

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



May 7, 2018

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

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

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ASCENT ENERGY, LLC.

LEASE NAME: TOQUE STATE # 704H

PROPOSED LOCATION: U/L K Sec 6 T21S R33E 2547 FSL 2050 FWL

PROPOSED DEPTH: 19175' MD

Gentleman:

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

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

Very truly yours,

OIL CONSERVATION DIVISION


Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2018 year) -----Yes _____ No

The above referenced location is within the Buffer Zone -----Yes _____ No

Signed _____

Printed Signature JAMES S. RUTLEY

Representing US DOI BLM CFO SOZIAS RUTLEY

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HOBBS OCD
MAY 16 2018
RECEIVED

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Very truly yours,

OIL CONSERVATION DIVISION

Paul Kautz

Hobbs District Geologist, District I

RESPONSE:

The above referenced location is in LMR (90/8 year) -----Yes _____ No SK
The above referenced location is within the Buffer Zone -----Yes _____ No

Signed
Printed Signature Aubrey Duran
Representing NMSL



May 3, 2018

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

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

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

Dear Mr. Kautz:

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

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

Kindest Regards,

Lee Zink
Land Manager