Form 3160-3 (June 2015) UNITED STATES DEPARTMENT OF THE INTH		FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. 6. If Indian, Allotee or Tribe Name					
BUREAU OF LAND MANAGI APPLICATION FOR PERMIT TO DRIL							
1a. Type of work: DRILL REEN 1b. Type of Well: Oil Well Gas Well Other 1c. Type of Completion: Hydraulic Fracturing Single	_	8. Lease Name and	reement, Name and No. Well No. 26046]				
2. Name of Operator [372165	5]	9. API Well No. 30)-025-48377				
L	Phone No. <i>(include area code)</i>	10. Field and Pool, o	or Exploratory [5695]				
 4. Location of Well (<i>Report location clearly and in accordance with a</i> At surface At proposed prod. zone 	any State requirements.*)	11. Sec., T. R. M. or	Blk. and Survey or Area				
14. Distance in miles and direction from nearest town or post office*		12. County or Parish	h 13. State				
location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		ng Unit dedicated to the second					
	Approximate date work will start* 4. Attachments	23. Estimated durati	ion				
The following, completed in accordance with the requirements of One (as applicable)	shore Oil and Gas Order No. 1, and the H	Hydraulic Fracturing r	ule per 43 CFR 3162.3-3				
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System La SUPO must be filed with the appropriate Forest Service Office). 	 4. Bond to cover the operation Item 20 above). 5. Operator certification. 6. Such other site specific infor BLM. 	-	-				
25. Signature	Name (Printed/Typed)		Date				
Title							
Approved by (Signature)	Name (Printed/Typed)		Date				
Title Application approval does not warrant or certify that the applicant hol applicant to conduct operations thereon. Conditions of approval, if any, are attached. Title 10.100 G. G. dialogue 117th 42.100 G. G. dialogue 1212 million							
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make of the United States any false, fictitious or fraudulent statements or re			any department or agency				
GCP Rec 01/12/2021	D WITH CONDITIONS	01/14/20	021				
SL (Continued on page 2)		*(In:	structions on page 2)				

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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	CENTENNIAL RESOURCE PRODUCTION, LLC
LEASE NO.:	NMNM131588
WELL NAME & NO.:	CHEDDAR FED COM 401H
SURFACE HOLE FOOTAGE:	603'/S & 440'/W
BOTTOM HOLE FOOTAGE	100'/N & 792'/W
LOCATION:	Section 5, T.22 S., R.32 E., NMPM
COUNTY:	LEA County, New Mexico

COA

H2S	© Yes	• No	
Potash	© None	Secretary	© R-111-P
Cave/Karst Potential	• Low	C Medium	[©] High
Cave/Karst Potential	Critical		
Variance	© None	Flex Hose	Other
Wellhead	Conventional	Multibowl	© Both
Other	4 String Area	Capitan Reef	□ WIPP
Other	Fluid Filled	Cement Squeeze	Pilot Hole
Special Requirements	□ Water Disposal	COM	🗆 Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

- 1. The **13-3/8** inch surface casing shall be set at approximately **750** feet (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of

<u>24 hours in the Potash Area</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

- 2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - In <u>Secretary Potash Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

- 1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
- 2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000** (**5M**) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

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e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S).

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

JJP11032020

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after

Page 3 of 7

installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).

- b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

- 1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
- <u>Wait on cement (WOC) for Potash Areas:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least <u>24</u> <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <u>Wait on cement (WOC) for Water Basin:</u> After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for

Approval Date: 11/13/2020

details regarding lead cement slurry requirements. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

- 4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

Page 5 of 7

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
 - c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE.

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If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Approval Date: 11/13/2020



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Received by OCD: 1/12/2021 9:00:41 AM

AFMSS

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400052335

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Well Name: CHEDDAR FEDERAL COM

Well Type: OIL WELL

Well Number: 401H Well Work Type: Drill

Submission Date: 12/13/2019

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

Tie to previous NOS? N	Submission Date: 12/13/2019
User: Kanicia Schlichting	Title: Sr. Regulatory Analyst
Is the first lease penetrat	ed for production Federal or Indian? FED
Lease Acres: 886.41	
Allotted?	Reservation:
Federal or Indian agreem	ent: FEDERAL
APD Operator: CENTENN	IAL RESOURCE PRODUCTION LLC
	Is the first lease penetrat Lease Acres: 886.41 Allotted? Federal or Indian agreem

