



September 21, 2021

Oil Conservation Division
Attn: Dean McClure
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Application for Surface Commingle:

Hagberry 9 State Com 501H	Hagberry 9 State Com 502H	Hagberry 9 State Com 503H
API# 30-025-46136	API# 30-025-48405	API# 30-025-48406
Sec 9, T22S, R35E, Unit D	Sec 9, T22S, R35E, Unit C	Sec 9, T22S, R35E, Unit C
339' FNL & 280' FWL	1030' FNL & 1816' FWL	1030' FNL & 1846' FWL
Lea County, New Mexico	Lea County, New Mexico	Lea County, New Mexico

Dean McClure,

Centennial Resource Production, LLC respectfully requests approval to Surface commingle our Hagberry 9 State Com 501H, 502H & 503H wells into a central tank battery. They all have their own separators. Please see the attached detailed description.

I have attached a facility diagram, C102's, Map, C107B, Admin checklist and notice info. If you need additional information, please give me a call at 720-499-1537.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Schlichting".

Kanicia Schlichting
Sr. Regulatory Analyst
Kanicia.schlichting@cdevinc.com

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

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

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC

☐ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☐ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☐ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐

Notice Complete

☐

Application
Content
Complete

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

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

Print or Type Name

_____ Date

_____ Phone Number

Signature

_____ e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Centennial Resource Production, LLC
OPERATOR ADDRESS: 1001 17th Street, Suite 1800, Denver, CO 80202
APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

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

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

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

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

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

- (1) Pool Name and Code. WC-025 G-07 S223505N; Bone Spring 98136
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

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

- (1) Complete Sections A and E.

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

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

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

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

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

SIGNATURE: K. Schlichting TITLE: Sr. Regulatory Analyst DATE: 9/21/21

TYPE OR PRINT NAME Kanicia Schlichting TELEPHONE NO.: 720-499-1537

E-MAIL ADDRESS: kanicia.schlichting@cdevinc.com

APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Centennial Resource Production, LLC ("CRP") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

GENERAL INFORMATION:**Spacing Unit for Hagberry 9 State Com #501H**

Pool: WC-025 G-07 S223505N: Bone Spring (98136) [API: 30-025-46136]

W/2 W/2 Section 9, T22S R35E

W/2 NW/4 Section 16, T22S R35E

Total of 240.00 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2435	Oil and Gas	18.75%	320 acres being W/2 Section 9, T22S R35E, Lea County, NM	66.67%	160.00
2	State	V0-5848	Oil and Gas	16.67%	320 acres, being N/2 Section 16 T22S R35E, Lea County, NM	33.33%	80.00
		Total				100.00%	240.00

The Communitization Agreement for the Hagberry 9 State Com #501H has been approved by the State Land Office.

Spacing Unit for Hagberry 9 State Com #502H & 503H

Pool: WC-025 G-07 S223505N (98136) [API: 30-025-48405 & 30-025-48406]

E/2 W/2, W/2 E/2 Section 9, T22S R35E

E/2 W/2, W/2 E/2 Section 16, T22S R35E

Total of 640.00 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2435	Oil and Gas	18.75%	320 acres being W/2 Section 9, T22S R35E, Lea County, NM	25.00%	160.00
2	State	VC-6890	Oil and Gas	20.00%	320 acres being E/2 Section 9, T22S R35E, Lea County, NM	25.00%	160.00
3	State	V0-5848	Oil and Gas	16.67%	320 acres being N/2 Section 16, T22S R35E, Lea County, NM	25.00%	160.00
4	State	VB-2067	Oil and Gas	18.75%	320 acres being N/2 Section 16, T22S R35E, Lea County, NM	25.00%	160.00
		Total				100.00%	640.00

The Communitization Agreement for the Hagberry 9 State Com #502H & 503H has been submitted to the State Land Office.

- The central tank battery to service the subject wells is located on Lot D of Section 9-22S-35E on state surface
- State ownership in the two overlapping spacing units is identical.
- The approval of this commingling application will not negatively affect the royalty revenue of the state land office due to the allocation methodology described in the application. The approval of this application will also provide for reduced surface disturbance in this development area.

OIL AND GAS METERING AND PROCESS AND FLOW DESCRIPTIONS:

The production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams (gas, oil, and water) by the separator and each stream will be

measured individually after it exits the separator. The gas will be measured using a senior orifice meter and used to allocate total volume measured at the midstream receipt point, high-pressure flare meter, and low-pressure flare meter.

HAGBERRY STATE COM #501H gas allocation meter is an orifice meter with senior fitting and TotalFlow (S/N *****)

HAGBERRY STATE COM #502H gas allocation meter is an orifice meter with senior fitting and TotalFlow (S/N *****)

HAGBERRY STATE COM #503H gas allocation meter is an orifice meter with senior fitting and TotalFlow (S/N *****)

The oil from the separators will be measured using a Coriolis meter.

HAGBERRY STATE COM #501H oil allocation meter is an Endress & Hauser Coriolis meter (S/N **-*****)

HAGBERRY STATE COM #502H oil allocation meter is an Endress & Hauser Coriolis meter (S/N **-*****)

HAGBERRY STATE COM #503H oil allocation meter is an Endress & Hauser Coriolis meter (S/N **-*****)

The water will be measured using Endress & Hauser mag meters. The water from each separator is combined in a common header and flows into (4) 500 barrel coated steel tanks. Magneto restrictive level transmitters are used to measure water volumes in these tanks. The oil from each separator will be combined into a common header and flow into a heated horizontal separator (HHS) to aid separation of water entrained in the oil. Water from the heated separator flows into the common water header connected to the (4) 500 barrel water tanks. The water is then pumped and/or trucked to a saltwater disposal well. The oil from the heated separator flows into (6) 500 barrel steel tanks. Magneto restrictive level transmitters are used to measure water and oil volumes in these tanks. Oil is pumped out of the tanks through a LACT unit with a Coriolis meter into a pipeline. Every tank utilizes a level transmitter to determine the volume of product in each. After the gas from each separator is measured it is combined into a common header. The gas from the heated separator also flows into this header. The gas flows through the header to a pipeline that takes the gas to a Lucid Midstream custody transfer meter on the south side of the facility. If the pipeline is experiencing problems and cannot take any gas, the gas will flow through the high pressure and low pressure flare meters (#***** and #*****) to the flare. The overhead gas from the tanks is compressed by a vapor recovery compressor and then measured by an orifice meter (#*****) with a TotalFlow. The gas from the vapor recovery system combines with the gas from the lease production meter and flows into our gas gathering pipeline system.

