Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
J.	- Geologi	ABOVE THIS TABLE FOR OCC DIVIS CO OIL CONSERVA cal & Engineering ancis Drive, Santa	TION DIVISION Bureau –
		ATIVE APPLICATIO	
THIS C		L ADMINISTRATIVE APPLICATI QUIRE PROCESSING AT THE D	IONS FOR EXCEPTIONS TO DIVISION RULES AND IVISION LEVEL IN SANTA FE
	al Resource Production, LL		OGRID Number: 372165
_	one Spring, NE & Ojo Chis		API: 30-025-49821, 30-025-49822, 30-025-49580 Pool Code: 28435 & 96553
SUBMIT ACCURA	TE AND COMPLETE INI	ORMATION REQUIRED INDICATED BELOW	30-025-4 ED TO PROCESS THE TYPE OF APPLICATION 0-025-4
	CATION: Check those - Spacing Unit – Simult SL NSP(PR	aneous Dedication	(PRORATION UNIT) SD
[1] Comr [II] Inject NOTIFICATION	ne only for [1] or [11]  ningling – Storage – M  DHC	$egin{array}{c c} & \square & PC & \square & OL \\ \hline PC & PC$	nced Oil Recovery
B. Royalty C. Applic D. Notific E. Notific F. Surface G. For all	operators or lease holy, overriding royalty overtiding royalty overtion requires published to a concurred to a concurred to a concurred to the above, proof of the above, proof of the required	wners, revenue own ed notice ent approval by SLO ent approval by BLM	Application Content Complete
administrative understand the	approval is accurate	and <b>complete</b> to the ken on this applicati	mitted with this application for e best of my knowledge. I also ion until the required information and
Not	e: Statement must be comple	ted by an individual with m	nanagerial and/or supervisory capacity.
			7/5/22
arah Ferreyros			Date
nt or Type Name			720.499.1454 Phone Number
gnature			sarah.ferreyros@cdevinc.com 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:	<b></b>						
		ommingling Off-Lease	Storage and Measu	rement (Only if not Surfac	e Commingled)		
	State Fede						
Is this an Amendment to existing Order Have the Bureau of Land Management					ingling		
Yes □No	<u></u>						
	` '	OL COMMINGLIN ts with the following in					
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes		
	-	4		_			
	<del>                                     </del>						
		-					
		-					
(3) Has all interest owners been notified by (4) Measurement type: Metering	(3) Has all interest owners been notified by certified mail of the proposed commingling?   Yes No.  (4) Measurement type:   Metering  Other (Specify)						
		SE COMMINGLINGS with the following in					
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of</li> <li>Has all interest owners been notified by</li> <li>Measurement type:</li></ol>	supply? Yes N	40	□Yes □N	0			
		LEASE COMMIN					
	Please attach sheet	ts with the following in	nformation				
(1) Complete Sections A and E.							
(1	O) OFF-LEASE ST	TORAGE and MEA	SUREMENT				
	77.444	ets with the following	information				
(1) Is all production from same source of	* * *	10					
(2) Include proof of notice to all interest owners.							
(E) ADDITIONAL INFORMATION (for all application types)							
Please attach sheets with the following information							
<ol> <li>A schematic diagram of facility, including legal location.</li> <li>A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.</li> <li>Lease Names, Lease and Well Numbers, and API Numbers.</li> </ol>							
I hereby certify that the information above is true and complete to the best of my knowledge and belief.							
SIGNATURE: CARTALLIA TITLE: Regulatory Specialist DATE: 6/22/22							
TYPE OR PRINT NAME Katie Bier	smith		TEL	EPHONE NO.: <b>720.</b> 4	199.1522		
E-MAIL ADDRESS: katie hiersmith@cdevinc.com							

# **NEW MEXICO STATE LAND OFFICE**

# APPLICATION FOR COMMINGLING AND OFF-LEASE STORAGE ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant:

Centennial Resource Prod, LLC

372165

Margarita 12 State Com 601H, Margarita 12 State Com 602H, Chimichangas 12 State Com 501H, Chimichangas 12 Well Name: State Com 502H, Chimichangas 12 State Com 503H, Chimichangas 12 State Com 601H, Chimichangas 12 State Com API #: 30-025-49580, 30-025-49581,

OGRID #: 372133 30-025-49821, 30-025-49822,

30-025-49582, 30-025-46614,

Pool: Grama Ridge; Bone Spring, NE (28435) & Ojo Chiso; Bone Spring (96553)

30-025-46615

**OPERATOR NAME:** 

Centennial Resource Production, LLC

**OPERATOR ADDRESS:** 

1001 17th Street, Suite 1800, Denver, CO 80202

#### APPLICATION REQUIREMENTS - SUBMIT:

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
- 2. Commingling application fee of \$150.

#### **CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained.
- The information submitted with this application is accurate and complete, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that no action will be taken on this application until the required information and fee are submitted to the State Land Office.

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

Sarah Ferreyros Print or Type Name 720,499,1454 Signature Phone Number 6/23/22 sarah.ferreyros@cdevinc.com Date e-mail Address

Submit application to:

Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504-1148

Questions? Contact the Commingling Manager: 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

#### 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:

	API	WELL NAME	WELL#	LOCATION	POOL CODE/NAME	STATUS
1		CHIMICHANGAS 12 STATE COM	501H	A-12-22S-34E	[96553] OJO CHISO; BONE SPRING	PRODUCING
2		CHIMICHANGAS 12 STATE COM	502H	A-12-22S-34E	[96553] OJO CHISO; BONE SPRING	PRODUCING
3		CHIMICHANGAS 12 STATE COM	503H	A-12-22S-34E	[96553] OJO CHISO; BONE SPRING	PRODUCING
4		CHIMICHANGAS 12 STATE COM	601H	B-12-22S-34E	[96553] OJO CHISO; BONE SPRING	PRODUCING
5		CHIMICHANGAS 12 STATE COM	602H	A-12-22S-34E	[96553] OJO CHISO; BONE SPRING	PRODUCING
6		MARGARITA 12 STATE COM	601H	A-12-22S-34E	[28435] GRAMA RIDGE; BONE SPRING, NE	DRILLED
7		MARGARITA 12 STATE COM	602H	A-12-22S-34E	[28435] GRAMA RIDGE; BONE SPRING, NE	DRILLED

#### **GENERAL INFORMATION:**

Spacing Unit for Chimichangas 12 State Com 601H- Pool: Ojo Chiso; Bone Spring [96553] [API: 30-025-46614]

W/2E/2 Section 12, T22S R34E W/2E/2 Section 13, T22S R34E

Total of 320.00 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
					W/2E/2 Section 12, Township		
					22 South, Range 34 East, Lea		
1	State	B0-0935-5	Oil & Gas	12.50%	County, New Mexico	50.00%	160.00
					W/2NE/4 Section 13, Township		
					22 South, Range 34 East, Lea		
2	State	VB-2150-2	Oil & Gas	18.75%	County, New Mexico	25.00%	80.00
					W/2SE/4 Section 12, Township		
					22 South, Range 34 East, Lea		
3	State	VB2151-2	Oil & Gas	18.75%	County, New Mexico	25.00%	80.00
		Total				100.00%	320.00

<sup>\*</sup>The Communitization Agreement for the Chimichangas 12 State Com 601H has been approved by the State of New Mexico.

