182,826	251,728	144,725	E/W	2ND 8596 S
30025274770100	CHIMAREX ENERGY CO OF COLORADO	STATE HH 1	19S	32E	36	11/6/2011	3/4/2012	6,608	5,452	9,781	23,796	20,809	23,671	92,103	107,137	81,267	E/W	2ND 8596 S
30025403650000	CHIMAREX ENERGY CO OF COLORADO	HAT MESA 10 FEDER 2H	21S	32E	10	1/6/2012	4/22/2012	5,575	7,729	14,148	18,348	25,134	39,144	73,462	102,936	156,881	N/S	2ND 8596 S
30025403160000	BTA OIL PRODUCERS LLC	GEM 8705 IV-P 011H	20S	33E	2	3/6/2012	5/27/2012	7,504	14,078	22,019	24,170	55,072	52,221	78,541	152,711	139,572	E/W	2ND 8596 S
30025404370000	CHIMAREX ENERGY CO OF COLORADO	MADURO UNIT 9	19S	33E	29	7/7/2012	10/2/2012	23,035	22,948	20,999	93,649	95,561	91,482	291,854	521,012	362,911	N/S	2ND 8596 S
30025408280000	MARATHON OIL PERMAN LLC	GREEN FROG CAVE FEDE 1H	20S	33E	18	12/1/2012	4/17/2013	6,006	6,773	16,584	20,780	26,298	73,199	73,952	108,299	241,608	E/W	2ND 8596 S
30025408270000	MARATHON OIL PERMAN LLC	GAY NINETIES FEDERAL 1H	19S	32E	36	12/21/2013	4/13/2014	21,348	21,572	24,054	74,503	99,860	104,736	207,907	304,436	308,909	N/S	2ND 8596 S
30025432400000	MARATHON OIL PERMAN LLC	BLACK HORSE FEDERAL 001H	20S	33E	7	12/25/2016	10/7/2017	23,091	20,163	70,153	72,997	52,437	227,845	318,082	306,079	690,466	N/S	2ND 8596 S
30025435030000	COG OPERATING LLC	GERONIMO FEDERAL COM 011H	19S	33E	19	1/24/2017	6/7/2017	50,077	47,947	56,940	231,020	162,052	267,128	762,863	1,036,188	767,636	N/S	2ND 8596 S
30025424670000	MATADOR PRODUCTION CO	FEDERAL 30 123H	19S	33E	30	7/8/2017	11/28/2017	14,395	13,869	19,370	70,091	60,601	82,864	220,531	244,737	212,715	N/S	2ND 8596 S
30025441480000	MATADOR PRODUCTION CO	FEDERAL 30 124H	19S	33E	30	11/11/2017	1/13/2018	13,798	11,775	18,730	70,443	39,443	70,058	212,482	229,527	183,691	N/S	2ND 8596 S
30025450060100	CHISHOLM ENERGY OPERATING LLC	DIAMONDBACK 24-25 2B 001H	19S	32E	24	9/3/2018	12/18/2018	30,489	18,854	38,263	102,767	74,470	189,896	300,107	229,698	384,028	N/S	2ND 8596 S
30025445040000	XTO ENERGY INC	CHISTERA 32 STATE 007H	20S	33E	32	9/23/2018	1/22/2019	13,939	17,349	40,320	55,831	50,362	116,195	118,885	129,642	203,185	N/S	2ND 8596 S
30025448570000	CHISHOLM ENERGY OPERATING LLC	MINUS 1 FED COM 2B5 011H	21S	32E	1	10/26/2018	1/8/2019	15,707	19,206	70,469	68,866	75,703	216,537	141,183	161,651	333,677	N/S	2ND 8596 S
30025447850000	ASCENT ENERGY LLC	TOQUE STATE COM 502H	21S	33E	6	7/18/2019	12/7/2019	24,492	24,714	65,236	98,227	82,025	211,044	98,227	82,025	211,044	N/S	2ND 8596 S
30025441480100	ASCENT ENERGY LLC	TOQUE STATE COM 501H	21S	33E	6	10/7/2019	1/28/2020	30,441	30,173	77,111	138,415	131,365	227,311	138,415	131,365	227,311	N/S	2ND 8596 S
30025465470000	ASCENT ENERGY LLC	BIG MOOSE FEDERAL CO 506H	21S	32E	1	12/27/2019	9/3/2020	FLWBK									N/S	2ND 8596 S
30025464980000	ASCENT ENERGY LLC	BIG MOOSE FEDERAL CO 505H	21S	32E	1	1/4/2020	9/2/2020	FLWBK									N/S	2ND 8596 S



Ascent Energy, LLC

Case Nos.