*Meter numbers will be provided upon installation of meters and completion of the facility.

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48406	² Pool Code 98136	³ Well Name WC-025 G-07 5223505N; Bone Spring
⁴ Property Code 325758	⁵ Property Name HAGBERRY 9 STATE COM	⁶ Well Number 503H
⁷ OGRID No. 372165	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	⁹ Elevation 3616.6'

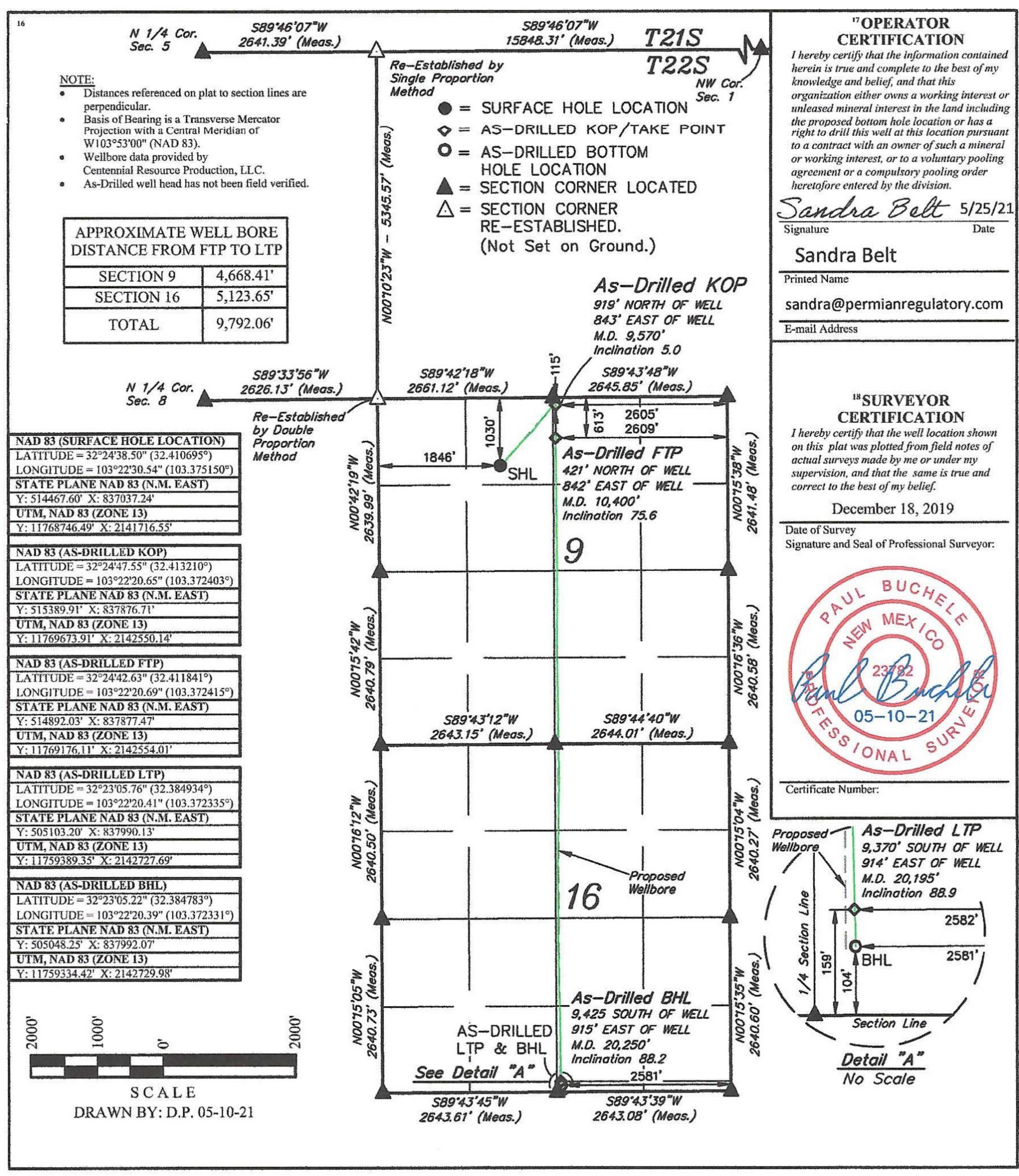
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	22S	35E		1030	NORTH	1846	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
O	16	22S	35E		104	SOUTH	2581	EAST	LEA
¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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



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WELL LOCATION AND ACREAGE DEDICATION PLAT

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⁴ Property Code 325758	⁵ Property Name HAGBERRY 9 STATE COM			⁶ Well Number 501H
⁷ OGRID No. 372165	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			⁹ Elevation 3622.9'