Spacing Unit for Chimichangas 12 State Com 501H, 502H, 503H and 602H- Pool: Ojo Chiso, Bone Spring [96553] [API: 30-025-49580, 30-025-49581, 30-025-49582, 30-025-46615]

E/2 Section 12, T22S R34E E/2 Section 13, T22S R34E Total of 640 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
					E/2 Section 12, Township 22		
					South, Range 34 East, Lea		
1	State	B0-0935-5	Oil & Gas	12.50%	County, New Mexico	50.00%	320.00
					NE/4 Section 13, Township 22		
					South, Range 34 East, Lea		
2	State	VB-2150-2	Oil & Gas	18.75%	County, New Mexico	25.00%	160.00
					SE/4 Section 12, Township 22		
					South, Range 34 East, Lea		
3	State	VB2151-2	Oil & Gas	18.75%	County, New Mexico	25.00%	160.00
		Total				400 000/	040.00
1						100.00%	640.00

<sup>\*</sup>The Communitization Agreement for the Chimichangas 12 State Com 501H, 502H, 503H and 602H has been submitted to the State of New Mexico for approval.

#### Spacing Unit for Margarita 12 State Com 601H- Pool: Grama Ridge, Bone Spring, NE [28435] [API: 30-025-49821]

W/2SE/4 Section 36, T21S R34E W/2E/2 Section 1, T22S R34E Total of 242.57 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
					W/2SE/4 Section 36, Township		
1	State	VC-0599	Oil & Gas	20.00%	21 South, Range 34 East, Lea County, New Mexico	32.98%	80.00
					W/2NE/4 Section 1, Township		
2	State	B0-1040-14	Oil & Gas	12.50%	22 South, Range 34 East, Lea County, New Mexico	34.04%	82.57
					W/2SE/4 Section 1, Township		
3	State	VC-0018-1	Oil & Gas	20.00%	22 South, Range 34 East, Lea County, New Mexico	32.98%	80.00
		Total					
		· Star				100.00%	242.57

<sup>\*</sup>The Communitization Agreement for the Margarita 12 State Com 601H has been submitted to the State of New Mexico for approval.

## Spacing Unit for Margarita 12 State Com 602H- Pool: Grama Ridge, Bone Spring, NE [28435] [API: 30-025-49822]

E/2SE/4, Section 36, T21S R34E E/2E/2 Section 1, T22S R34E Total of 242.64 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
					E/2SE/4 Section 36, Township		
					21 South, Range 34 East, Lea		
1	State	VC-0599	Oil & Gas	20.00%	County, New Mexico	32.97%	80.00
					E/2NE/4 Section 1, Township		
					22 South, Range 34 East, Lea		
2	State	B0-1040-14	Oil & Gas	12.50%	County, New Mexico	34.06%	82.64
					E/2SE/4 Section 1, Township		
					22 South, Range 34 East, Lea		
3	State	VC-0018-1	Oil & Gas	20.00%	County, New Mexico	32.97%	80.00
		Total					
		· Star				100.00%	242.64

<sup>\*</sup>The Communitization Agreement for the Margarita 12 State Com 602H has been submitted to the State of New Mexico for approval.

- The central tank battery to service the subject wells is located in the NE/4 of Section 12, Township 22 South, Range 34 East.
- State ownership in the four spacing units is identical. Working interest ownership is diverse and Centennial will notify all owners of the planned commingling.
- The approval of this commingling application will not negatively affect the royalty revenue of the State of New Mexico 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.

# POOL COMMINGLING

Well Name	Pool Name and Code	Gravities/BTU of Non-Commingled Production	Calculated Gravities/BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Margarita 12 State Com	Grama Ridge; Bone	40°			1530 bopd
601H	Spring, NE [28435]	1300 BTU/CF			1836 mcfd
Margarita 12 State Com	Grama Ridge; Bone	40°			1530 bopd
602H	Spring, NE [28435]	1300 BTU/CF			1836 mcfd
Chimichangas 12 State Com	Ojo Chiso; Bone	40°			750 bopd
501H	Spring [96553]	1290 BTU/CF	40° / 1300 BTU/CF	\$109.58/BO (May '22 realized price) \$6.44/mcf (May '22	1100 mcfd
Chimichangas 12 State Com	Ojo Chiso; Bone	40°			1000 bopd
502H	Spring [96553]	1290 BTU/CF			1400 mcfd
Chimichangas 12 State Com	Ojo Chiso; Bone	40°		realized price)	1000 bopd
503H	Spring [96553]	1290 BTU/CF			1400 mcfd
Chimichangas 12 State Com	Ojo Chiso; Bone	40°			200 bopd
601H	Spring [96553]	1330 BTU/CF			340 mcfd
Chimichangas 12 State Com	Ojo Chiso; Bone	40°			350 bopd
602H	Spring [96553]	1330 BTU/CF			675 mcfd



6/21/2022

# **Process Narrative – Chimichangas 12 CTB 2**

Update: Connecting two new wells: Margarita 12 State Com 601H & 602H Existing Wells: Chimichangas 12 State 501H, Chimichangas 12 State 502H, Chimichangas 12 State 503H, Chimichangas 12 State Com 601H, Chimichangas 12 State Com 602H

The production from each well flows from the well head to a dedicated 3-phase separator. The production is separated into 3 independent streams and each stream is measured as it leaves the separator. The gas is measured using a dual-chamber orifice meter which is used to allocate sales volume, flare volume, and on-site beneficial use volume. Serial numbers for these meters can be found in Table 1 below. Note- the 601H and 602H meter info will be provided when installed.

Table 1: Gas Allocation Meters

Well	Brand & Type	Serial Number
Chimichangas 12 State 501H	TMCO SureShot	XXXXX
Chimichangas 12 State 502H	TMCO SureShot	193761
Chimichangas 12 State 503H	TMCO SureShot	153763
Chimichangas 12 State Com 601H	TMCO SureShot	153760
Chimichangas 12 State Com 602H	TMCO SureShot	153762
Margarita 12 State Com 601H	XXXXXX	XXXXXX
Margarita 12 State Com 602H	XXXXXX	XXXXXX

The oil from each separator is measured using an Endress & Hauser Coriolis Meter. Downstream of the oil meter, each well's oil is commingled in a common header and flows to two heated horizontal separators (heater treaters) to aid in separation of water entrained in the oil. Oil from the heater treaters is routed to three 1000-bbl steel tanks. APG MPX tank level transmitters are installed on each tank to measure oil volumes in each tank. Oil from these tanks is pumped into a sales pipeline using three LACT units. Serial Numbers for these meters can be found in Table 2 below. Note- the 601H and 602H meter info will be provided when installed.