Exhibit

2nd Bone Spring Sand Production

Oct. 20, 2020

3rd Bone Spring Sand

Pony Express

Case No. 21501: W2W2 Bone Spring 501H, 502H & 601H

Case No. 21503: E2W2 Bone Spring 503H & 602H

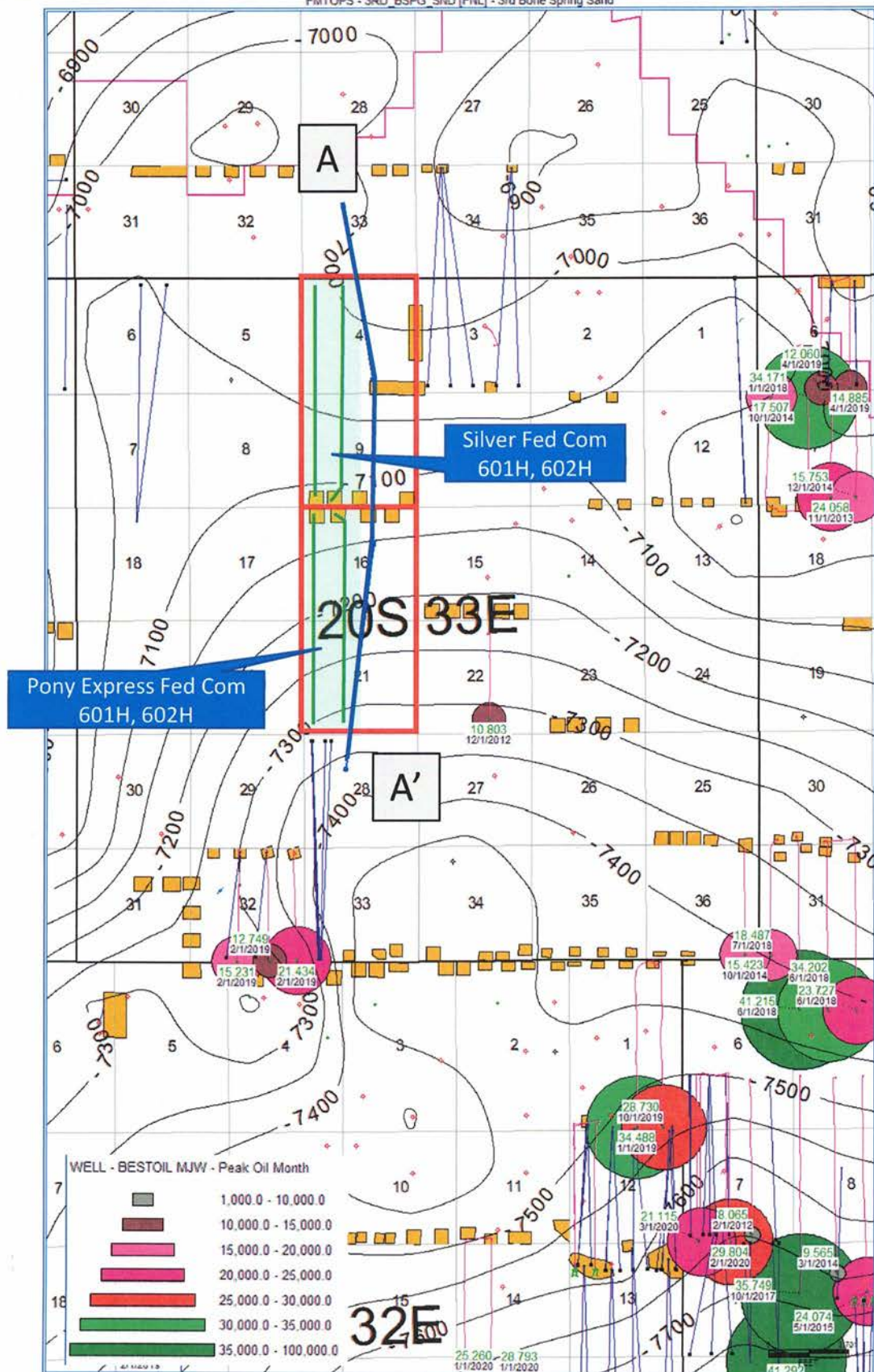
Silver

Case No. 21505: W2W2 Bone Spring 501H, 502H & 601H

Case No. 21507 E2W2 Bone Spring 503H & 602H

ATTACHMENT

B



Proposed Pooling Units

Pony Express & Silver BLM Approved
Potash Development Areas

Ascent Energy, LLC

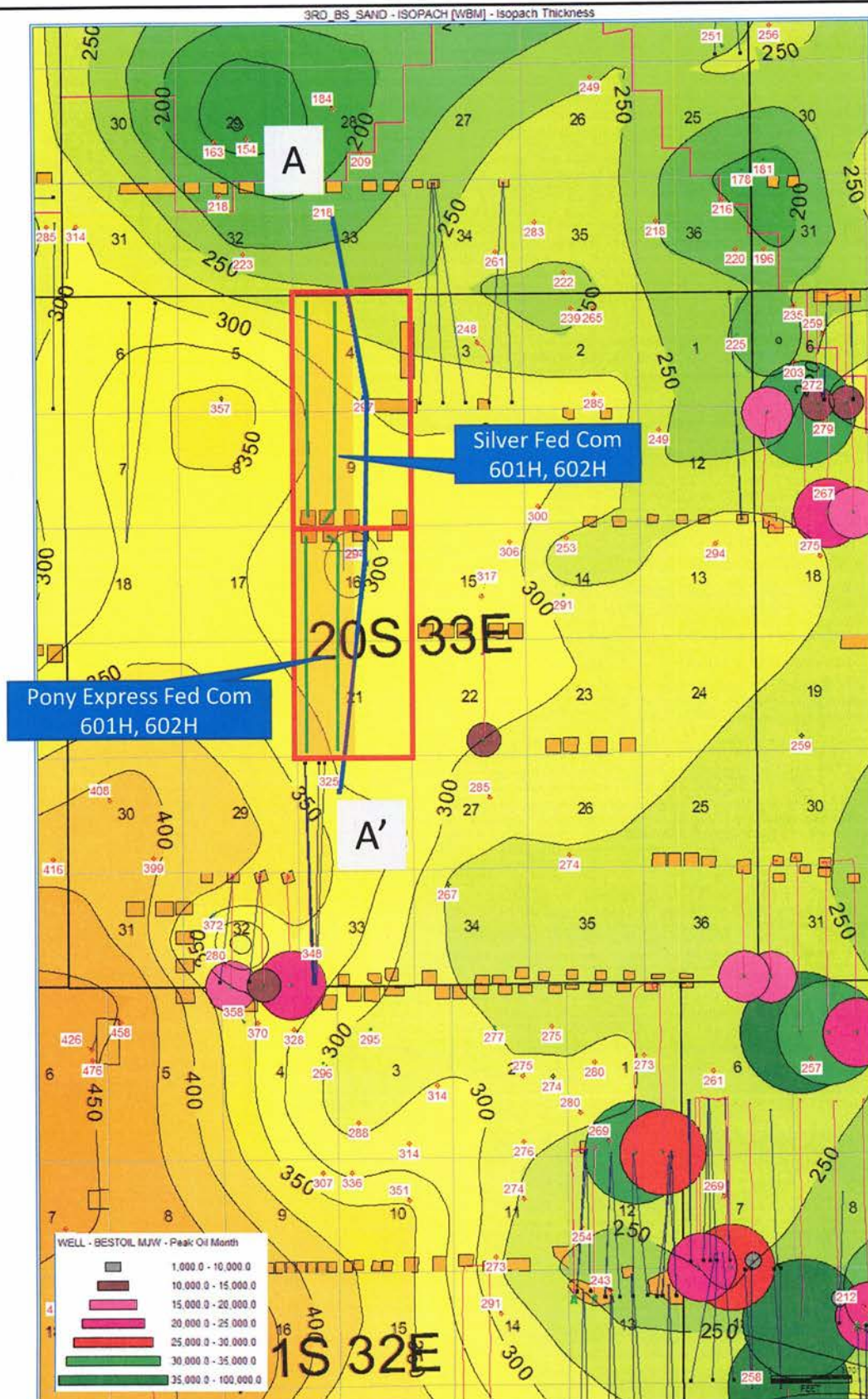


Case No. **Exhibit**

3rd Bone Spring Sand Structure &
Producing 3rd Bone Spring Sand Wells & Bone
Spring Permits

CI = 50'