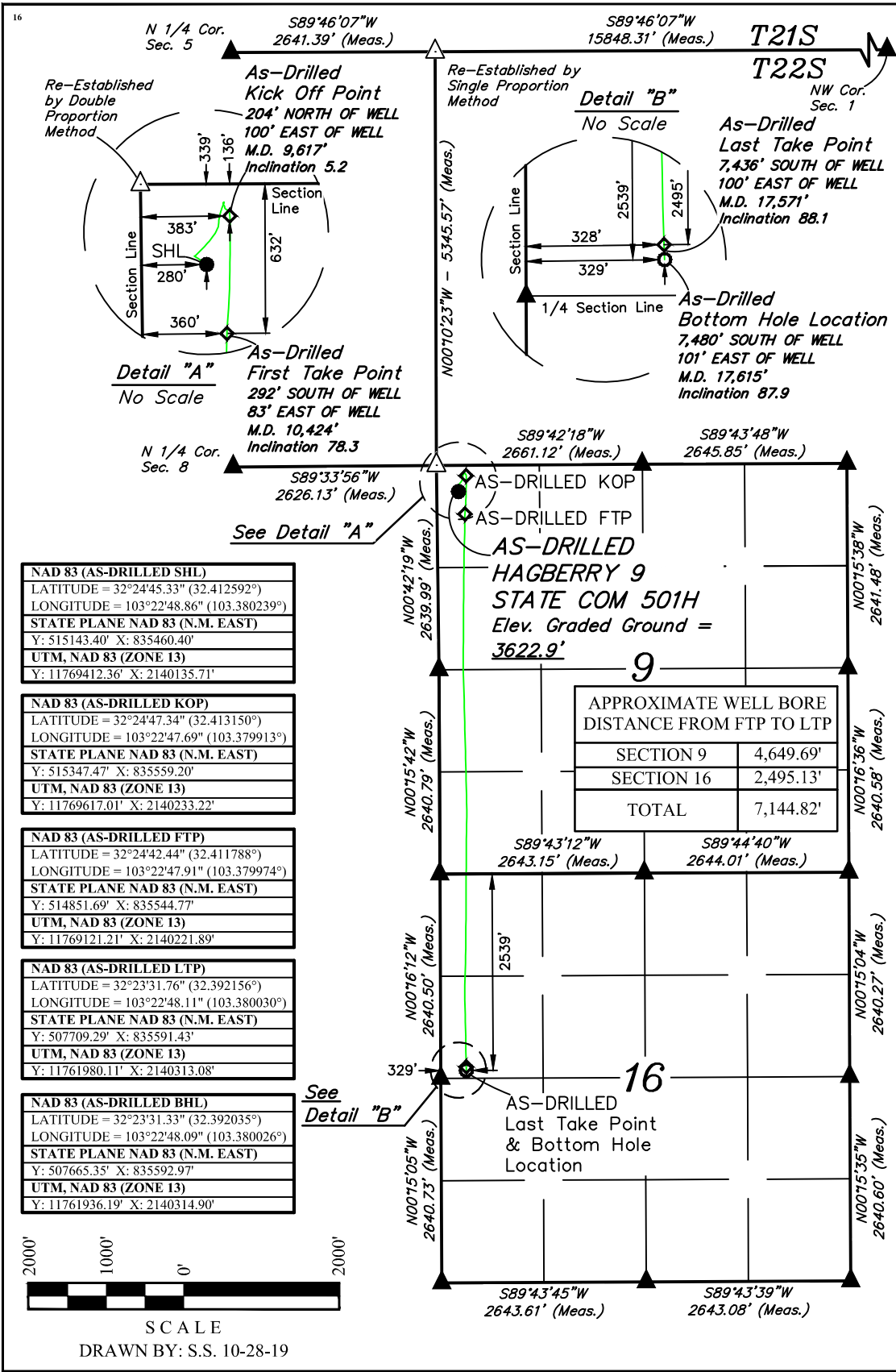
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	22S	35E		339	NORTH	280	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
E	16	22S	35E		2539	NORTH	329	WEST	LEA
¹² Dedicated Acres 240		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



¹⁷ 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.

Michelle Gonzales-Nguyen 03/13/20

Signature Date

Michelle Gonzales-Nguyen

Printed Name

michelle.gonzales@cdevinc.com

E-mail Address

¹⁸ 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.

September 12, 2019

Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
10-28-19
PROFESSIONAL SURVEYOR

Certificate Number:

- = AS-DRILLED SURFACE HOLE LOCATION
- ◆ = AS-DRILLED KOP/FTP /LTP
- = AS-DRILLED BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48405	² Pool Code 98136	³ Pool Name WC-025 G-07 S223505N; Bone Spring
⁴ Property Code 325758	⁵ Property Name HAGBERRY 9 STATE COM	
⁷ OGRID No. 372165	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	⁶ Well Number 502H
		⁹ Elevation 3616.9'

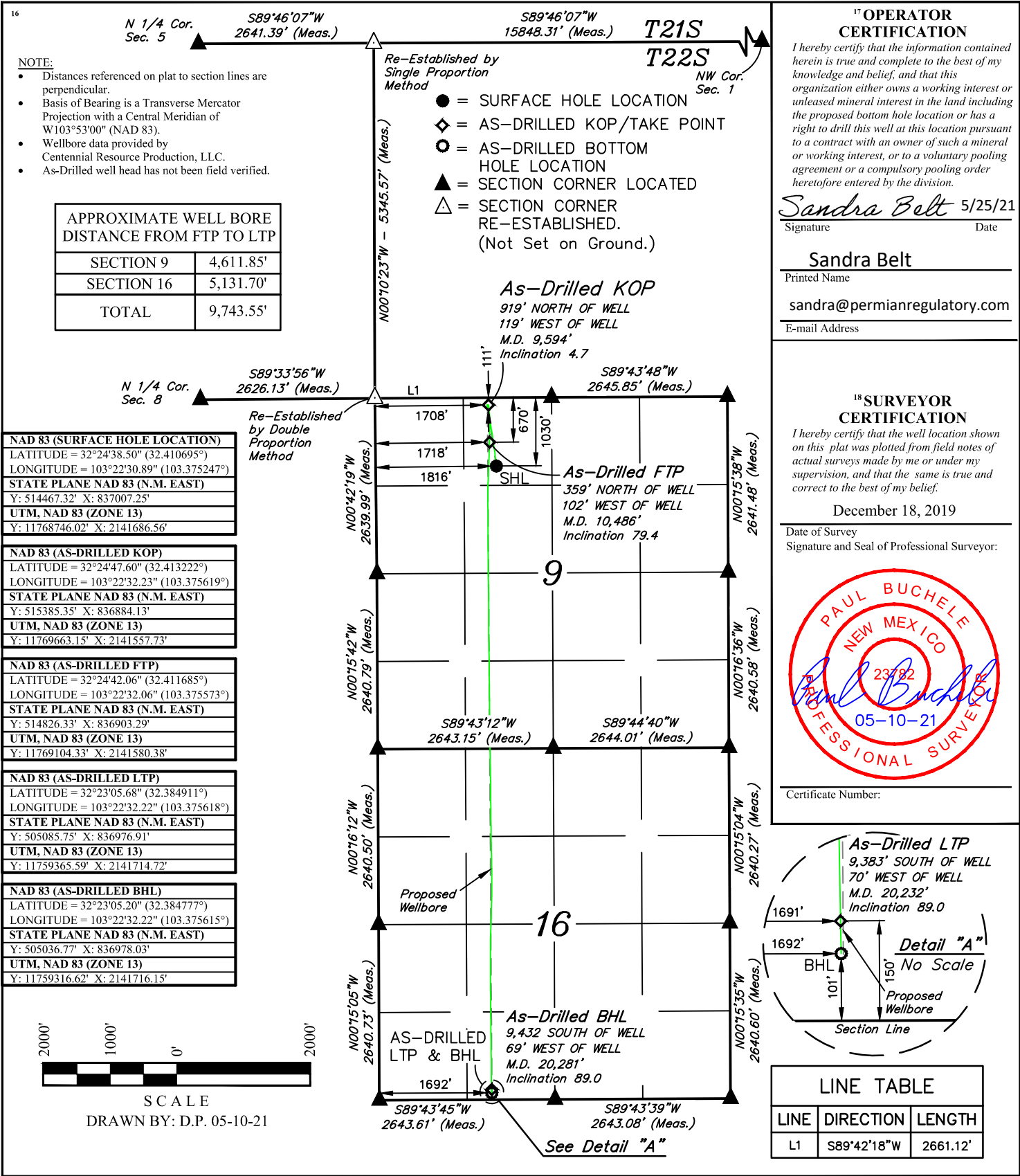
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	9	22S	35E		1030	NORTH	1816	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
N	16	22S	35E		101	SOUTH	1692	WEST	LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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