Table 2: Oil Meters

Well	Brand & Type	Serial Number
Chimichangas 12 State 501H	Endress & Hauser	R301C916000
Chimichangas 12 State 502H	Endress & Hauser	S7067116000
Chimichangas 12 State 503H	Endress & Hauser	S705D116000
Chimichangas 12 State Com 601H	Endress & Hauser	S705CF16000
Chimichangas 12 State Com 602H	Endress & Hauser	S7067016000
Margarita 12 State Com 601H	XXXXXX	XXXXXXXXXX
Margarita 12 State Com 602H	XXXXXX	XXXXXXXXXX



6/21/2022

Chimichangas 12 CTB 2 LACT A	Emerson	3487926
Chimichangas 12 CTB 2 LACT B	Emerson	3489087
Chimichangas 12 CTB 2 LACT C	Emerson	3457466

The water from each separator is measured using an Endress & Hauser Mag Meter. Downstream of the meter, each well's water is commingled in a common header and flows to one 1250-bbl gun barrel tanks. Water settles in the gun barrel tanks and then flows into three 1000-bbl water tanks. APG MPX tank level transmitters are installed on each tank to measure water volumes in each tank. From these tanks, the water is pumped into a pipeline and sent to be reused or to an SWD. Serial Numbers for water allocation meters can be found in Table 3 below. Note - the 601H and 602H meter info will be provided when installed.

Table 3: Water Allocation Meters

Well	Brand & Type	Serial Number
Chimichangas 12 State 501H	Endress & Hauser	S4065E16000
Chimichangas 12 State 502H	Endress & Hauser	S60B2916000
Chimichangas 12 State 503H	Endress & Hauser	S60B2716000
Chimichangas 12 State Com 601H	Endress & Hauser	S60B2616000
Chimichangas 12 State Com 602H	Endress & Hauser	S60B2A16000
Margarita 12 State Com 601H	XXXXXX	XXXXXXXXXX
Margarita 12 State Com 602H	XXXXXX	XXXXXXXXXX

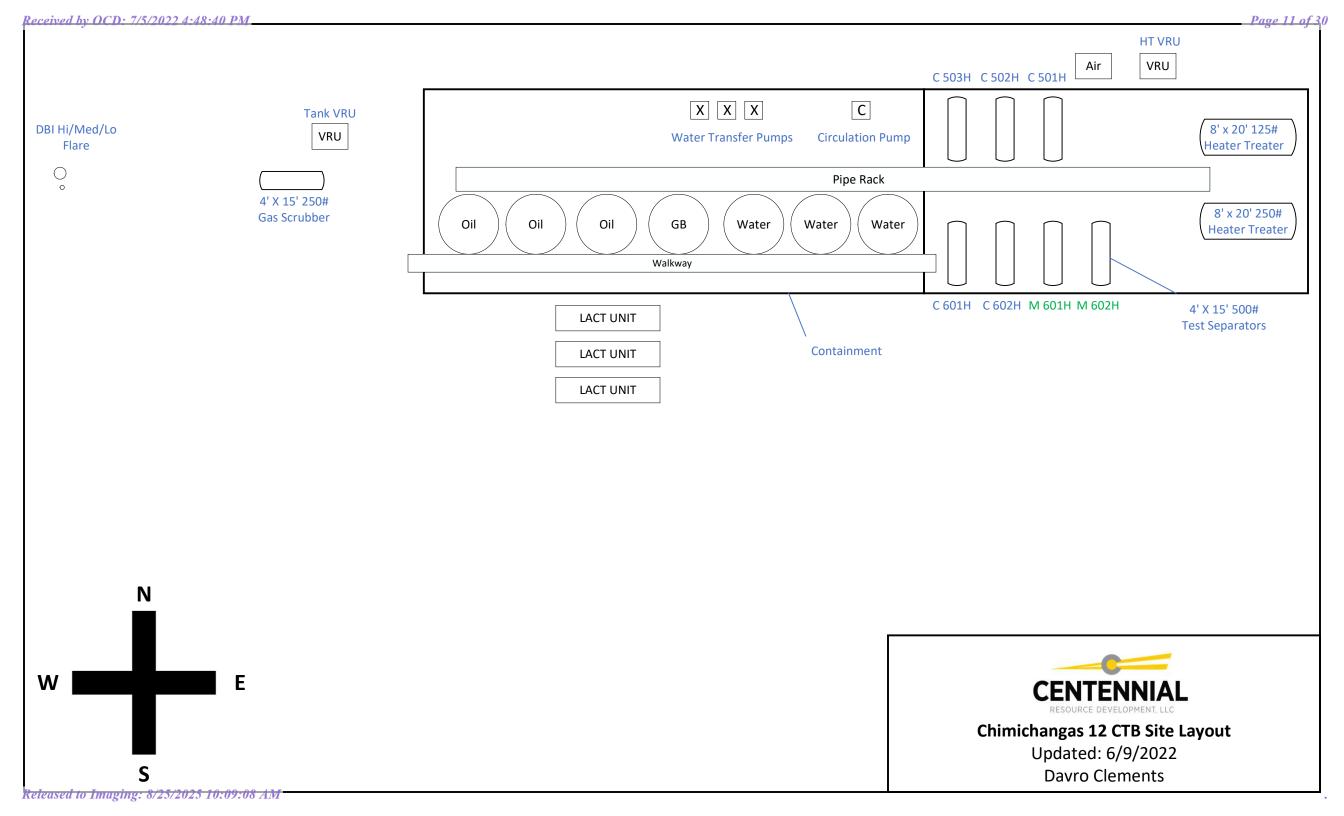
Gas that flashes from Oil in the tanks is captured with a VRU and is metered using a TMCO SureShot orifice meter with Total Flow. If the VRU shuts down, flash gas is routed to a low-pressure flare and is metered using a Kurz Thermal Mass Meter.