Oct 20, 2020



Proposed Pooling Units

Pony Express & Silver BLM Approved
Potash Development Areas

Ascent Energy, LLC

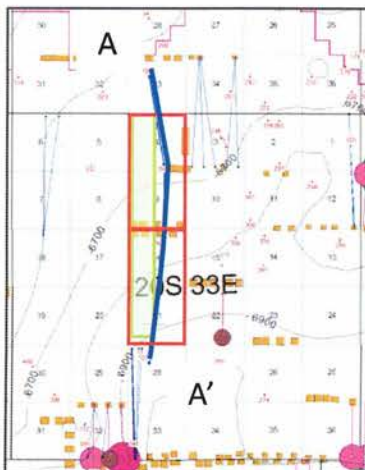
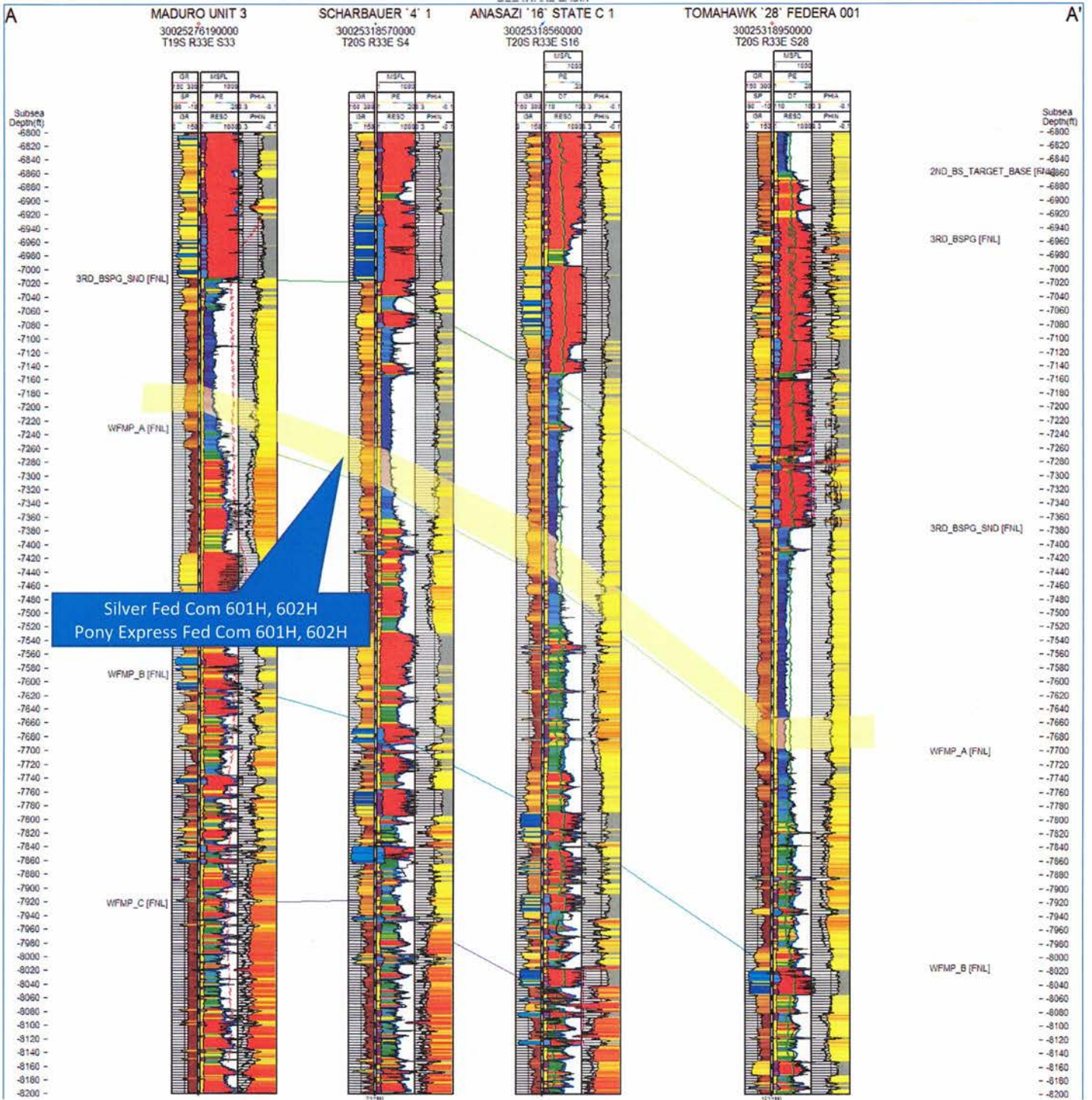


Case Nos. Exhibit

3rd Bone Spring Sand Gross Isopach &
Producing 3rd Bone Spring Sand Wells & Bone
Spring Permits

CI = 50'

Oct. 20, 2020



Ascent Energy, LLC	
Case Nos.	Exhibit
3 rd Bone Spring Sand Structural Cross Section	
Oct. 20, 2020	

UWI (API Num)	Operator	Well Label	TWN	RGE	SEC	SPUD_DATE	COMP_DATE	Peak Oil Month	Peak Gas Month	Peak Water Month	1ST_6_MONTHS_CUMOIL	1ST_6_MONTHS_CUMGAS	1ST_6_MONTHS_CUM_WATER	CUMOIL	CUMGAS	CUMWTR	LATERAL_AZI	HOR_ZONE
30025432500000	LEGACY RESERVES OPERATING LP	HAMON A FEDERAL COM 009H	20S	34E	18	7/1/2017	2/4/2018	34171	22435	30812	120715	75240	172226	289877	346463	596436	N/S	3RD BSPG S
30025416170000	LEGACY RESERVES OPERATING LP	HAMON A FEDERAL COM 4H	20S	34E	6	10/5/2014	12/27/2014	15753	13824	23381	69803	56332	97024	210800	241760	314868	N/S	3RD BSPG S
30025434150000	XTO ENERGY INC	SEVERUS 31 FEDERAL C 001H	20S	34E	30	10/16/2017	5/21/2018	23727	25570	58296	97241	100132	140267	319911	358923	591885	N/S	3RD BSPG S
30025413050100	LEGACY RESERVES OPERATING LP	HAMON A FEDERAL COM 3H	20S	34E	6	9/22/2013	11/13/2013	24058	17620	31981	105195	89317	86633	256619	255200	318816	N/S	3RD BSPG S
30025434160000	XTO ENERGY INC	SEVERUS 31 FEDERAL C 002H	20S	34E	30	11/30/2017	5/21/2018	34202	37858	83823	157619	162060	227583	426943	517387	778112	N/S	3RD BSPG S
30025434170000	XTO ENERGY INC	SEVERUS 31 FEDERAL C 003H	20S	34E	30	1/8/2018	5/21/2018	41215	40565	101407	158903	173923	254929	440584	503952	819500	N/S	3RD BSPG S
30025436960000	XTO ENERGY INC	CHISTERA 32 STATE 003H	20S	33E	32	8/18/2018	1/22/2019	21434	34511	124290	79098	82424	373548	144870	157671	637869	N/S	3RD BSPG S
30025403080000	CHIMAREX ENERGY CO OF COLORADO	ADAMS STATE COM 3H	21S	33E	6	10/19/2011	3/4/2012	8065	8922	48947	31076	38062	82056	187145	261368	646427	N/S	3RD BSPG S
30025407250100	COG OPERATING LLC	OUTLAW '22' FEDERAL 1H	20S	33E	22	9/27/2012	1/24/2013	10803	10771	28100	47474	36563	119463	212057	204832	516006	N/S	3RD BSPG S
30025413230000	COG OPERATING LLC	BECKNELL STATE COM 2H	21S	33E	5	12/24/2014	5/19/2015	24074	42005	85590	110366	189058	380037	542325	1315605	1952677	N/S	3RD BSPG S
30025436950000	XTO ENERGY INC	CHISTERA 32 STATE 002H	20S	33E	32	9/2/2018	1/22/2019	12749	28043	125107	60053	87940	337222	132242	178992	607210	N/S	3RD BSPG S
30025412990000	COG OPERATING LLC	BECKNELL STATE COM 3H	21S	33E	5	12/31/2013	4/16/2014	9565	13201	33064	40539	58410	133837	133848	221496	549668	N/S	3RD BSPG S
30025415620000	EOG RESOURCES INC	TANGO 8TP STATE COM 4H	20S	33E	36	5/10/2014	10/22/2014	15423	17789	53084	50766	58601	118162	322248	474373	1043944	N/S	3RD BSPG S
30025438560000	COG OPERATING LLC	BECKNELL STATE COM 004H	21S	33E	5	7/2/2017	10/14/2017	35749	54967	74483	173132	260407	393860	587097	1045344	1524187	N/S	3RD BSPG S
30025436940000	XTO ENERGY INC	CHISTERA 32 STATE 001H	20S	33E	32	10/9/2018	1/22/2019	15231	23817	97746	49914	58276	230415	105409	155231	561298	N/S	3RD BSPG S
30025434180000	XTO ENERGY INC	SEVERUS 31 FEDERAL C 004H	20S	34E	30	1/9/2018	5/21/2018	18487	21422	50722	65860	70484	100267	192664	238263	323917	N/S	3RD BSPG S
30025416300100	LEGACY RESERVES OPERATING LP	HAMON FEDERAL COM A 2H	20S	34E	18	9/5/2014	11/16/2014	17507	9912	44203	55769	31297	121448	214149	191198	389985	N/S	3RD BSPG S
30025443410000	MATADOR PRODUCTION CO	VERNA RAE FEDERAL CO 133H	20S	34E	6	9/29/2018	1/17/2019	12060	7087	32560	49941	32006	131191	86074	52077	227946	N/S	3RD BSPG S
30025443420000	MATADOR PRODUCTION CO	VERNA RAE FEDERAL CO 134H	20S	34E	6	9/22/2018	1/17/2019	14885	12660	34944	59185	53029	148626	108075	91466	251572	N/S	3RD BSPG S
30025447870000	ASCENT ENERGY INC	TOQUE STATE COM 601H	21S	33E	6	9/15/2019	1/13/2020	29804	38597	151997	Only 5 Months	Only 5 Months	Only 5 Months	115305	138685	490748	N/S	3RD BSPG S
30025447880000	ASCENT ENERGY LLC	TOQUE STATE COM 602H	21S	33E	6	7/29/2019	1/13/2020	21115	30392	77385	Only 5 Months	Only 5 Months	Only 5 Months	78877	103059	238378	N/S	3RD BSPG S
30025448110000	CHISHOLM ENERGY OPERATING LLC	MINIS I FEDERAL COM 006H	21S	32E	1	8/1/2019	10/21/2019	28730	28527	82830	105702	97963	278394	157315	144849	388552	N/S	3RD BSPG S
30025448560000	CHISHOLM ENERGY OPERATING LLC	MINIS I FEDERAL COM 007H	21S	32E	1	8/21/2018	1/8/2019	34488	35770	96532	140683	132889	385805	264512	295022	781565	N/S	3RD BSPG S
30025451560000	MEMBOURNE OIL CO	CAPER 20-29 BSCN FED 002H	21S	32E	17	9/28/2018	2/14/2019	31796	56464	102519	127656	215071	506911	242200	418229	835549	N/S	3RD BSPG S
30025463500000	CHISHOLM ENERGY OPERATING LLC	AZTEC 14-23 3BS FEDE 002H	21S	32E	11	9/20/2019	1/1/2020	25260	43561	97859	109040	184073	436764	122398	205724	472994	N/S	3RD BSPG S
30025463510000	CHISHOLM ENERGY OPERATING LLC	AZTEC 14-23 3BS FEDE 003H	21S	32E	11	10/25/2019	1/1/2020	28793	41243	95957	113382	181451	395596	125765	202917	426803	N/S	3RD BSPG S
30025465480000	ASCENT ENERGY LLC	BIG MOOSE FED COM 604H	21S	32E	1	1/23/2020	In Progress											3RD BSPG S