Operator Info

Operator Organization Name: CENTENNIAL RESOURCE PRODUCTION LLC Operator Address: 1001 17th Street, Suite 1800 **Zip:** 80202 **Operator PO Box: Operator City:** Denver State: CO Operator Phone: (720)499-1400 **Operator Internet Address:**

Section 2 - Well Information

Well in Master Development Plan? NO Master Development Plan name: Master SUPO name: Well in Master SUPO? NO Well in Master Drilling Plan? NO Master Drilling Plan name: Well Name: CHEDDAR FEDERAL COM Well Number: 401H Well API Number: Field/Pool or Exploratory? Field and Pool Field Name: 2ND BONESPRING Pool Name: RED HILLS; BONE SAND SPRING, NORTH

Is the proposed well in an area containing other mineral resources? USEABLE WATER, NATURAL GAS, OIL, POTASH



Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC
Well Name: CHEDDAR FEDERAL COM
Well

Well Number: 401H

Is the proposed well in an area containing other mineral resources? USEABLE WATER, NATURAL GAS, OIL, POTASH

New surface disturbance? Y Is the proposed well in a Helium production area? N Use Existing Well Pad? Y Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: Number: 1 CHEDDAR DRILL ISLAND Well Class: HORIZONTAL Number of Legs: 1 Well Work Type: Drill Well Type: OIL WELL **Describe Well Type:** Well sub-Type: INFILL **Describe sub-type:** Distance to town: 43 Miles Distance to nearest well: 30 FT Distance to lease line: 440 FT Reservoir well spacing assigned acres Measurement: 320 Acres Well plat: CHEDDAR_FED_COM__401H_C102_20191212122231.pdf CHEDDAR_FED_COM__401H_C102_Lease_20191212122335.pdf Well work start Date: 02/01/2021 **Duration: 45 DAYS**

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Survey number: 23782

Vertical Datum: NAVD88

Reference Datum: GROUND LEVEL

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
SHL Leg #1	603	FSL	440	FW L	22S	32E	5	Aliquot SWS W	32.41500 6	- 103.7039 56	LEA	NEW MEXI CO			NMNM 131588	366 5	0	0	Y
KOP Leg #1	603	FSL	440	FW L	22S	32E	5	Aliquot SWS W	32.41500 6	- 103.7039 56	LEA	NEW MEXI CO			NMNM 131588		945 8	942 7	Y

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
PPP	100	FSL	792	FW	22S	32E	5	Aliquot	32.41362	-	LEA	NEW	NEW	F	NMNM	-	103	100	Y
Leg				L				SWS	9	103.7028			MEXI		131588	633	58	00	
#1-1								W		14		со	со			5			
EXIT	100	FNL	792	FW	21S	32E	32	Aliquot	32.44209	-	LEA	NEW	NEW	S	STATE	-	201	100	Y
Leg				L				NWN	8	103.7028			MEXI			633	39	00	
#1								W		45		со	CO			5			
BHL	100	FNL	792	FW	21S	32E	32	Aliquot	32.44209	-	LEA	NEW	NEW	S	STATE	-	201	100	Y
Leg				L				NWN	8	103.7028			MEXI			633	39	00	
#1								W		45		CO	со			5			



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400052335

Submission Date: 12/13/2019

Highlighted data reflects the most recent changes

Show Final Text

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Well Type: OIL WELL

AFMSS

Well Work Type: Drill

Section 1 - Geologic Formations

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
608084	RUSTLER	3665	624	624	SANDSTONE	NONE	N
608086	CAPITAN REEF	-957	4622	4622	OTHER : Carbonate	USEABLE WATER	N
608087	BELL CANYON	-1065	4730	4730	SANDSTONE	NATURAL GAS, OIL	N
608088	CHERRY CANYON	-1862	5527	5527	SANDSTONE	NATURAL GAS, OIL	N
608091	BRUSHY CANYON	-3192	6857	6857	SANDSTONE	NATURAL GAS, OIL	N
608092	BONE SPRING LIME	-4919	8584	8584	OTHER : Carbonate	NATURAL GAS, OIL	N
608094	AVALON SAND	-5071	8736	8736	SHALE	CO2, NATURAL GAS, OIL	N
608089	BONE SPRING 1ST	-5958	9623	9623	SANDSTONE	NATURAL GAS, OIL	N
608090	BONE SPRING 2ND	-6222	9887	9887	OTHER, SHALE : Carbonate	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 10000