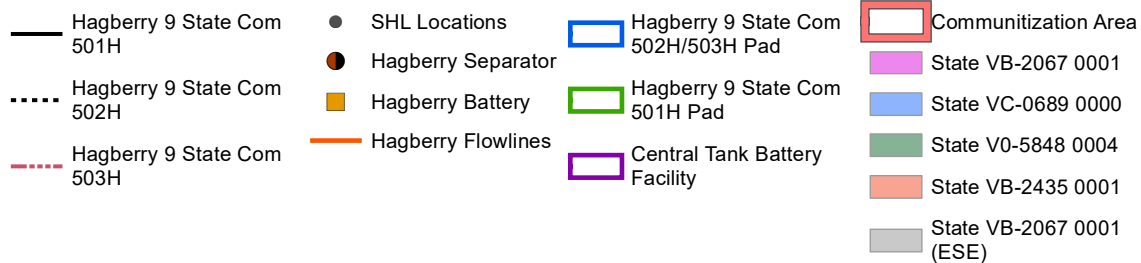
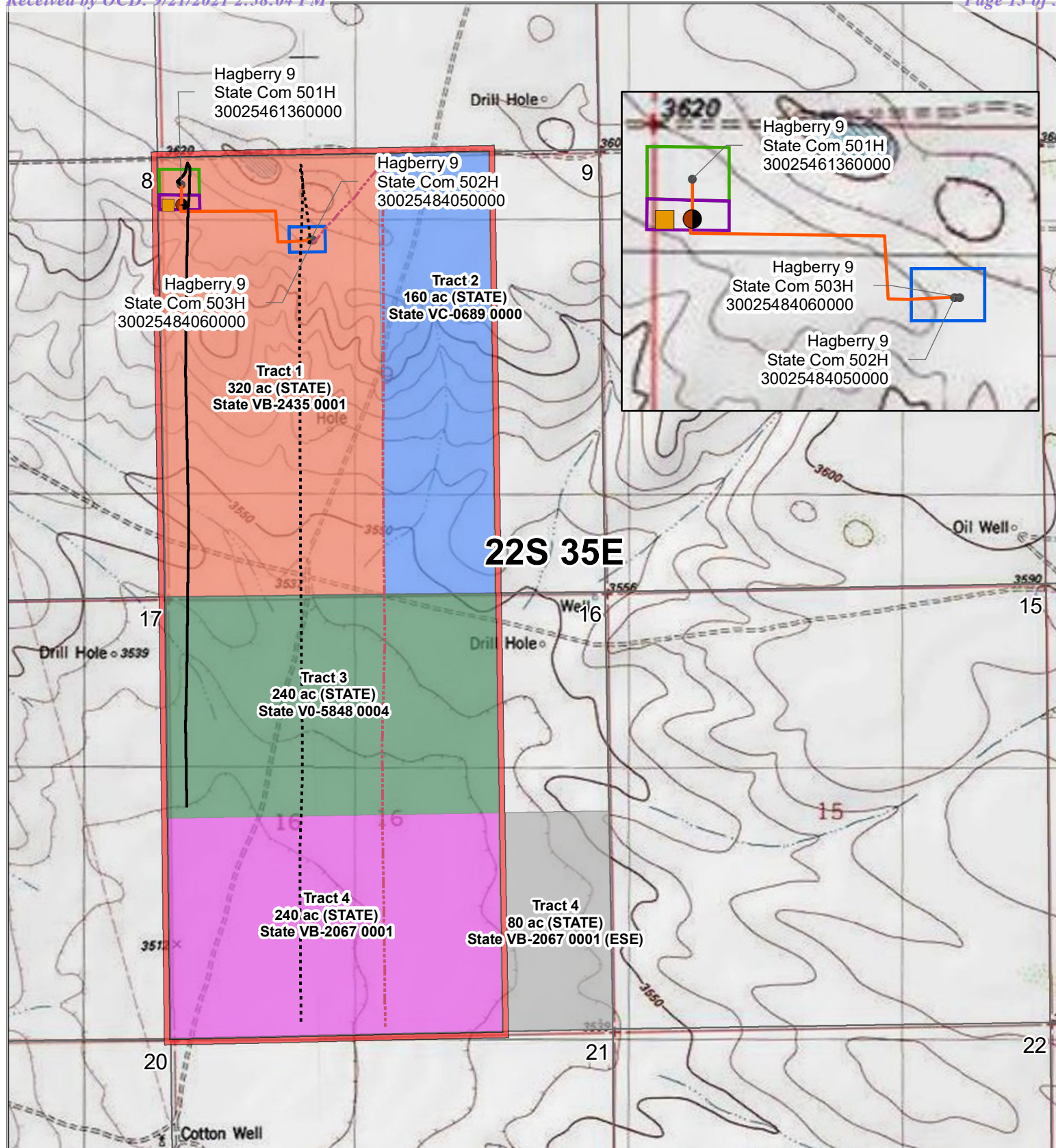