Ascent Energy, LLC

Exhibit

Case Nos.

3rd Bone Spring Sand Production

Oct. 20, 2020

District I
1625 N. French Dr., Hobbs, NM 88249
Phone: (575) 395-6161 Fax: (575) 395-6723
District II
811 S. First St., Artesia, NM 88203
Phone: (575) 748-4283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name SILVER FED COM	6 Well Number 503H
7 OGRID No.	8 Operator Name ASCENT ENERGY	9 Elevation 3533.1'

10 Surface Location

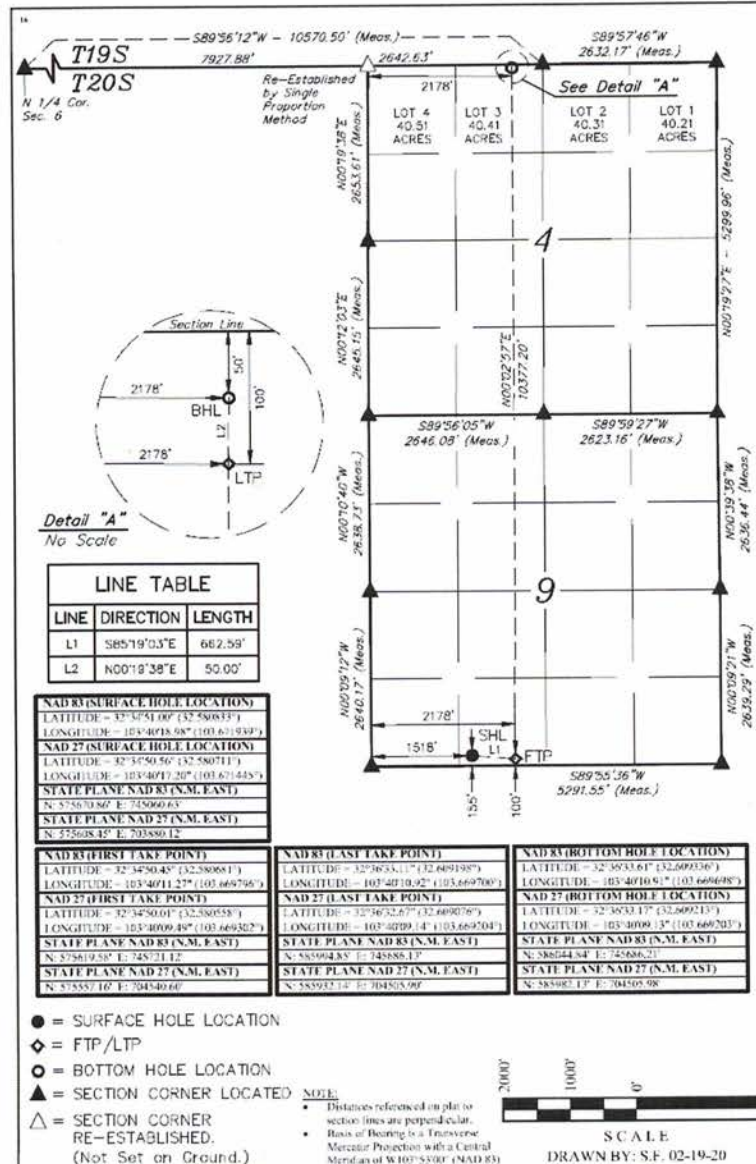
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	20S	33E		155	SOUTH	1518	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	20S	33E		50	NORTH	2178	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320.41			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



"OPERATOR CERTIFICATION"
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has at right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Ben Metz 4-6-2020
Signature Date
Ben Metz
Printed Name
bmetz@ascentenergy.us
E-mail Address

"SURVEYOR CERTIFICATION"
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 31, 2020
Date of Survey
Signature and Seal of Professional Surveyor:
PAUL BUCHELE
NEW MEXICO
23192
03-10-20
PROFESSIONAL SURVEYOR
Certificate Number:

ATTACHMENT



Ascent Energy, LLC	
Case No.	Exhibit
Silver FED COM 503H C-102 Well Plat	
Oct 13, 2020	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (505) 395-6161 Fax: (505) 395-0720
 District II
 811 S. First St., Artesia, NM 88210
 Phone: (505) 748-1283 Fax: (505) 748-9720
 District III
 1000 Rio Hondo Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