Equipment: The BOP and related equipment will meet or exceed the requirements of a 5M-psi system as set forth in On Shore Order No. 2. See attached BOP Schematic. A. Casinghead: 135/8" - 5,000 psi SOW x 13" - 5,000 psi WP Intermediate Spool: 13" - 5,000 psi WP x 11" - 5,000 psi WP Tubinghead: 11" - 5,000 psi WP x 7 1/16" - 15,000 psi WP B. Minimum Specified Pressure Control Equipment • Annular preventer • One Pipe ram, One blind ram • Drilling spool, or blowout preventer with 2 side outlets. Choke side will be a 3-inch minimum diameter, kill line shall be at least 2-inch diameter • 3 inch diameter choke line • 2 - 3 inch choke line valves • 2 inch kill line • 2 chokes with 1 remotely controlled from rig floor (see Figure 2) • 2 - 2 inch kill line valves and a check valve • Upper kelly cock valve with handle available • When the expected pressures approach working pressure of the system, 1 remote kill line tested to stack pressure (which shall run to the outer edge of the substructure and be unobstructed) • Lower kelly cock valve with handle available • Safety valve(s) and subs to fit all drill string connections in use • Inside BOP or float sub available • Pressure gauge on choke manifold • All BOPE connections subjected to well pressure shall be flanged, welded, or clamped • Fill-up line above the uppermost preventer. C. Auxiliary Equipment • Audio and visual mud monitoring equipment shall be placed to detect volume changes indicating loss or gain of circulating fluid volume. (OOS 1, III.C.2) • Gas Buster will be used below intermediate casing setting depth. • Upper and lower kelly cocks with handles, safety valve and subs to fit all drill string connections and a pressure gauge installed on choke manifold.

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

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Requesting Variance? YES

Variance request: Centennial is requesting to use a flex hose on the choke manifold. Please see section 8 for hose specs attachment. We would also like to request a variance to use a 5M Annular Preventer. Please see attached multi-bowl procedure.

Testing Procedure: The BOP test shall be performed before drilling out of the surface casing shoe and will occur at a minimum: a. when initially installed b. whenever any seal subject to test pressure is broken c. following related repairs d. at 30 day intervals e. checked daily as to mechanical operating conditions. The ram type preventer(s) will be tested using a test plug to 250 psi (low) and 5,000 psi (high) (casinghead WP) with a test plug upon its installation onto the 13" surface casing. If a test plug is not used, the ram type preventer(s) shall be tested to 70% of the minimum internal yield pressure of the casing. The annular type preventer(s) shall be tested to 50% of its working pressure. Pressure will be maintained for at least 10 minutes or until provisions of the test are met, whichever is longer. • A Sundry Notice (Form 3160 5), along with a copy of the BOP test report, shall be submitted to the local BLM office within 5 working days following the test. • If the bleed line is connected into the buffer tank (header), all BOP equipment including the buffer tank and associated valves will be rated at the required BOP pressure. • The BLM office will be provided with a minimum of four (4) hours' notice of BOP testing to allow witnessing. The BOP Configuration, choke manifold layout, and accumulator system, will be in compliance with Onshore Order 2 for a 5,000 psi system. A remote accumulator will be used. Pressures, capacities, and specific placement and use of the manual and/or hydraulic controls, accumulator controls, bleed lines, etc., will be identified at the time of the BLM 'witnessed BOP test. Any remote controls will be capable of both opening and closing all preventers and shall be readily accessible.

Choke Diagram Attachment:

HP650_10M_Choke_Manifold_20190329140051.pdf

BOP Diagram Attachment:

CRD__Well_Control_Plan_v2_20181107133139.pdf

HP650_BOP_Schematic_CoFlex_Choke_10K_2019_1_29_20190325122316.pdf

Section	3 -	· Casing
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Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	CONDUCT OR	26	20.0	NEW	API	N	0	120	0	120	3665	3545	120	H-40		OTHER - Weld						
2	SURFACE	17.5	13.375	NEW	API	N	0	750	0	750	3665	2915	750	J-55		OTHER - BTC	3.05	7.38	DRY	20.8 7	DRY	20.8 7
3	INTERMED IATE	12.2 5	9.625	NEW	API	N	0	4610	0	4600	3665	-935	4610	J-55	40	LT&C	1.52	1.65	DRY	2.83	DRY	3.42
4	PRODUCTI ON	8.75	5.5	NEW	API	N	0	9458	0	9427	3665	-5762	9458	P- 110		OTHER - TMK UP DQX	2.27	2.58	DRY	3.4	DRY	3.4
5	PRODUCTI ON	8.5	5.5	NEW	API	N	9458	20139	9427	10000	-5762	-6335	10681	P- 110		OTHER - TMK UP DQX	2.14	2.43	DRY	55.9 3	DRY	55.9 3