Production Summary Report API: 30-025-46136 HAGBERRY 9 STATE COM #501H Printed On: Friday, September 10 2021						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2019	[98136] WC-025 G-07 S223505N;BONE SPRING	Oct	12765	17729	115945	31
2019	[98136] WC-025 G-07 S223505N;BONE SPRING	Nov	44554	51313	100865	30
2019	[98136] WC-025 G-07 S223505N;BONE SPRING	Dec	22078	25560	31930	27
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Jan	25303	32044	39038	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Feb	20767	32281	32464	29
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Mar	18284	30583	26586	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Apr	16843	35627	25313	30
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	May	15302	36793	24863	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Jun	13020	32929	21240	30
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Jul	12245	33286	18339	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Aug	11196	30859	19738	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Sep	9920	28236	14736	30
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Oct	9522	29332	18089	31
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Nov	9005	26981	18479	30
2020	[98136] WC-025 G-07 S223505N;BONE SPRING	Dec	8499	25254	18271	31
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jan	9007	31233	21617	31
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Feb	6269	22004	15603	28
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Mar	7344	25113	20175	31
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Apr	4188	15050	5446	18

2021	[98136] WC-025 G-07 S223505N;BONE SPRING	May	3406	1522	5831	17
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jun	6247	1551	19251	30
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jul	3981	3226	11185	28

Production Summary Report API: 30-025-48405 HAGBERRY 9 STATE COM #502H Printed On: Friday, September 10 2021						
		Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	May	12236	18893	47723	20
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jun	24293	37950	47266	30
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jul	24970	34137	39072	31

Production Summary Report API: 30-025-48406 HAGBERRY 9 STATE COM #503H Printed On: Friday, September 10 2021											
		Production					Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	May	846	659	5701	2	0	0	0	0	0
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jun	0	0	0	0	0	0	0	0	0
2021	[98136] WC-025 G-07 S223505N;BONE SPRING	Jul	0	0	0	0	0	0	0	0	0



Hagberry 9 State Com 501H/502H/503H Commingle Map

A: thomas.douglass D: 9/7/2021

0 355 710 1,420 Feet

N

LEGAL NOTICE
September 16, 2021

Centennial Resource Production, LLC is applying to surface commingle three wells to a central tank battery in Lea County, New Mexico. The central tank battery will be located at the Hagberry 9 State Com 501H well pad. The three wells, details and locations are the following:

Hagberry 9 State Com 501H located in the northwest quarter of section 9, T22S, R35E, Unit D, 339 FNL & 280 FWL.

Hagberry 9 State Com 502H located in the northwest quarter of section 9, T22S, R35E, Unit C, 1030 FNL & 1816 FWL.

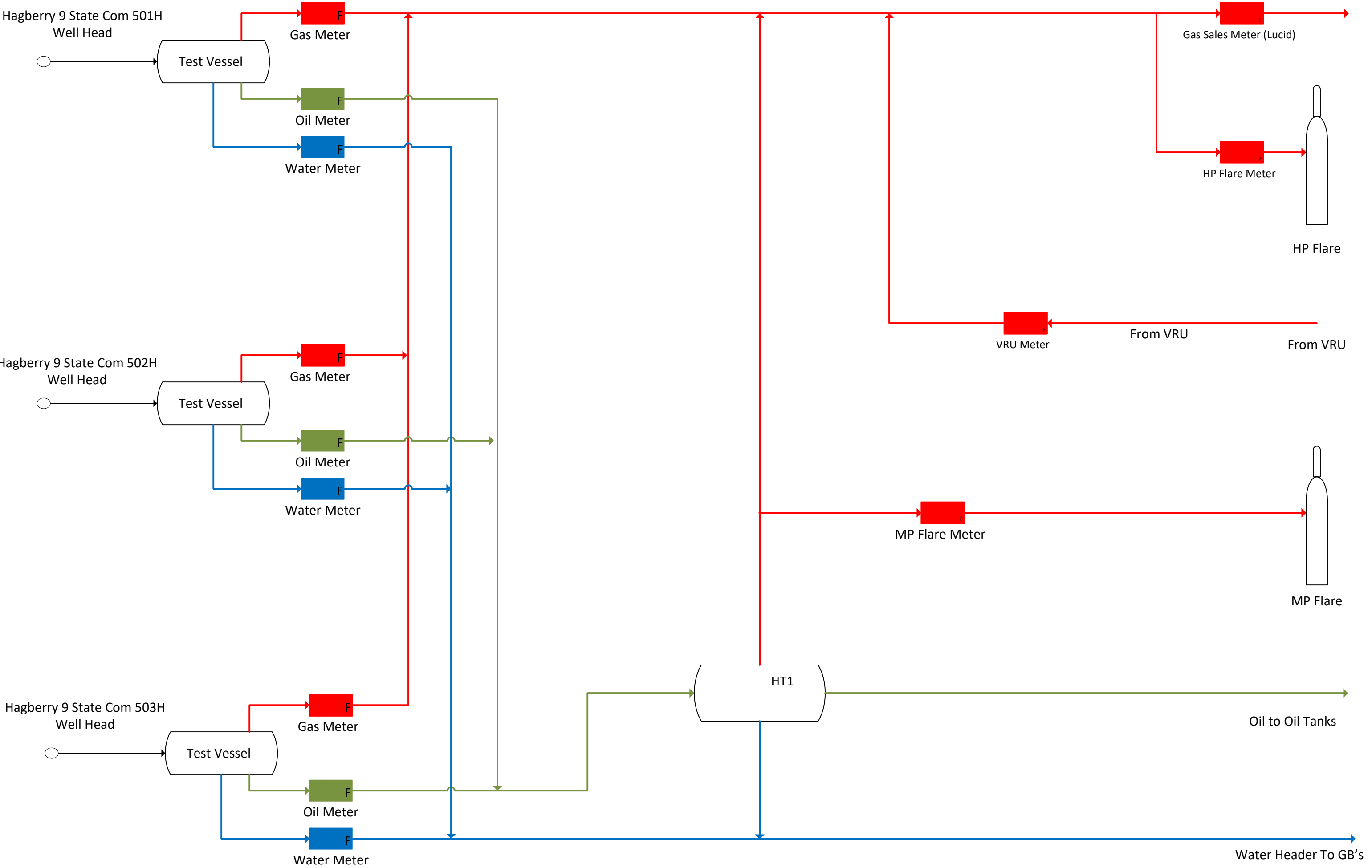
Hagberry 9 State Com 503H located in the northwest quarter of section 9, T22S, R35E, Unit C, 1030 FNL & 1846 FWL.