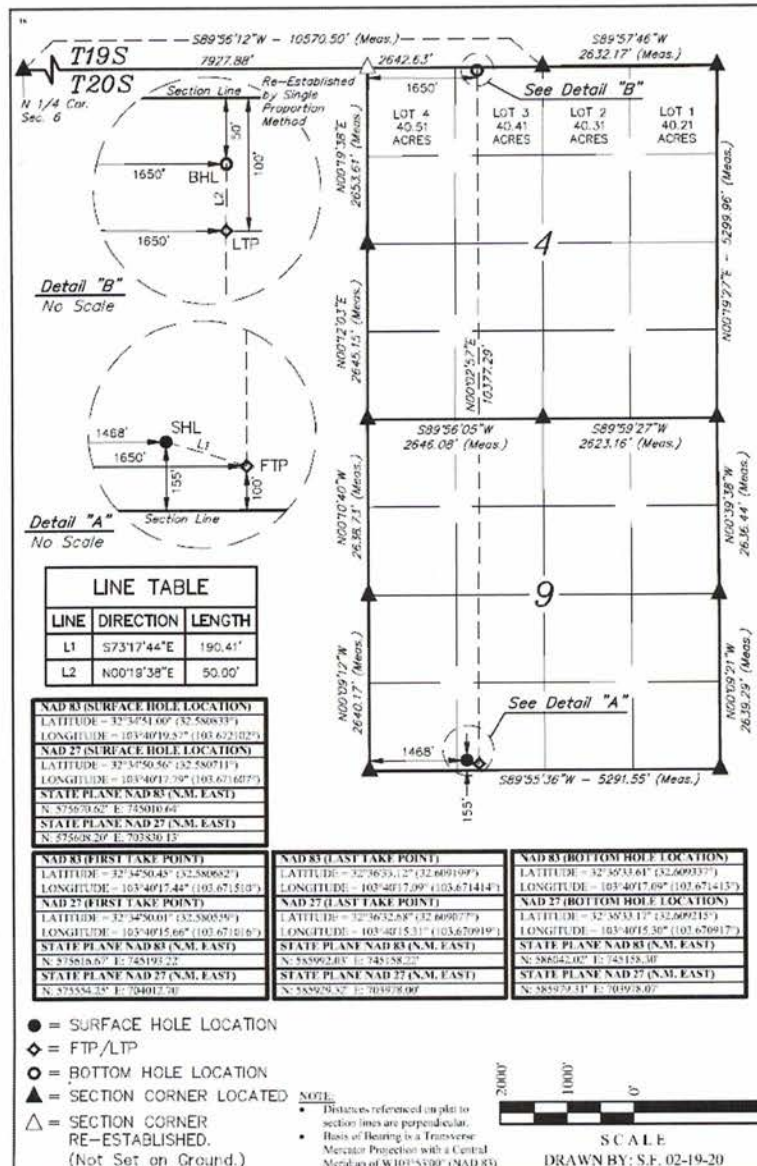
1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name	6 Well Number
7 GRID No.	8 Operator Name	9 Elevation

11 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	20S	33E		155	SOUTH	1468	WEST	LEA

11 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	20S	33E		50	NORTH	1650	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320.41			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



"OPERATOR CERTIFICATION"

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Ben Metz 4-6-2020
 Signature Date
 Ben Metz
 Printed Name
 bmetz@ascenergy.us
 E-mail Address

"SURVEYOR CERTIFICATION"

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 31, 2020
 Date of Survey
 Signature and Seal of Professional Surveyor:

PAUL BUCHELE
 NEW MEXICO
 23392
 03-10-20
 PROFESSIONAL SURVEYOR

Certificate Number

Ascent Energy, LLC	
Case No.	Exhibit
Silver FED COM 602H C-102 Well Plat	
Oct 13, 2020	

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

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21508

VERIFIED STATEMENT OF WILLIAM METZ

William Metz, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a geologist for Ascent Energy, LLC ("Ascent"), and I am familiar with the geological matters involved in this case. I have been qualified by the Division as an expert petroleum geologist.
3. The geological plats in Attachment A pertain to the Wolfcamp formation, which is prospective in this area. They show:
 - (a) Structure of the Wolfcamp A zone. They show that structure dips to the south. The plat also shows producing Wolfcamp wells in the area.
 - (b) A Gross isopach of the Wolfcamp A zone. This zone is continuous across the well units being pooled. It also shows a line of cross-section.
 - (c) A cross-section of the Wolfcamp A zone. The well logs on the cross-sections give a representative sample of Wolfcamp A zone in this area.
 - (d) A list of producing Wolfcamp A and Wolfcamp XY wells in the area. Based on production, there is a preferred North-South orientation in this area.
4. The C-102s for the wells are attached as Attachment B, showing the first and last take points. The wells comply with the Division's setback requirements.
5. I conclude from the maps that:
 - (a) The Wolfcamp horizontal spacing unit is justified from a geologic standpoint, and horizontal drilling is the best method to produce Wolfcamp reserves in this area.
 - (b) Each quarter-quarter section in the well units will contribute more or less equally to production.

EXHIBIT

3B

(c) There is no faulting or other geologic impediment on the area which will affect the drilling of the subject well.

6. The granting of this application is in the interests of conservation and the prevention of waste.

7. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 6 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date: 1-14-21