Received by OCD: 1/12/2021 9:00:41 AM

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

N

Casing Attachments

Casing ID: 1 String Type:CONDUCTOR

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

CASING_ASSUMPTIONS_WORKSHEET_20181031160011.pdf

Casing ID: 2 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

CASING_ASSUMPTIONS_WORKSHEET_20181031160036.pdf

Casing ID: 3 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

TMK_UP_DQX_5.5_x_20_P110_HC_20181031161313.pdf

Casing Design Assumptions and Worksheet(s):

 $CASING_ASSUMPTIONS_WORKSHEET_20181107142525.pdf$

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Casing ID: 4 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

TMK_UP_DQX_5_x_18_P110_HC_20181031161259.pdf

Casing Design Assumptions and Worksheet(s):

CASING_ASSUMPTIONS_WORKSHEET_20181107142600.pdf

Technical_Data_Sheet_TMK_UP_DQX_5.5_x_20_P110_CY_20191212111404.pdf

Casing ID: 5 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

CASING_ASSUMPTIONS_WORKSHEET_20181107142618.pdf

Technical_Data_Sheet_TMK_UP_DQX_5.5_x_20_P110_CY_20191212111456.pdf

Section	4 - Ce	emen	t								
String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
PRODUCTION	Lead		0	0	0	0	0	0		0	0

CONDUCTOR	Lead	0	120	121	1.49	12.9	181	Grout	Bentonite 4% BWOC, Cellophane 0.25 pps
									CACL2 2% BWOC

Released to Imaging: 1/14/2021 1:57:33 PM

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1300	1038	1.74	13.5	1806	100	Class C Premium	Premium Gel Bentonite 4%, C-45 Econolite 0.25%, Phenoseal 0.25#/sk, CaCl 1%, Defoamer C-41P 0.75%
SURFACE	Tail		1300	1800	518	1.34	14.8	695	100	Class C Premium	C-45 Econolite 0.10%, CaCl 1.0%
INTERMEDIATE	Lead		0	4110	1000	3.44	10.7	3441	150	TXI Lightweight	Salt 1.77/sk, C-45 Econolite 2.25%, STE 6.00%, Citric Acid 0.18%, C-19 0.10%, CSA-1000 0.20%, C- 530P 0.30%, CTB-15 LCM 7#/sk, Gyp Seal 8#/sk
INTERMEDIATE	Tail		4110	4610	141	1.33	14.8	188	20	Class C Premium	C-45 Econolite 0.10%, Citric acid 0.05%, C503P 0.25%
PRODUCTION	Lead		0	9458	925	3.41	10.6	3155	30	TXI Lightweight	Salt 8.98#/sk, STE 6.00%, Citric acid 0.20%, CSA-1000 0.23%, C47B 0.10%, C- 503P 0.30%
PRODUCTION	Tail		9458	2013 9	2467	1.24	14.2	3058	25	50:25:25 Class H: Poz: CPO18	Citric acid 0.03%, CSA- 1000 0.05%, C47B 0.25%, C-503P 0.30%

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient quantities of mud materials will be on the well site at all times for the purpose of assuring well control and maintaining wellbore integrity. Surface interval will employ fresh water mud. The intermediate hole will utilize a diesel emulsified brine fluid to inhibit salt washout and prevent severe fluid losses. The production hole will employ oil base fluid to inhibit formation reactivity and of the appropriate density to maintain well control.

Describe the mud monitoring system utilized: Centrifuge separation system. Open tank monitoring with EDR will be used for drilling fluids and return volumes. Open tank monitoring will be used for cement and cuttings return volumes. Mud properties will be monitored at least every 24 hours using industry accepted mud check practices.