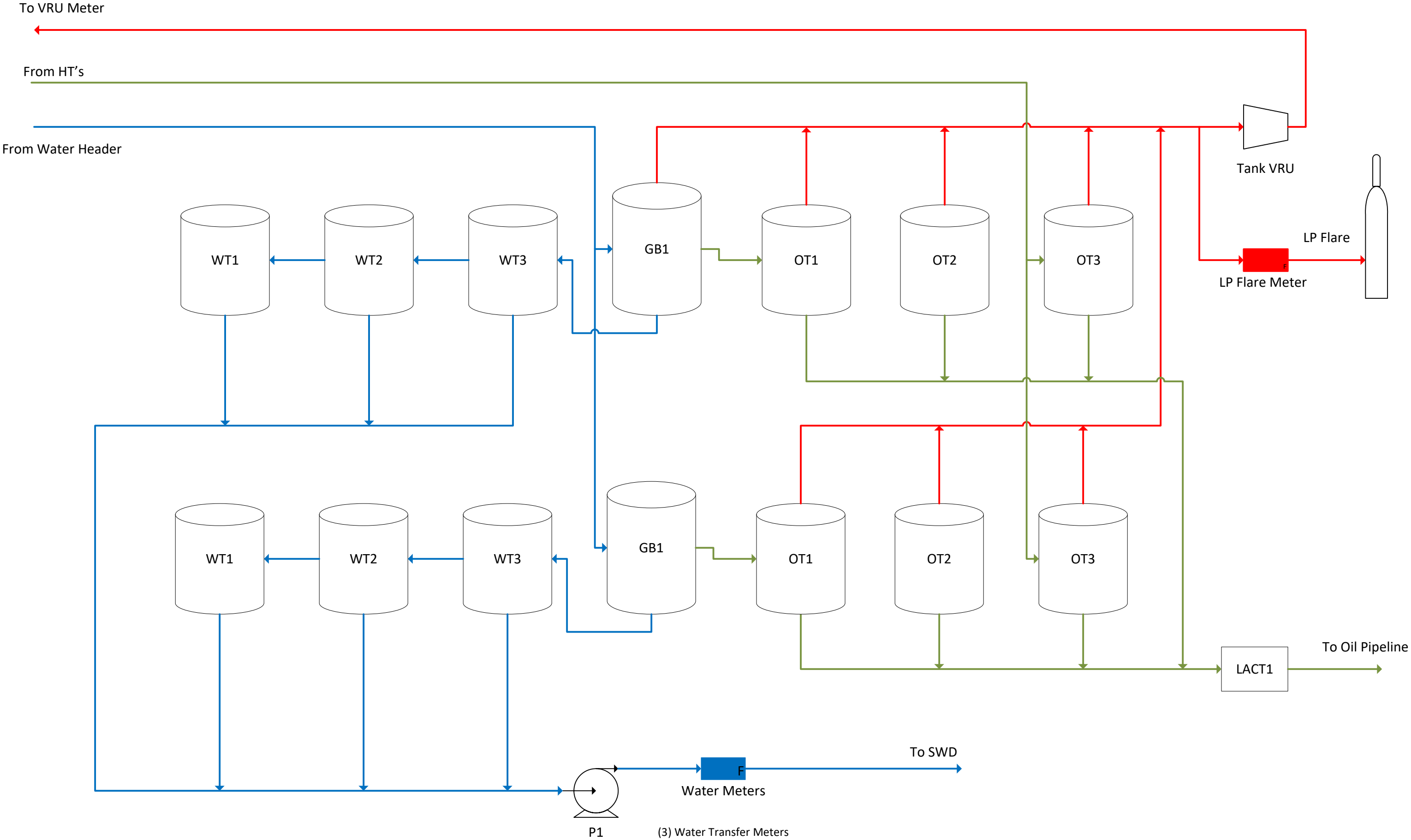
Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days. Additional information can be obtained by contacting Sarah Ferreyros, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1454.

#36861

Notification List

<u>Company Name</u>	<u>Address</u>	<u>Certified Number</u>
Chisholm Energy	801 Cherry St., Ste. 1200 Fort Worth, TX 76102	7020 0640 0000 9808 8534
CL&F Operating, LLC	16945 Northchase Drive, Ste. 1500 Houston, TX 77060	7020 0640 0000 9808 8541
Map2004-OK	101 North Robinson, Ste. 1000 Oklahoma City, OK 73102	7020 0640 0000 9808 8558
FR Energy, LLC	2 Greenway Plaza, Suite 240 Houston, Texas 77046	7020 0640 0000 9808 8565
New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	7020 0640 0000 9808 8572







COMMISSIONER

Stephanie Garcia Richard

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

Frances Ivers
Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

March 23rd, 2022

Re: Consolidation Agreement Approval
Hagberry 9 State Com #502-503H
Vertical Extent: Bone Spring
Township: 22 South, Range 35 East, NMPM
Section 09: E2W2, W2E2
Section 16: E2W2, W2E2

Lea County, New Mexico

Dear Ms. Ivers,

The Commissioner of Public Lands has this date approved the Hagberry 9 State Com #502-503H Consolidation Agreement for the Bone Spring formation effective 5-01-2021. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for One Year, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Baylen Lamkin at (505) 827-6628.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Garcia Richard".