William Metz

Pony Express

Case No. 21501: W2W2 Bone Spring 501H, 502H & 601H

Case No. 21502: Wolfcamp 701H

Case No. 21503: E2W2 Bone Spring 503H & 602H

Case No. 21504: E2W2 Wolfcamp 702H

Silver

Case No. 21505: W2W2 Bone Spring 501H, 502H & 601H

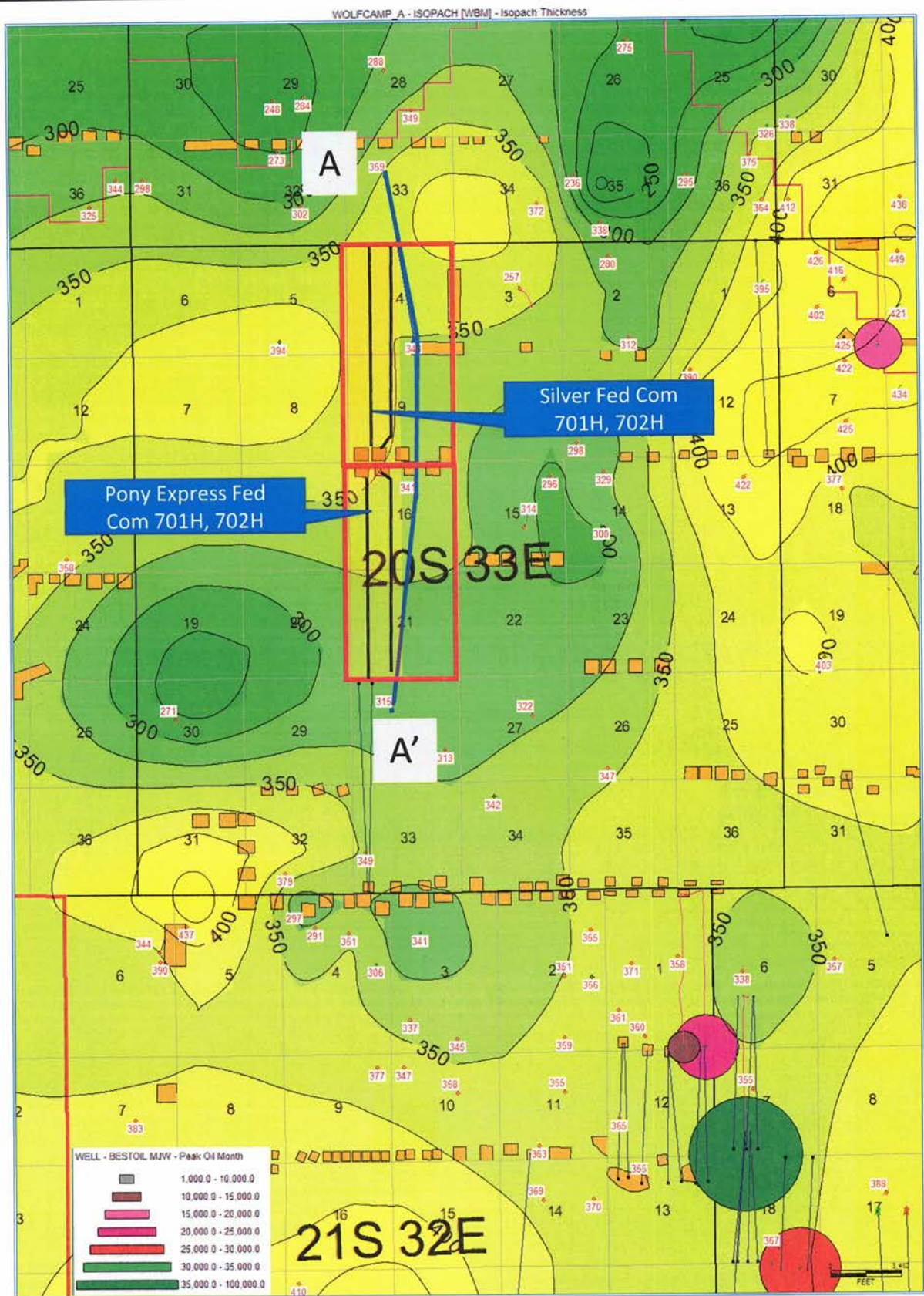
Case No. 21506: Wolfcamp 701H

Case No. 21507 E2W2 Bone Spring 503H & 602H

Case No. 21508: E2W2 Wolfcamp 702H

ATTACHMENT

A



Proposed Pooling Units

Pony Express & Silver BLM Approved
Potash Development Areas

Ascent Energy, LLC

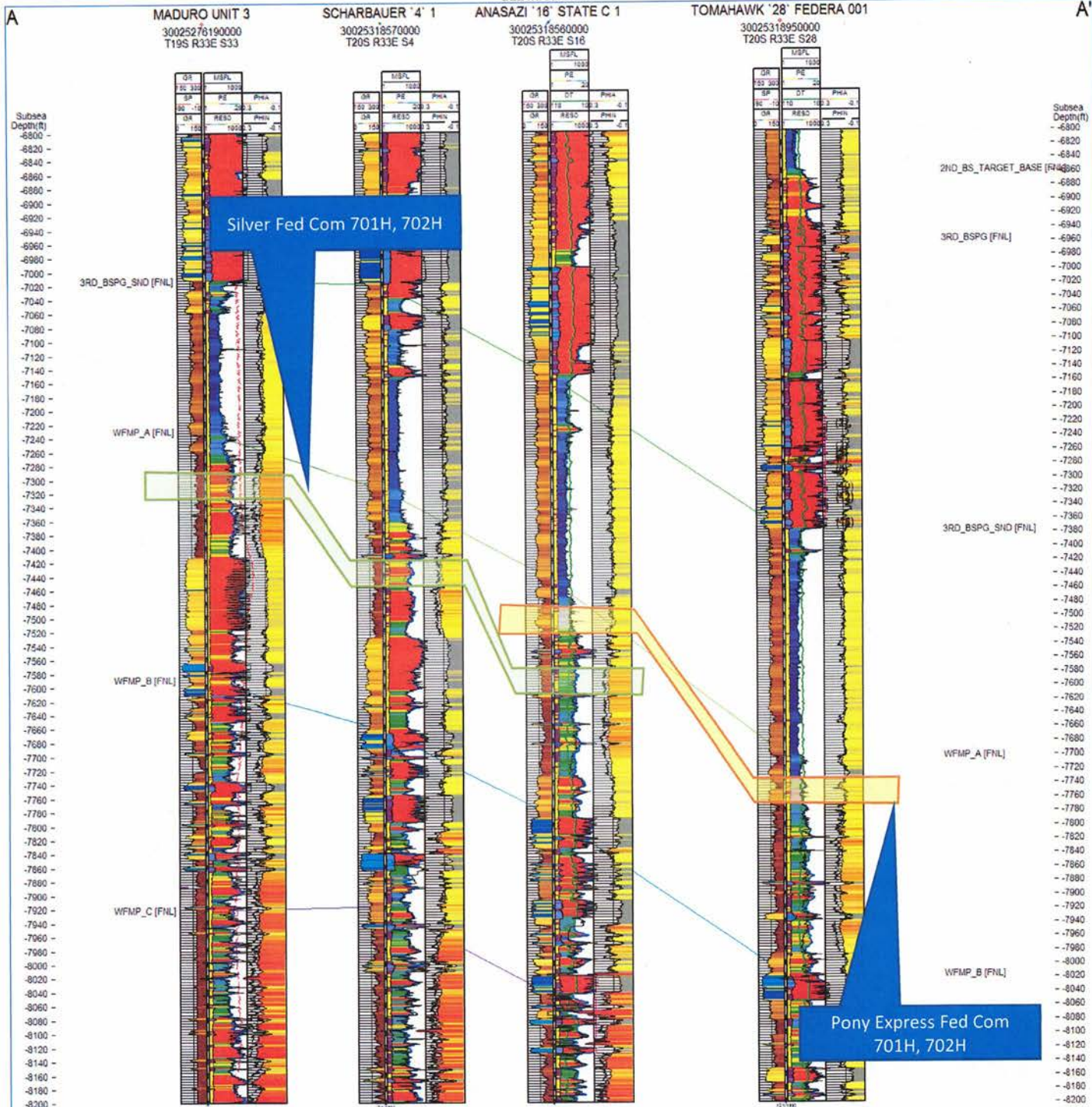


Case Nos. **Exhibit**

Wolfcamp A Gross Isopach &
Producing Wolfcamp Wells & Wolfcamp Permits

CI = 25'

Oct. 20, 2020



Ascent Energy, LLC	
Case Nos.	Exhibit
Wolfcamp Structural Cross Section	
Oct. 20, 2020	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 395-6161 Fax: (575) 395-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 746-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Artesia, NM 87410
Phone: (505) 336-6178 Fax: (505) 336-6170
District IV
1270 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3469 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
4 Property Code	5 Property Name SILVER FED COM	6 Well Number 702H
7 OGRID No.	8 Operator Name ASCENT ENERGY	9 Elevation 3533.0'