Circulating Medium Table

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (Ibs/cu ft)	Gel Strength (lbs/100 sqft)	НА	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	2013 9	OTHER : Brine/OBM	8.8	10							
1800	4610	OTHER : Brine	9	10							
0	1800	OTHER : FW	8.6	9.5							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will utilize MWD/LWD (Gamma ray logging) from intermediate hole to TD of the well.

List of open and cased hole logs run in the well:

DIRECTIONAL SURVEY, GAMMA RAY LOG,

Coring operation description for the well:

Will not be coring this well.

Section 7 - Pressure

 Anticipated Bottom Hole Pressure: 5200
 Anticipated Surface Pressure: 2999

 Anticipated Bottom Hole Temperature(F): 170

 Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

 Describe:

 Contingency Plans geoharzards description:

 Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

H2S_Plan_Chedder_Fed_Com_401H_20191212125124.pdf

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Chedder_FC_401H_Plan_Report_20191212125151.pdf

Other proposed operations facets description:

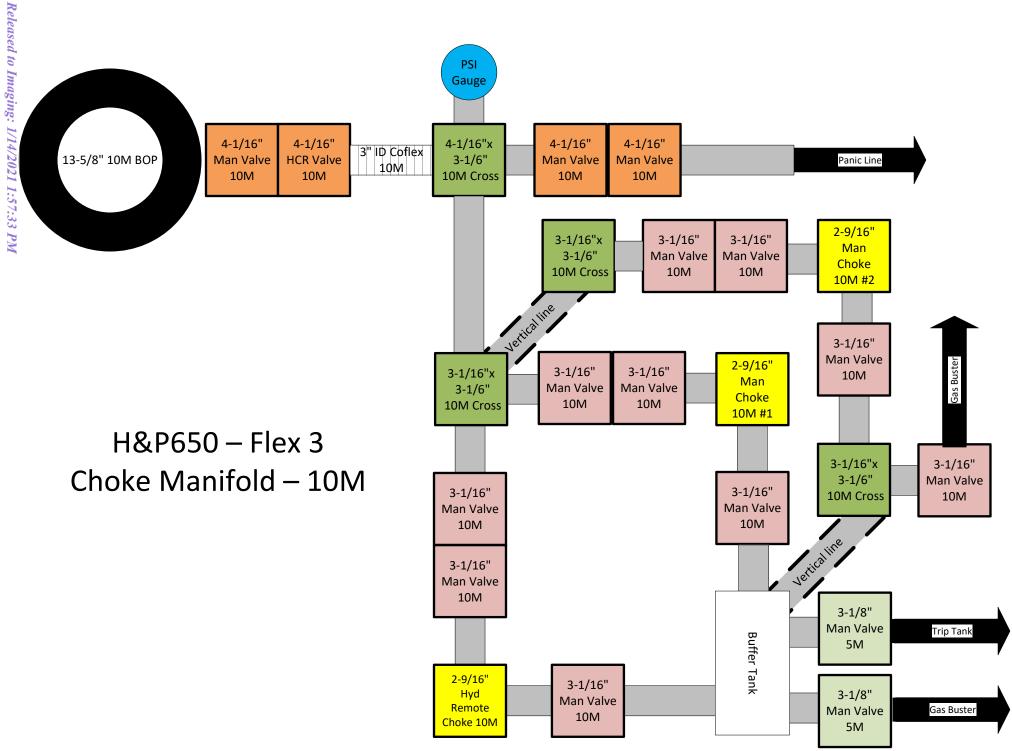
We are planning to use spudder rig to preset surface casing. Gas Caputre Plan is attached.See attached geoprog.

Other proposed operations facets attachment:

CRD_Batch_Setting_Procedures_20191212112515.pdf Gas_Capture_Plan_Cheddar_301H_20191213123209.docx CDEV_Multi_Bowl_Procedure_Cheddar_Fed_Com_401H_20191213123300.pdf GEOPROG_Cheddar_Federal_Com_401H_PRELIM_20200828125056.pdf

Other Variance attachment:

H_P_650_Flex_Hose_Specs_Continental_Hose_SN_67255_20191212112427.pdf



.