Stephanie Garcia Richard
Commissioner of Public Lands

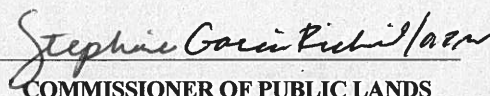
NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO****Centennial Resource Production, LLC****Hagberry 9 State Com #502-503H****Bone Spring****Township: 22 South, Range: 35 East, NMPM****Section 09: E2W2, W2E2****Section 16: E2W2, W2E2****Lea County, New Mexico**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **May 01, 2021**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **23rd** day of **March, 2022**.


COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico


NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO****Centennial Resource Production, LLC****Hagberry 9 State Com #502-503H****Bone Spring****Township: 22 South, Range: 35 East, NMPM****Section 09: E2W2, W2E2****Section 16: E2W2, W2E2****Lea County, New Mexico**

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**COMMISSIONER OF PUBLIC LANDS****of the State of New Mexico**

NEW MEXICO STATE LAND OFFICE**CERTIFICATE OF APPROVAL****COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO**

Centennial Resource Production, LLC
Hagberry 9 State Com #502-503H
Bone Spring
Township: 22 South, Range: 35 East, NMPM
Section 09: E2W2, W2E2
Section 16: E2W2, W2E2

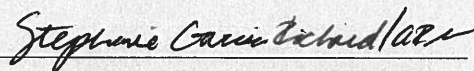
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COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

New Mexico State Land Office
Oil, Gas, and Minerals Division
 ONLINE VERSION
CONSOLIDATION OF STATE OIL AND GAS LEASES

Revised August 2021

2022 MAR 15 AM 7:58

Centennial Resource Production, LLC, Lessee, record title owner of State Oil and Gas Leases numbered **VB-2435, VC-0689, VB-5848, VB-2067**, requests approval of lease consolidation affecting: Subdivisions **W/2E/2 & E/2W/2**
 Sect **9 & 16**, T **22S**, R **35E**, NMPM **Lea** County NM to establish a **640.00** acre proration/spacing unit in the **Bone Spring** formation, for API 30-025-48405.
 30-025-48406

Lessee submits a plat, Exhibit A, showing the subject area, leases involved and the requested consolidation. This plat also delineates the proration unit and locates and designates the completed well and consolidated horizon. All such State leases herein Consolidated are required to remain in good standing and compliant with all State laws, rules & regulations.

Lessee states that the State of New Mexico, for the assigned beneficiaries, owns the royalty interest under these leases and agrees that the state, at its own election, is entitled to delivery in-kind of its share of all communitized substances produced from the leased area.

Approval is requested pursuant to authority granted by applicable statutes. Approval will promote conservation and is in the best interest of the State.

This consolidation, if approved by the Commissioner of Public Lands, shall be effective May 1, 2021 (date), and shall continue in effect for 365 days and as long thereafter as communitized substances are produced from the consolidated area in paying quantities, and so long as all leases remain in good standing with all State laws, rules & regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the consolidated area, if such well is shut-in due to the inability of the operator to obtain a pipeline connection or to market the gas therefrom, and if either:

(a) a shut-in royalty has been timely and properly paid pursuant to the provision of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or

(b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or is in its primary or secondary term (if a ten-year lease), or is held by production from another well.

Provided further, however, that prior to production in paying quantities from the consolidated area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the consolidated area, this Consolidation may be terminated at any time by the Lessee. This consolidation shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the consolidated area are commenced and are thereafter conducted and prosecuted with reasonable diligence. Intention to commence

such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

Requesting approval of consolidation of NM state oil and gas leases

Skylar Fast For **Centennial Resource Production, LLC**

Print person's name

Corporation

Skylar Fast
Signature

Acknowledgment in an Individual Capacity:

State of Colorado)

ss)

County of Denver)

This instrument was acknowledged before me on _____ Date

by _____
Name(s) of Person(s)

(Notary Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity:

State of Colorado)

ss)

County of Denver)

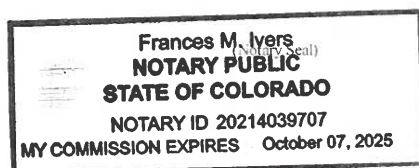
This instrument was acknowledged before me on February 28, 2021 Date

by Skylar Fast
Name(s) of Person(s)

as land manager of Centennial Resource Production, LLC

Type of authority, e.g., officer, trustee, etc.