10 Surface Location

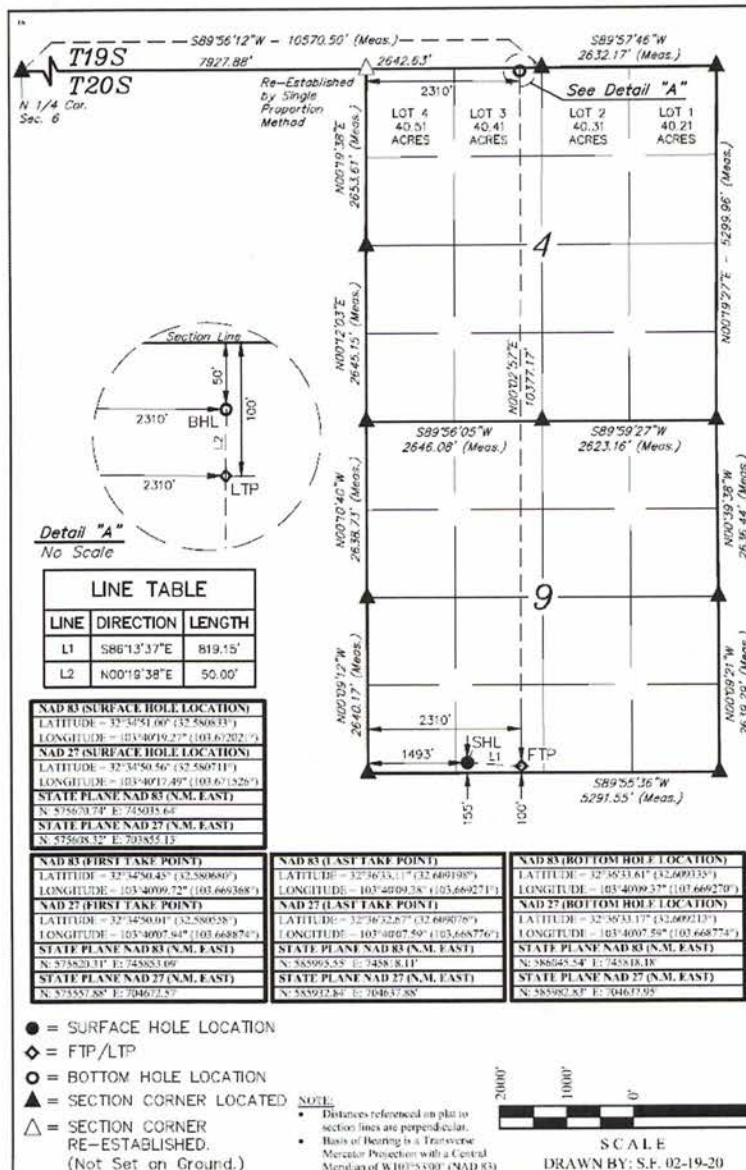
U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	9	20S	33E		155	SOUTH	1493	WEST	LEA

11 Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	20S	33E		50	NORTH	2310	WEST	LEA

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320.41			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



16 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Ben Metz 4-6-2020
Signature Date

Ben Metz
Printed Name

bmetz@ascentenergy.us
E-mail Address

17 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 31, 2020
Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

ATTACHMENT

Ascent Energy, LLC		
Case No.	Exhibit	
Silver FED COM 702H C-102 Well Plat		
Oct 13, 2020		

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

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 21507

**APPLICATION OF ASCENT ENERGY, LLC
FOR COMPULSORY POOLING, Lea COUNTY,
NEW MEXICO.**

Case No. 21508

SELF-AFFIRMED STATEMENT OF NOTICE


COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

James Bruce deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Ascent Energy, LLC.
3. Ascent Energy, LLC has conducted a good faith, diligent effort to find the names and correct addresses of the interest owners entitled to receive notice of the applications filed herein.
4. Notice of the applications was provided to the interest owners, at their last known addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Attachment A.
5. Ascent Energy, LLC has complied with the notice provisions of Division Rules.
6. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 5 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Date:

11/14/2021


James Bruce

EXHIBIT

4

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 15, 2020

CERTIFIED MAIL

ATTACHMENT

A

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed are copies of two applications for compulsory pooling, filed with the New Mexico Oil Conservation Division by Ascent Energy, LLC, regarding:

1. Case No. 21507, for two Bone Spring wells in the E/2W/2 of Section 4 and the E/2W/2 of Section 9; and
2. Case No. 21508, for one Wolfcamp well in the E/2W/2 of Section 4 and E/2W/2 of Section 9,

All in Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

These matters are scheduled for hearing at 8:15 a.m. on Thursday, November 5, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnrd.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, October 29, 2020. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and

identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,


James Bruce

Attorney for Ascent Energy, LLC

Exhibit A

Camterra Resources Partners, Ltd.
2615 East End Boulevard South
Marshall, Texas 75672

Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056

Phillip White
P.O. Box 25968
Albuquerque, NM 87125

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056
 Street and Apt. No.
 City, State, Zip+4®

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

2042 2E04 T000 0262 6T02

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Camterra Resources Partners, Ltd.
 2615 East End Boulevard South
 Marshall, Texas 75672

9590 9402 5941 0062 9689 74

2. Article Number (Transfer from carrier's label)
 7019 2970 0001 4037 7414 (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☒ Agent ☐ Addressee
 B. Received by (Printed Name) SHAC, Inc. C. Date of Delivery 10-21-2010
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Collect on Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To Marathon Oil Permian LLC
5555 San Felipe Street
Houston, Texas 77056
 Street and Apt. No.
 City, State, Zip+4®

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

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.
 ■ Print your name and address on the reverse so that we can return the card to you.
 ■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC
 5555 San Felipe Street
 Houston, Texas 77056

9590 9402 5941 0062 9689 67

2. Article N
 7019 2970 0001 4037 7407

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature [Signature] ☒ Agent ☐ Addressee
 B. Received by (Printed Name) SHAC, Inc. C. Date of Delivery 10-21-2010
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Collect on Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

2042 2E04 T000 0262 6T02

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Sent To Camterra Resources Partners, Ltd.
2615 East End Boulevard South
Marshall, Texas 75672
 Street and Apt. No.
 City, State, Zip+4®

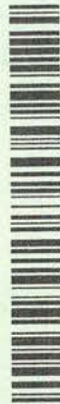
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Phillip White
P.O. Box 25968
Albuquerque, NM 87125



9590 9402 5941 0062 9689 50

2. 7019 2970 0001 4037 7391

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature Phillip White ☐ Agent ☐ Addressee

B. Received by (Printed Name) Phillip White C. Date of Delivery 10/21/20

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☐ Priority Mail Express®

☐ Registered Mail™

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Restricted Delivery

Domestic Return Receipt

A 07 08

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee	\$	
Extra Services & Fees (check box, add fee as appropriate)		
<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<input type="checkbox"/> Return Receipt (electronic)	\$	
<input type="checkbox"/> Certified Mail Restricted Delivery	\$	
<input type="checkbox"/> Adult Signature Required	\$	
<input type="checkbox"/> Adult Signature Restricted Delivery	\$	
Postage	\$	
Total Postage and Fees	\$	

Postmark
Here

Sent To	Phillip White
Street and Apt. No., or P.O. Box	P.O. Box 25968
City, State, ZIP+4®	Albuquerque, NM 87125

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

1682 2804 1000 0262 6102

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).


Beginning with the issue dated
October 23, 2020
and ending with the issue dated
October 23, 2020.


Publisher

Sworn and subscribed to before me this
23rd day of October 2020.


Circulation Clerk

My commission expires
October 29, 2022

(Seal)

OFFICIAL SEAL
Amity E. Hipp
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 10/29/22

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE October 23, 2020

To: Camterra Resources Partners, Ltd., Marathon Oil Permian LLC, and Phillip White, or your heirs, devisees, successors, or assigns: Ascent Energy, LLC has filed the following applications with the New Mexico Oil Conservation Division:

Case No. 21507: Ascent Energy, LLC seeks an order pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well Nos. 503H and 602H, with first take points in the SE/4SW/4 of Section 9 and final take points in the NE/4NW/4 of Section 4.

Case No. 21508: Ascent Energy, LLC seeks an order pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit comprised of the E/2W/2 of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well No. 702H, with a first take point in the SE/4SW/4 of Section 9 and a final take point in the NE/4NW/4 of Section 4.