Centennial Resource Development - Well Control Plan

A. Component and Preventer Compatibility Table

Component	OD (inches)	Preventer	RWP
Drillpipe	4	Upper VBR: 3.5 – 5.5	10M
		Lower VBR: 3.5 – 5.5	
Heavyweight Drillpipe	4	Upper VBR: 3.5 – 5.5	10M
		Lower VBR: 3.5 – 5.5	
Drill collars and MWD tools	4 3⁄4	Upper VBR: 3.5 – 5.5	10M
		Lower VBR: 3.5 – 5.5	
Mud Motor	4 ¾	Upper VBR: 3.5 – 5.5	10M
		Lower VBR: 3.5 – 5.5	
Production Casing	5.5 & 5	Upper VBR: 3.5 – 5.5	10M
		Lower VBR: 3.5 – 5.5	
All	0-135/8	Annular	5M
Open-hole	-	Blind rams	10M

VBR = Variable Bore Rams

RWP = Rated Working Pressure

MWD = Measurement While Drilling (directional tools)

B. Well Control Procedures

I. <u>General Procedures While Drilling</u>:

- 1. Sound alarm (alert crew).
- 2. Space out drill-string.
- 3. Shut down pumps and stop rotary.
- 4. Open HCR
- 5. Shut-in well utilizing upper VBRs.
- 6. Close choke
- 7. Confirm shut-in.
- 8. Notify rig manager and Centennial company representative.
- 9. Call Centennial drilling engineer
- 10. Read and record
 - I. Shut-in drillpipe pressure (SIDPP) and shut-in casing pressure (SCIP).
 - II. Pit gain
 - III. Time
- 11. Regroup, identify forward plan

II. General Procedure While Tripping

- 1. Sound alarm (alert crew).
- 2. Stab full opening safety valve and close
- 3. Space out drillstring.
- 4. Open HCR
- 5. Shut-in well utilizing upper VBRs
- 6. Close choke
- 7. Confirm shut-in.
- 8. Notify rig manager and Centennial company representative.
- 9. Call Centennial drilling engineer
- 10. Read and record:
 - I. SIDPP AND SICP
 - II. Pit gain
 - III. Time
- 11. Regroup and identify forward plan.

III. General Procedure While Running Casing

- 1. Sound alarm (alert crew)
- 2. Stab full opening safety valve and close
- 3. Space out string.
- 4. Open HCR
- 5. Shut-in well utilizing upper VBRs.
- 6. Close choke
- 7. Confirm shut-in.
- 8. Notify rig manager and Centennial company representative.
- 9. Call Centennial drilling engineer
- 10. Read and record:
 - I. SIDPP AND SICP
 - II. Pit gain
 - III. Time
- 11. Regroup and identify forward plan.

IV. General Procedure With No Pipe In Hole (Open Hole)

- 1. Sound alarm (alert crew)
- 2. Open HCR
- 3. Shut-in with blind rams
- 4. Close choke
- 5. Confirm shut-in
- 6. Notify rig manager and Centennial company representative.
- 7. Call Centennial drilling engineer
- 8. Read and record:
 - I. SIDPP AND SICP
 - II. Pit gain
 - III. Time
- 9. Regroup and identify forward plan.

V. **General Procedures While Pulling BHA Thru BOP Stack**

1. Prior to pulling last joint of drillpipe thru stack: Ι.

- Perform flow check, if flowing
 - a. Sound alarm, alert crew
 - b. Stab full opening safety valve and close
 - c. Space out drillstring with tool joint just beneath the upper pipe ram.
 - d. Open HCR
 - e. Shut-in utilizing upper VBRs
 - f. Close choke
 - g. Confirm shut-in
 - h. Notify rig manager and Centennial company representative.
 - i. Call Centennial drilling engineer
 - Read and record: j.
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
- Regroup and identify forward plan Π.