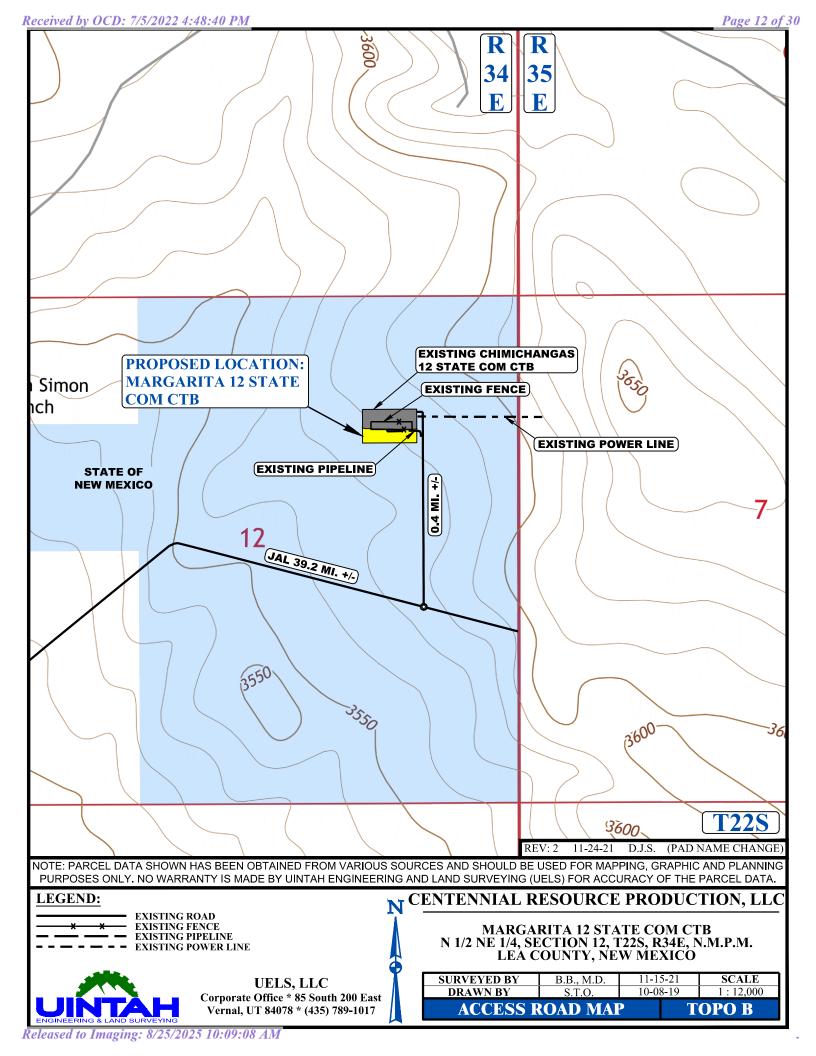
Gas evolved from the oil in the Heater Treaters is captured with a VRU, metered using the same VRU meter as the tank VRU, and routed to the gas sales pipeline. If this VRU shuts down, gas is routed to a medium-pressure flare and is metered using a RJ orifice meter with Total Flow. Gas volumes measured with these meters are allocated back to wells based on oil production volumes from each well since the gas is evolved from the oil.

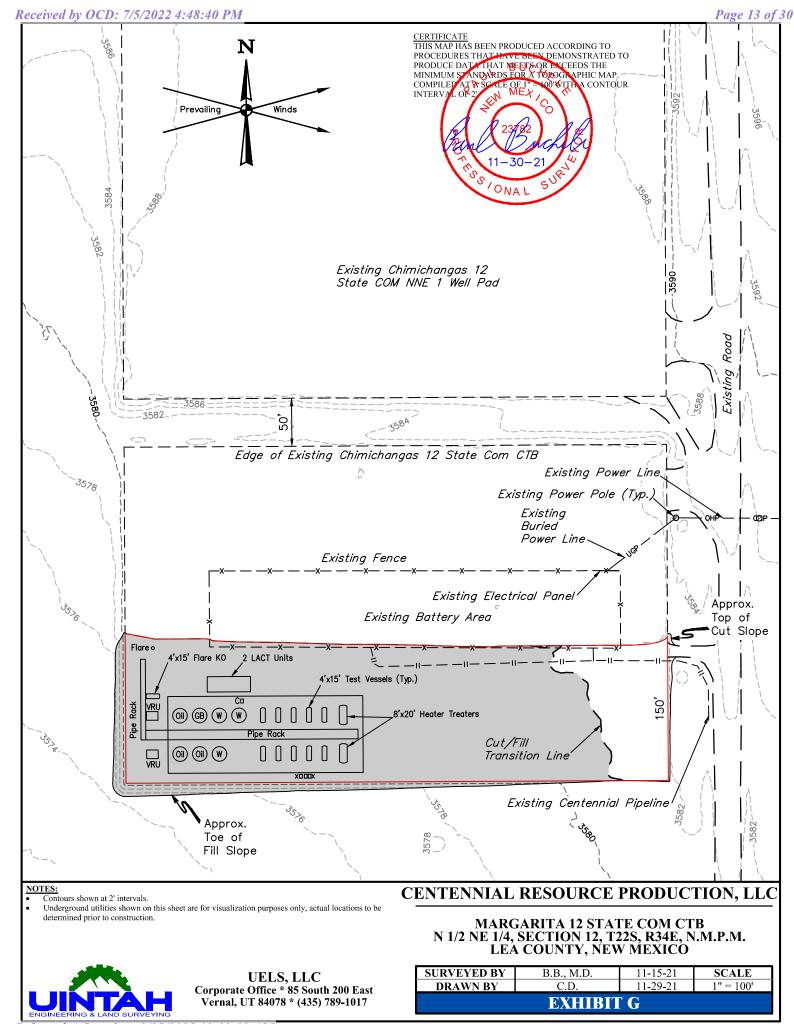
If the gas sales pipeline or midstream company experiences any problems and cannot take gas, it will flow to a high-pressure flare and is metered used a TMCO SureShot orifice meter with Total Flow. Serial Numbers for these meters can be found in Table 4 below.

Table 4: VRU, Low-Pressure Flare, Medium-Pressure Flare, and High-Pressure Flare Meters

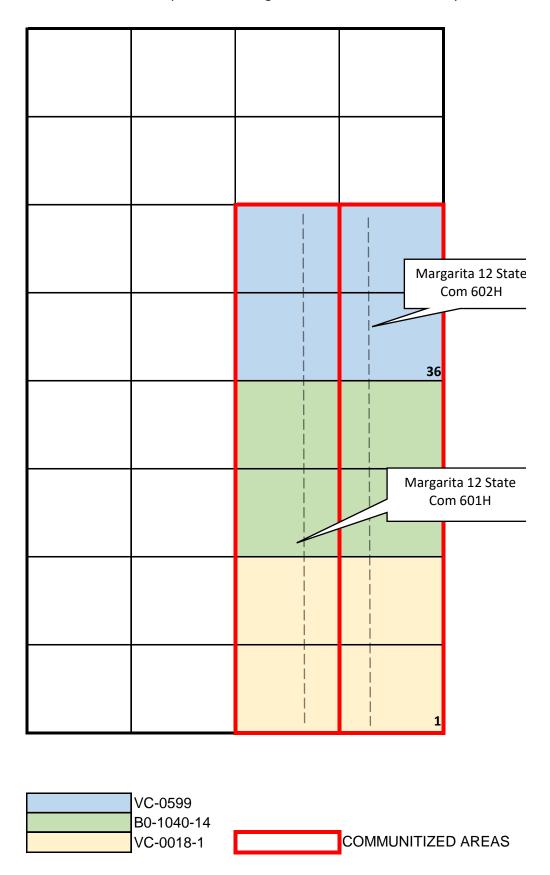
Stream	Brand & Type	Serial Number		
VRU	TMCO SureShot with Total Flow	154216		
Low-Pressure Flare	Kurz Thermal Mass	FD45045A		
Medium-Pressure Flare	RJ Single Axis with Total Flow	3400354		
High- Pressure Flare	TMCO SureShot with Total Flow	154249		