Also to be considered will be the cost of drilling, completing, and equipping the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells. The applications are scheduled to be heard at 8:15 a.m. on November 5, 2020. During the COVID-19 Public Health Emergency, state buildings are closed to the public and the hearing will be conducted remotely. To determine the location of the hearing or to participate in an electronic hearing, go to emnr.state.nm.us/OCD/hearings or see the instructions posted on the Division's website, <http://emnr.state.nm.us/OCD/announcements.html>. You are not required to attend the hearing, but as an owner of an interest who may be affected by the applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting these matters at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, October 29, 2020. This statement may be filed online with the Division at ocd.hearings@state.nm.us, and should include: The name of the party and his or her attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate time the party will need to present his or her case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504, (505) 982-2043, jamesbruce@aol.com. The units are located approximately 5-1/2 miles northeast of Halfway, New Mexico.
#35926

01101711

00247708

JAMES BRUCE
JAMES BRUCE, ATTORNEY AT LAW
P.O. BOX 1056
SANTA FE, NM 87504

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21507
Date	January 21, 2021
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Fed. Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Teas; Bone Spring/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2W/2 §4 and E/2W/2 §9-20S-33E, NMPPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 503H API No. 30-025-Pending SHL: 155 FSL & 1518 FWL §9 BHL: 100 FNL & 2178 FWL §4 FTP: 100 FSL & FWL §9 LTP: 100 FNL & FWL §4 Second Bone Spring Sand/TVD 9937 feet/MD 20259 feet

	Silver Fed. Com. Well No. 602H API No. 30-025-Pending SHL: 155 FSL & 1468 FWL §9 BHL: 100 FNL & 1650 FWL §4 FTP: 100 FSL & 330 FWL §9 LTP: 100 FNL & 1650 FWL §4 Third Bone Spring Sand/TVD 10912 feet/MD 21187 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4, but Not Needed
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (i.e. Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-E
Cost Estimate to Equip Well	Exhibit 2-E
Cost Estimate for Production Facilities	Exhibit 2-E
Geology	
Summary (including special considerations)	Exhibits 3-A and 3-B
Spacing Unit Schematic	Exhibits 3A and 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-A and 3-B
Well Orientation (with rationale)	Standup/Exhibits 3-A and 3-B

Target Formation	Bone Spring
HSU Cross Section	Exhibits 3-A and 3-B
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
02	Exhibits 3-B and 3-C
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3s-A and 3-B
Cross Section Location Map (including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing Zone)	Exhibits 3-A and 3-B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	January 14, 2021

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21507
Date	January 21, 2021
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Fed. Bone Spring wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Bone Spring formation
Pool Name and Pool Code:	Teas; Bone Spring/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2W/2 §4 and E/2W/2 §9-20S-33E, NMPPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 503H API No. 30-025-Pending SHL: 155 FSL & 1518 FWL §9 BHL: 50 FNL & 2178 FWL §4 FTP: 100 FSL & 2178 FWL §9 LTP: 100 FNL & 2178 FWL §4 Second Bone Spring Sand/TVD 9937 feet/MD 20259 feet

EXHIBIT

5

	Silver Fed. Com. Well No. 602H API No. 30-025-Pending SHL: 155 FSL & 1468 FWL \$9 BHL: 50 FNL & 1650 FWL \$4 FTP: 155 FSL & 1650 FWL \$9 LTP: 100 FNL & 1650 FWL \$4 Third Bone Spring Sand/TVD 10912 feet/MD 21187 feet
Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4, But Not Needed
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-E
Cost Estimate to Equip Well	Exhibit 2-E
Cost Estimate for Production Facilities	Exhibit 2-E
Geology	
Summary (including special considerations)	Exhibits 3-A and 3-B
Spacing Unit Schematic	Exhibits 3A and 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibits 3-A and 3-B
Well Orientation (with rationale)	Standup/Exhibits 3-A and 3-B

Target Formation	Bone Spring
HSU Cross Section	Exhibits 3-A and 3-B
Depth Severance Discussion	Not Applicable
Forms, Figures and Tables	
02	Exhibits 3-A and 3-B
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B
General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3s-A and 3-B
Cross Section Location Map (including wells)	Exhibits 3-A and 3-B
Cross Section (including Landing Zone)	Exhibits 3-A and 3-B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	<i>James Bruce</i>
Date:	January 14, 2021

COMPULSORY POOLING APPLICATION CHECKLIST

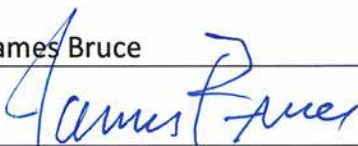
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	21508
Date	January, 2021
Applicant	Ascent Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Ascent Energy, LLC/OGRID No. 325830
Applicant's Counsel:	James Bruce
Case Title:	Application of Ascent Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	
Well Family	Silver Feed, Wolfcamp wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Wolfcamp formation
Pool Name and Pool Code:	Hat Mesa; Wolfcamp/Pool Code 58960
Well Location Setback Rules:	Statewide rules and current horizontal well rules
Spacing Unit Size:	Quarter-quarter Section/40 acres
Spacing Unit	
Spacing (Horizontal/Vertical)	Horizontal
Spacing (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E/2W/2 §4 and E/2W/2 §9-20S-33E, NMPPM, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit 2-B
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Silver Fed. Com. Well No. 702H API No. 30-025-Pending SHL: 155 FSL & 1493 FWL §9 BHL: 50 FNL & 2310 FWL §4 FTP: 100 FSL & 2310 FWL §9 LTP: 100 FNL & 2310 FWL §4 Wolfcamp/TVD 11152 feet/MD 21460 feet

EXHIBIT

6

Horizontal Well First and Last Take Points	See above
Completion Target (Formation, TVD and MD)	See above
Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit 2, page 2
Requested Risk Charge	Cost + 200%/Exhibit 2, page 2
Notice of Hearing	
Proposed Notice of Hearing	Exhibit 1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 4
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit 4, But Not Needed
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit 2-B
Tract List (including lease numbers and owners)	
Pooled Parties (including ownership type)	Exhibit 2-B
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Other	
Sample Copy of Proposal Letter	Exhibit 2-C
List of Interest Owners (<i>i.e.</i> Exhibit A of JOA)	Exhibit 2-B
Chronology of Contact with Non-Joined Working Interests	Exhibit 2
Overhead Rates In Proposal Letter	\$8000/\$800
Cost Estimate to Drill and Complete	Exhibit 2-E
Cost Estimate to Equip Well	Exhibit 2-E
Cost Estimate for Production Facilities	Exhibit 2-E
Geology	
Summary (including special considerations)	Exhibit 3-B
Spacing Unit Schematic	Exhibit 3-B
Gunbarrel/Lateral Trajectory Schematic	Exhibit A
Well Orientation (with rationale)	Standup/Exhibit 3-B
Target Formation	Wolfcamp
HSU Cross Section	Exhibit 3-B
Depth Severance Discussion	Not Applicable
Maps, Figures and Tables	
C-102	Exhibit 3B
Tracts	Exhibit 2-B
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit 2-B

General Location Map (including basin)	Exhibit 2-A
Well Bore Location Map	Exhibit 2-B
Structure Contour Map - Subsea Depth	Exhibit 3-B
Cross Section Location Map (including (s))	Exhibit 3-B
Cross Section (including Landing Zone)	Exhibit 3-B
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James Bruce
Signed Name (Attorney or Party Representative):	
Date:	January 14, 2021