2. With BHA in the BOP stack and compatible ram preventer and pipe combo immediately available:

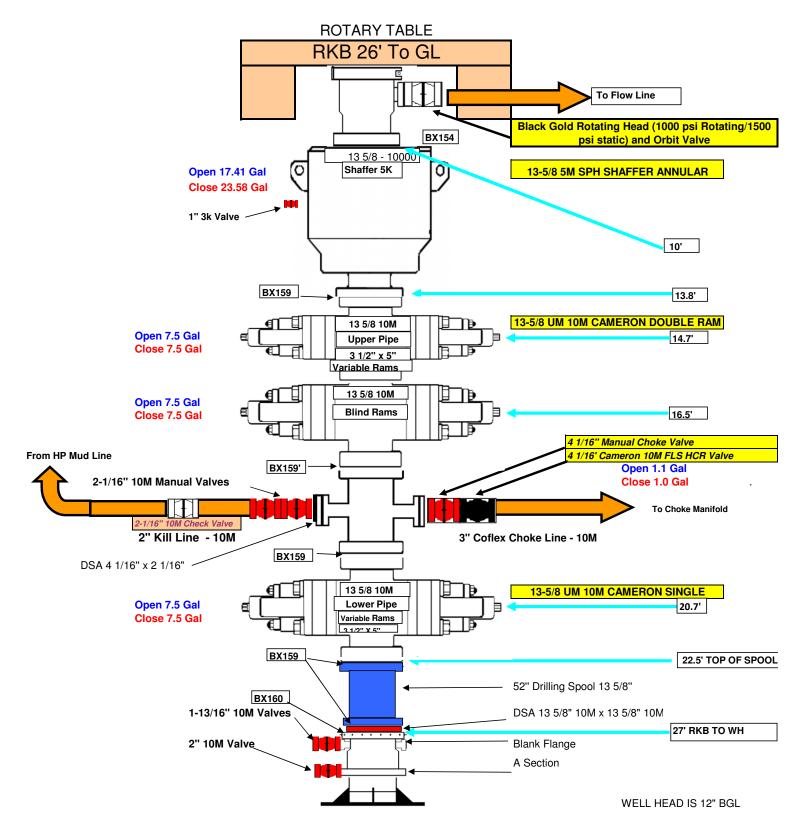
- a. Sound alarm, alert crew
- b. Stab full opening safety valve and close
- c. Space out drillstring with tool joint just beneath the upper pipe ram.
- d. Open HCR
- e. Shut-in utilizing upper VBRs
- f. Close choke
- g. Confirm shut-in
- h. Notify rig manager and Centennial company representative.
- i. Call Centennial drilling engineer
- j. Read and record:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
- 11. Regroup and identify forward plan

3. With BHA in the BOP stack and no compatible ram preventer and pipe combo immediately availiable:

- I. Sound alarm, alert crew.
- II. If possible to pick up high enough, pull string clear of the stack and follow Open Hole (III) scenario.
- III. If impossible to pick up high enough to pull the string clear of the stack:
 - a. Stab crossover, make up one joint/stand of drill pipe and full opening safety valve and close.
 - b. Space out drillstring with tool joint just beneath the upper pipe ram.
 - c. Open HCR
 - d. Shut-in utilizing upper VBRs.
 - e. Close choke
 - f. Confirm shut-in
 - g. Notify rig manager and Centennial company representative.
 - h. Call Centennial drilling engineer
 - i. Read and record:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
- IV. Regroup and identify forward plan.

** If annular is used to shut-in well and pressure builds to OR is expected to get to 50% of RWP, confirm space-out and swap to upper VBRs for shut-in.

H&P 650





HYDROGEN SULFIDE CONTINGENCY PLAN

Chedder Fed Com 401H

Section 5

<mark>T 22S R 32E</mark>

Lea County, NM

Initial Date: 3/4/18 Revision Date:

Table of Contents

Page 3: Introduction

- Page 4: Directions to Location
- Page 5: Safe Briefing Areas
- Page 6: Drill Site Location Setup
- Page 7: Toxicity of Various Gases
- Page 10: H2S Required Equipment
- Page 11: Determination of Radius of Exposure
- Page 12: Emergency Contact List

INTRODUCTION

This plan specifies precautionary measures, safety equipment, emergency procedures, responsibilities, duties, and the compliance status pertaining to the production operations of Hydrogen Sulfide producing wells on:

Centennial Resource Development, Inc.

This plan will be in full effect prior to and continuing with all drilling operations for all wells producing potential Hydrogen Sulfide on the

Chedder Fed Com 401H

This plan was developed in response to the potential hazards involved when producing formations that may contain Hydrogen Sulfide (H₂S) It has been written in compliance with current New Mexico Oil Conservation Division Rule 118 and Bureau of Land Management 43 CFR 3160 Onshore Order No. 6.

All personnel shall receive proper H2S training in accordance with Onshore Order III.C.3.a

This plan shall require the full cooperation and efforts of all individuals participating in the production of potential H₂S wells.

Each individual is required to know their assigned responsibilities and duties in regard to normal production operations and emergency procedures.

Each person should thoroughly understand and be able to use all safety related equipment on the production facility.