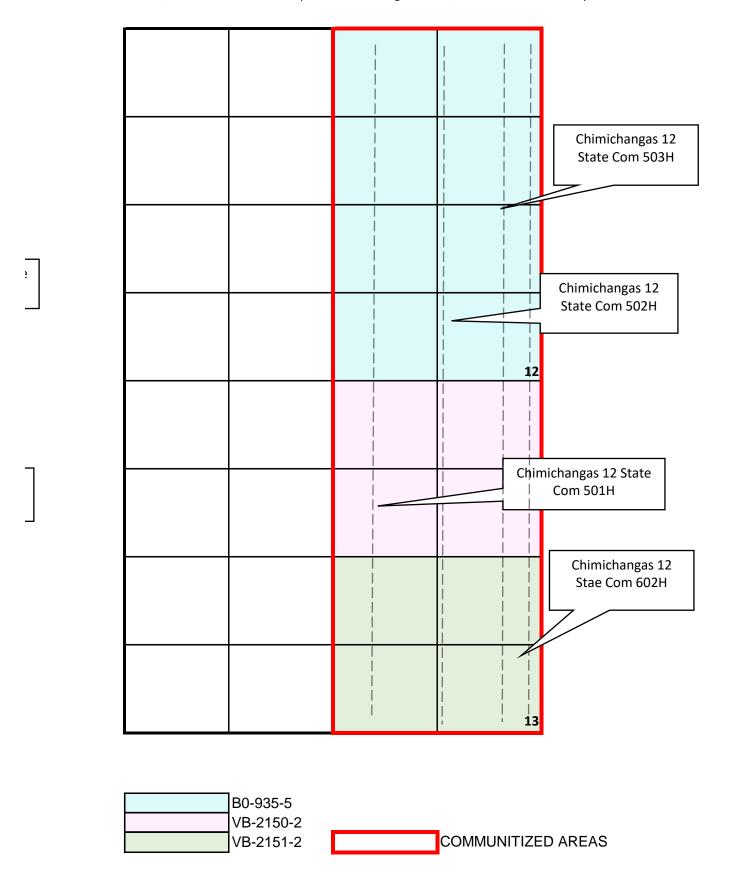




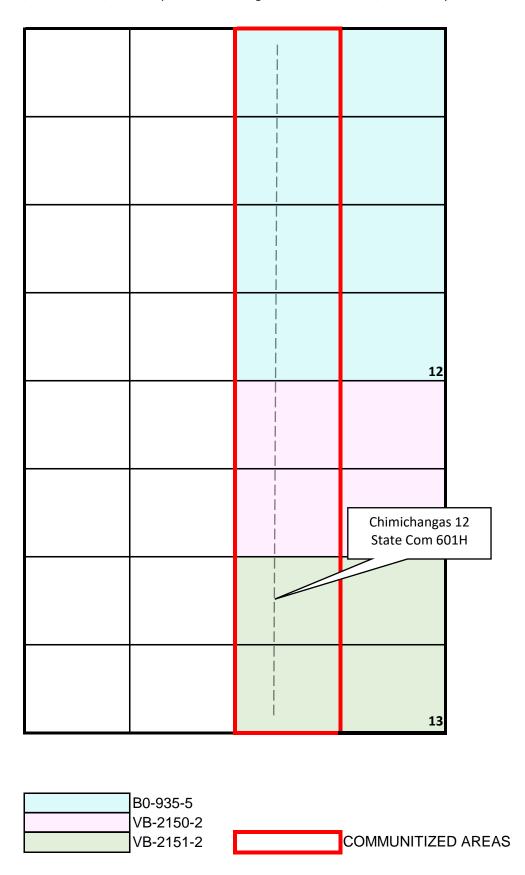
To Commingling Agreement embracing SE/4 Section 36, Township 21 South, Range 34 East, E/2 Section 1, E/2 Section 12, and E/2 Section 13, Township 22 South, Range 34 East, N.M.P.M, Lea County, New Mexico



To Commingling Agreement embracing SE/4 Section 36, Township 21 South, Range 34 East, E/2 Section 1, E/2 Section 12, and E/2 Section 13, Township 22 South, Range 34 East, N.M.P.M, Lea County, New Mexico



To Commingling Agreement embracing SE/4 Section 36, Township 21 South, Range 34 East, E/2 Section 1, E/2 Section 12, and E/2 Section 13, Township 22 South, Range 34 East, N.M.P.M, Lea County, New Mexico



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, Aztee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 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

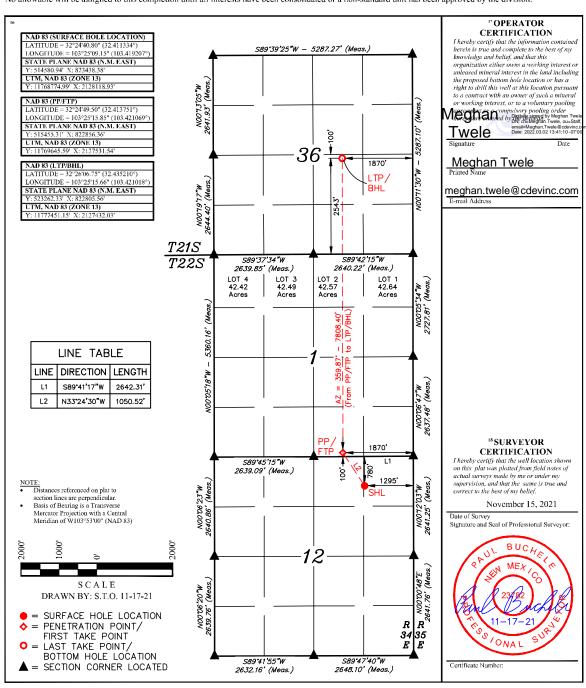
<sup>1</sup> API Number		<sup>2</sup> Pool Code 28435	Spring, NE	
4 Property Code			operty Name FA 12 STATE COM	<sup>6</sup> Well Number 60111
<sup>7</sup> OGRID No. 372165			erator Name DURCE PRODUCTION, LLC	9 Elevation 3588.9'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	22S	34E		780	NORTH	1295	EAST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no. J	Sect 30	- 1	Township 21S	Range 34E	Lot Idn	Feet from the 2543	North/South line SOUTH	Feet from the 1870	East/West line EAST	County LEA
12 Dedicated Acres 242.57		<sup>13</sup> Jo	int or Intill	14 Consc	lidation Code	15 Order No.				