Name of party on behalf of whom this instrument was executed

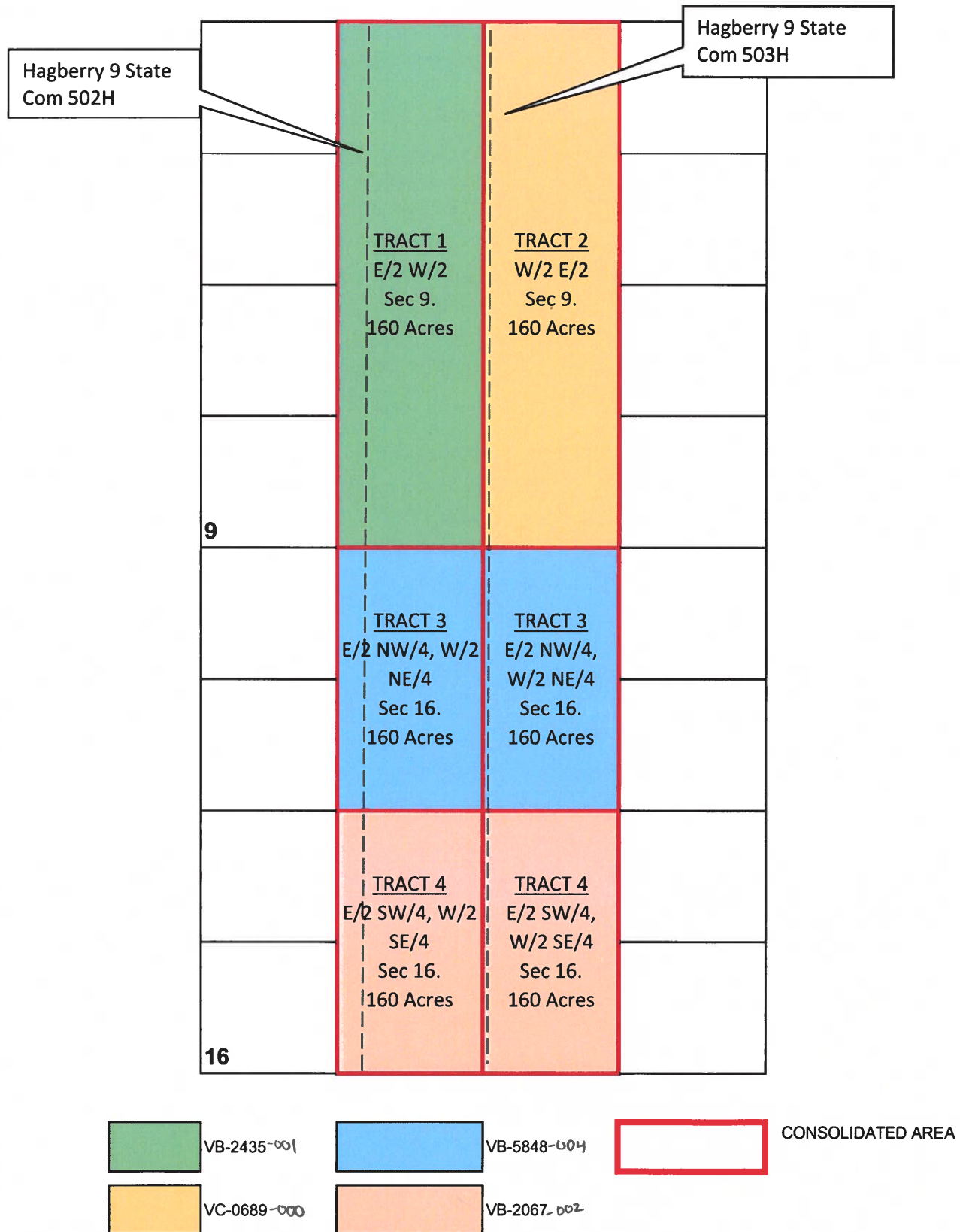


[Signature]
Signature of Notarial Officer

My commission expires: 10/07/2025

Exhibit A

To Consolidation Agreement dated May 1, 2021 embracing E/2W/2, and W/2E/2 Sec 9 and 16, Township 22 South,
Range 35 East, N.M.P.M N.M.P.M, Lea County, New Mexico



BV

From: [Engineer, OCD, EMNRD](#)
To: katie.biersmith@cdevinc.com
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order CTB-1025
Date: Monday, May 9, 2022 4:32:53 PM
Attachments: [CTB1025 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1025 which authorizes Centennial Resource Production, LLC (372165) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46136	Hagberry 9 State Com #501H	W/2 W/2	9-22S-35E	98136
		W/2 NW/4	16-22S-35E	
30-025-48405	Hagberry 9 State Com #502H	B C F G J K N O	9-22S-35E	98136
		B C F G J K N O	16-22S-35E	
30-025-48406	Hagberry 9 State Com #503H	B C F G J K N O	9-22S-35E	98136
		B C F G J K N O	16-22S-35E	

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

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

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

From: [Katie Biersmith](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXTERNAL] RE: -EXTERNAL- surface commingling application CTB-1025
Date: Monday, May 2, 2022 11:12:44 AM
Attachments: [Hagberry 502-503 Approved State Consolidation Agrmt.pdf](#)
[Hagberry 9 Battery 1 PFD.pdf](#)

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

Hi there!

Please find the facility diagram and approved CA attached.

Thank you,

Katie Biersmith
Sr. Regulatory Analyst
O: (720) 499-1522
C: (707) 391-3334

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, April 29, 2022 3:40 PM
To: Katie Biersmith <Katie.Biersmith@cdevinc.com>
Subject: -EXTERNAL- surface commingling application CTB-1025

WARNING: The sender of this email could not be validated and may not match the person in the "From" field.

Ms. Biersmith,

I am reviewing surface commingling application CTB-1025 which involves a commingling project that includes the Hagberry 9 State Com Central Tank Battery and is operated by Centennial Resource Production, LLC (372165).

Please submit a facility diagram for this battery.

Additionally, there seems to be an error on the SLO site regarding the CA for Hagberry 9 State Com #502 and #503. Please provide the approval letter for this CA.

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

CAUTION: This email originated from outside of the organization. If it appears to be internal, check directly with assumed source

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY CENTENNIAL RESOURCE
PRODUCTION, LLC**

ORDER NO. CTB-1025

ORDER

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

FINDINGS OF FACT

1. Centennial Resource Production, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.

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

ORDER

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

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

2. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).

9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'A. Sandoval', is written over a horizontal line.

**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 5/09/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1025**

Operator: **Centennial Resource Production, LLC (372165)**

Central Tank Battery: **Hagberry 9 State Com Central Tank Battery**

Central Tank Battery Location: **UL D, Section 9, Township 22 South, Range 35 East**

Gas Title Transfer Meter Location: **UL D, Section 9, Township 22 South, Range 35 East**

Pools

Pool Name	Pool Code
WC-025 G-07 S223505N; BONE SPRING	98136

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Bone Spring NMSLO PUN 1380997	W/2 W/2	9-22S-35E
	W/2 NW/4	16-22S-35E
CA Bone Spring NMSLO	B C F G J K N O	9-22S-35E
	B C F G J K N O	16-22S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
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		W/2 NW/4	16-22S-35E	
30-025-48405	Hagberry 9 State Com #502H	B C F G J K N O	9-22S-35E	98136
		B C F G J K N O	16-22S-35E	
30-025-48406	Hagberry 9 State Com #503H	B C F G J K N O	9-22S-35E	98136
		B C F G J K N O	16-22S-35E	

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

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

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

CONDITIONS

Action 50807

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 50807
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/9/2022