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, Aztee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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

AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

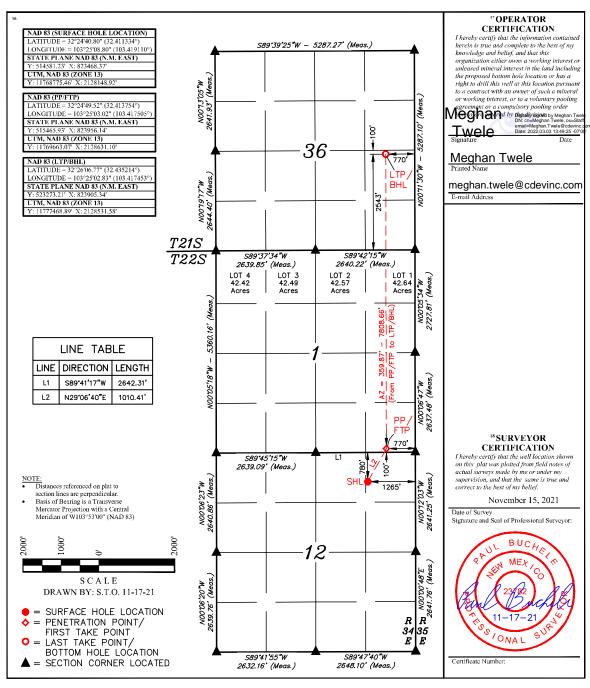
<sup>1</sup> API Number	<sup>1</sup> API Number		28435 Grama Ridge;Bone S	
4 Property Code			operty Name TA 12 STATE COM	<sup>6</sup> Well Number 602H
<sup>7</sup> OGRID №. 372165		*0 <sub>f</sub> CENTENNIAL RESC	<sup>9</sup> Elevation 3588.9'	
		™Su:	rface Location	

UL or lot no.	Section 12	Township 22S	Range 34E	Lot Idn	Feet from the 780	North/South line NORTH	Feet from the 1265	East/West line EAST	County LEA
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 "Bottom Hole Location If Different From Surface

 UL or lot no.
 Section 36
 Township 21S
 Range 34E
 Lot Idn 2543
 Feet from the 2543
 North/South line Feet from the 2543
 East/West line EAST
 County LEA

 12 Dedicated Acres 242.64
 13 Joint or Infill
 14 Consolidation Code
 15 Order No.
 15 Order No.



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

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

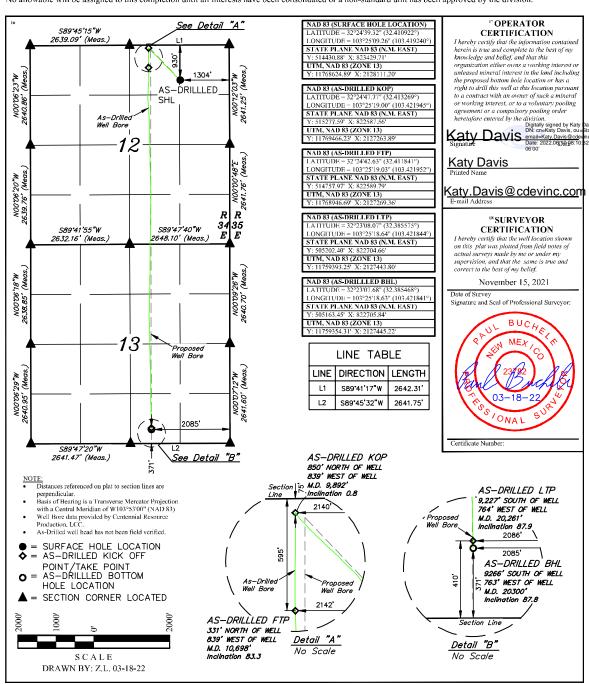
■ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-49580		<sup>2</sup> Pool Code 96553		
4 Property Code 326729			roperty Name IGAS 12 STATE COM	<sup>6</sup> Well Number 50111
<sup>7</sup> OGRID No. 372165			perator Name OURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3588.9'

10 Surface	<sup>10</sup> Surface Location					
Feet from the	North/South line	Feet from the	Т			

UL or lot no. $\Lambda$	Section 12	Township 22S	Range 34E	Lot Idn	Feet from the 930	North/South line NORTH	Feet from the 1304	East/West line EAST	County LEA	
	"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	
0	13	22S	34E		371	SOUTH	2085	EAST	LEA	
12 Dedicated Acres 13 Joint or Infill		14 Conse	lidation Code	15 Order No.						



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. Firs St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

Pistrict 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

County

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

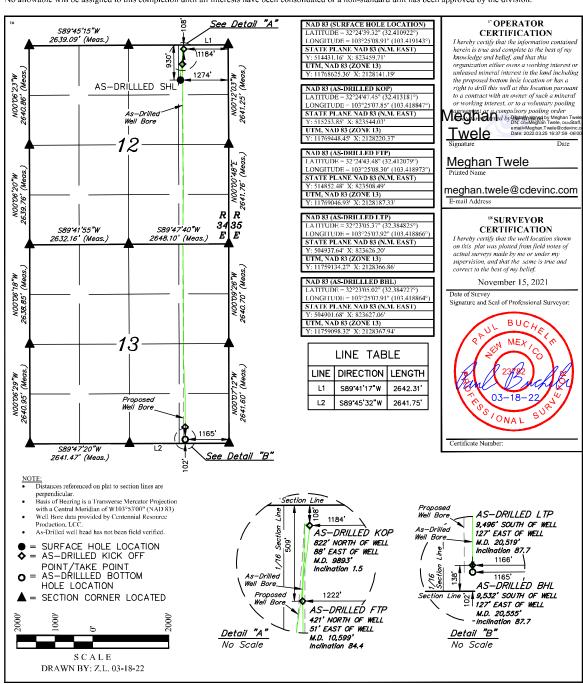
30-025-49581		<sup>2</sup> Pool Code 96553	Spring			
<sup>4 Property Code</sup> 326729			Property Name 6 Well Number NGAS 12 STATE COM 502II			
372165			perator Name OURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3588.9'		

				10 Surface	Location	
Section	Township	Range	Lot Idn	Feet from the	North/South line	Γ

Λ	12	228	34E		930	NURTH	12/4	EASI	LEA			
	<sup>11</sup> Bottom Hole Location If Different From Surface											
UL or lot no. P	Section 13	Township 22S	Range 34E	Lot Idn	Feet from the 102	North/South line SOUTH	Feet from the 1165	East/West line EAST	County LEA			
12 Dedicated Acr 640	es 13 J	oint or Infill	14 Conse	olidation Code	15 Order No.							

Feet from the

East/West line



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District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (303) 334-6176 Pax: (303) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Fownship 22S

#### 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

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EAST

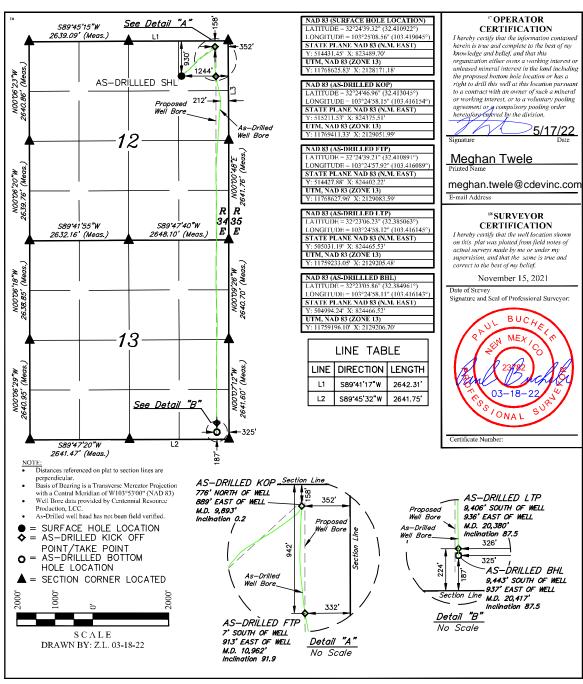
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-4958	32	<sup>2</sup> Pool Code 96553	Ojo Chiso; Bone Spri	ng
326729			roperty Name IGAS 12 STATE COM	6 Well Number 50311
<sup>7</sup> OGRID No. 372165			perator Name DURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3588.9'

<sup>10</sup> Surface Location						
	o/South line Feet from to ORTH 1244					

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 13	Township 22S	Range 34E	Lot Idn	Feet from the 187	North/South line SOUTH	Feet from the 325	East/West line EAST	County LEA
12 Dedicated Acr	12 Dedicated Acres 12 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.



District I

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

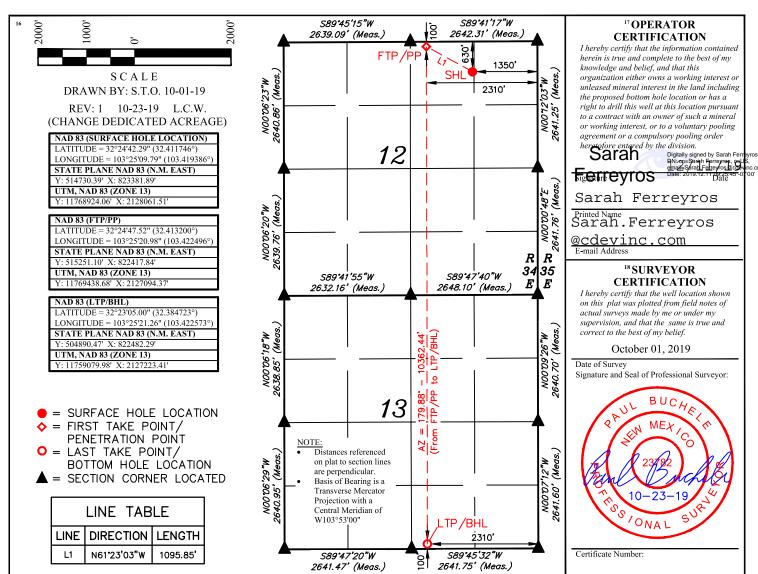
<sup>1</sup> API Number		<sup>2</sup> Pool Code	3	Pool Name				
		96553	Ojo Chiso;	Bone Sp	oring			
4 Property Code		<sup>5</sup> Property Name						
		CHIMICHANĜAS 12 STATE COM						
7 OGRID No.		8 OI	oerator Name		9 Elevation			
372165	CENTENNIAL RESOURCE PRODUCTION, LLC				3590.6'			

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	12	22S	34E		630	NORTH	1350	EAST	LEA

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. O	Section 13	Township 22S	Range 34E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2310	East/West line EAST	County LEA
12 Dedicated Acro	es 13	Joint or Infill	14 Conso	olidation Code	15 Order No.				



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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

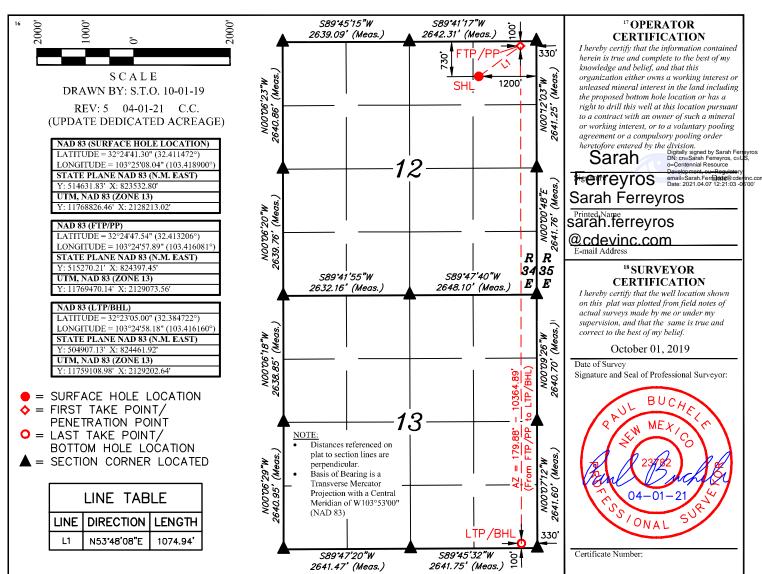
<sup>1</sup> API Number <sup>2</sup> Pool Code 30-025-46615 96553		Ojo Chiso; Bone Sp					
<sup>4</sup> Property Code 326729			Property Name NGAS 12 STATE COM	<sup>6</sup> Well Number 602H			
<sup>7</sup> OGRID No. 372165			Operator Name SOURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3588.9'			

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	22S	34E		730	NORTH	1200	EAST	LEA

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. P	Section 13	Township 22S	Range 34E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 330	East/West line EAST	County LEA
12 Dedicated Acre 320	es 13 J	oint or Infill	<sup>14</sup> Conso	olidation Code	15 Order N	D.			



# Margarita 12 State Com 601H & 602H and Chimichangas 12 State Com 501H, 502H & 503H Notice List

Name	Address	Certified Mail Number
Caliber Resource Partners	6301 Waterford Blvd., Suite 215	
	Oklahoma City, OK 73118	70220410000179897528
Fuel Products, Inc.	P.O. Box 3098	
	Midland, TX 79702	70220410000179897535
Gahr Energy Company	P.O. Box 1889	
	Midland, TX 79702	70220410000179897542
Gahr Ranch & Investments Partnership	P.O. Box 1889	
	Midland, TX 79702	70220410000179897559
HFLP E&P, LLC	P.O. Box 8122	
	Midland, TX 79708	70220410000179897566
Lodge Exploration, LLC	203 West Wall, Suite 920	
	Midland, TX 79705	70220410000179897573
New Mexico Oil Conservation Division	1220 South St. Francis Drive	
Attn: Mr. Dean McClure	Santa Fe, NM 87505	Via OCD Online
OXY USA, Inc.	5 Greenway Plaza, Suite 110	
	Houston, TX 77046	70220410000179897580
State of New Mexico Commissioner of Public Lands	310 Old Santa Fe Trail	
Attn: Mr. Scott Dawson	Santa Fe, NM 87504	
		70220410000179897597
Thomas Beall	P.O. Box 3098	
	Midland, TX 79702	70220410000179895029
V-F Petroleum, Inc.	500 W. Texas Ave., Suite 350	
	Midland, TX 79701	70220410000179895036
XTO Holdings, LLC	22777 Springwoods Village Pkwy, #115	
	Spring, TX 77389	70220410000179895043

# **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

I, Blake Ovard, Editor 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 June 24, 2022 and ending with the issue dated June 24, 2022.

Editor

Sworn and subscribed to before me this 24th day of June 2022.

Business Manager

My commission expires January 29, 2023

(Seal)

GUSSIE BLACK Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

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** June 24, 2022

Centennial Resource Production, LLC is applying to pool and lease commingle seven wells to a central tank battery in Lea County, New Mexico. The central tank battery is in the NE/4 Section 12, south of the Chimichangas pad. The seven wells, details and locations are the following:

Margarita 12 State Com 601H located in the northeast quarter of section 12, T22S, R34E, Unit A, 780 FNL & 1295 FEL. Grama Ridge; Bone Spring,

Margarita 12 State Com 602H located in the northeast quarter of section 12, T22S, R34E, Unit A, 780 FNL & 1265 FEL. Grama Ridge; Bone Spring,

Chimichangas 12 State Com 501H located in the northeast quarter of section 12, T22S, R34E, Unit A, 930 FNL & 1304 FEL. Ojo Chiso; Bone Spring Chimichangas 12 State Com 502H located in the northeast quarter of section 12, T22S, R34E, Unit A, 930 FNL & 1274 FEL. Ojo Chiso; Bone Spring Chimichangas 12 State Com 503H located in the northeast quarter of section 12, T22S, R34E, Unit A, 930 FNL & 1244 FEL. Ojo Chiso; Bone Spring Chimichangas 12 State Com 601H located in the northeast quarter of section 12, T22S, R34E, Unit B, 630 FNL & 1350 FEL. Ojo Chiso; Bone Spring Chimichangas 12 State Com 602H located in the northeast quarter of section 12, T22S, R34E, Unit A, 730 FNL & 1200 FEL. Ojo Chiso; Bone Spring 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 Katie Biersmith, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1522.

67115511

#37799

00268214

KANICIA CASTILLO
CENTENNIAL RESOURCE DEVELOPMENT, INC
1001 17TH STREET, STE 1800
DENVER, CO 80202

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

APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY PERMIAN RESOURCES OPERATING, ORDER NO. PLC-1015
LLC

#### **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. Permian Resources Operating, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described 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. 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

#### **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.

Order No. PLC-1015 Page 1 of 3

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

Order No. PLC-1015 Page 2 of 3

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

**DATE:** 8/20/2025

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Albert Chang

ALBERT CHANG

**DIRECTOR** 

Order No. PLC-1015 Page 3 of 3

## State of New Mexico Energy, Minerals and Natural Resources Department

# Exhibit A

Order: PLC-1015

**Operator: Permian Resources Operating, LLC (372165)** 

Central Tank Battery: Chimichangas 12 Central Tank Battery

Central Tank Battery Location: UL A, B, G, H, Section 12, Township 22S, Range 34 East Gas Title Transfer Meter Location: UL A, B, G, H, Section 12, Township 22S, Range 34 East

#### **Pools**

Pool Name Pool Code
GRAMA RIDGE;BONE SPRING, NE 28435
OJO CHISO;BONE SPRING 96553

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

Leases as defined in 17.13.12.7(C) TWIAC								
UL or Q/Q	S-T-R							
W2E2	12-22S-34E							
<b>W2E2</b>	13-22S-34E							
<b>E2</b>	12-22S-34E							
<b>E2</b>	13-22S-34E							
W2E2	01-22S-34E							
W2SE	36-21S-34E							
E2E2	01-22S-34E							
E2SE	36-21S-34E							
	UL or Q/Q W2E2 W2E2 E2 E2 W2E2 W2E2 W2E2							

#### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool		
30-025-49580	<b>CHIMICHANGAS 12 STATE COM</b>	<b>E2</b>	12-22S-34E	96553		
30-025-49560	#501H	<b>E2</b>	13-22S-34E	90555		
20 025 40501	CHIMICHANGAS 12 STATE COM	<b>E2</b>	12-22S-34E	96553		
30-025-49581	#502H	<b>E2</b>	13-22S-34E	90555		
30-025-49582	CHIMICHANGAS 12 STATE COM	<b>E2</b>	12-22S-34E	96553		
30-025-49582	#503H	<b>E2</b>	13-22S-34E	70333		
30-025-46614	CHIMICHANGAS 12 STATE COM	W2E2	12-22S-34E	06552		
30-025-40014	#601H	W2E2	13-22S-34E	96553		
30-025-46615	CHIMICHANGAS 12 STATE COM	E2	12-22S-34E	96553		
30-025-40015	# <b>602H</b>	<b>E2</b>	13-22S-34E	90555		
20 025 40921	MARGARITA 12 STATE COM #601H	W2E2	01-22S-34E	28435		
30-025-49821	MARGARITA 12 STATE COM #001H	W2SE	36-21S-34E	20433		
20 025 40922	MARGARITA 12 STATE COM #602H	E2E2	01-22S-34E	20.425		
30-025-49822	MARGARITA 12 STATE COM #002H	E2SE	36-21S-34E	28435		

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 122876

#### **CONDITIONS**

Operator:	OGRID:
Permian Resources Operating, LLC	372165
300 N. Marienfeld St Ste 1000 Midland, TX 79701	Action Number: 122876
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created By		Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov.	8/25/2025