Each person should become familiar with the location of all safety equipment and become involved in ensuring that all equipment is properly stored, easily accessible, and routinely maintained.

An ongoing training program will remain in effect with regular training, equipment inspections, and annual certifications for all personnel.

Centennial Resource Development, Inc. shall make every reasonable effort to provide all possible safeguards to protect all personnel, both on this location and in the immediate vicinity, from the harmful effects of H₂S exposure, if a release to the atmosphere should occur.

DIRECTIONS TO LOCATION

Chedder Fed Com 401H

Section 5

T 22S R 32E

Lea County, NM

PROCEED IN A NORTHEASTLY, THEN EASTERLY DIRECTION FROM CARLSBAD, NEW MEXICO ALONG U.S. HIGHWAY 62 APPROXIMATELY 31.1 MILES TO THE JUNCTION OF THIS ROAD AND CAMPBELL ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 9.0 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN NORTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 1.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN AN SOUTHWESTERLY, THEN SOUTHERLY, THEN EASTERLY DIRECTION APPROXIMATELY 1,101' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM CARLSBAD, NEW MEXICO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 43.2 MILES.TOTAL DISTANCE FROM JAL, NEW MEXICO TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 29.0 MILES.

SAFE BRIEFING AREAS

Two areas will be designated as "SAFE BRIEFING AREAS".

The Primary Safe Briefing Area

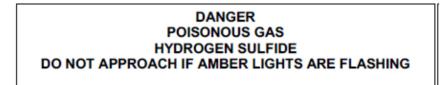
If the Primary Safe Briefing Area cannot be used due to wind conditions; the designated secondary safe briefing area will be used.

These two areas are so designated for accessibility reasons related to self-contained safe breathing air device locations, evacuation muster point utility, and for ease of overall communication, organizational support, as well as the all-important prevailing wind directions. Drawings of the facility denoting these locations are included on Page 15.

If H₂S is detected in concentrations equal to or in excess of 15 PPM, all personnel not assigned emergency duties are to assemble in the appropriate "SAFE BRIEFING AREA" for instructions.

Wind Direction Indicators: A windsock, shall be positioned, allowing the wind direction to be observed from anywhere on the charted facility location.

Warning-DANGER SIGNS for Approaching Traffic: All signs shall also be illuminated under conditions of poor visibility.



An amber strobe light system will be activated for H₂S concentrations of 10 PPM or greater and an audible alarm will sound when H₂S exceeds 15 ppm, and. This condition will exist until the all clear is given.

DRILL SITE LOCATION:

- 1. The drilling rig should be situated on location such that the prevailing winds blow across the rig toward the reserve pit or at right angles to a line from the rig to the reserve pit.
- 2. The entrance to the location should be designated so that it can be barricaded if Hydrogen Sulfide emergency conditions arise. An auxiliary exit (or entrance) should be available in case of a catastrophe; a shift in wind direction would not preclude escape from the location. Appropriate warning signs and flags should be placed at all location entrances.
- 3. Once H2S safety procedures are established on location, no beards or facial hair, which will interfere with face seal or mask, will be allowed on location.
- 4. A minimum of two BRIEFING AREAS will be established, no less than 250 feet from the wellhead and in such location that at least one area will be up-wind from the well at all times. Upon recognition of an emergency situation, all personnel should assemble at the designated briefing areas for instructions.
- 5. A safety equipment trailer will be station at one of the briefing areas.
- 6. Windsocks will be installed and wind streamers (6 to 8 feet above ground level) placed at the location entrance. Windsocks shall be illuminated for nighttime operations. Personnel should develop wind direction consciousness.
- 7. The mud-logging trailer will be located so as to minimize the danger from the gas that breaks out of the drilling fluid.
- 8. Shale shaker mud tanks will be located so as to minimize the danger from gas that breaks out of the drilling fluid.
- 9. Electric power plant(s) will be located as far from the well bore as practical so that it may be used under conditions where it otherwise would have to be shut down.
- 10. When approaching depth where Hydrogen Sulfide may be encountered, appropriate warning signs will be posted on all access roads to the location and at the foot of all stairways to the derrick floor.
- 11. Appropriate smoking areas will be designated, and smoking will be prohibited elsewhere.

The table below lists various poisonous gases and the concentrations at which they become dangerous.

TOXICITY OF GASES (Taken from API RP-49 September 1974 – Re-issued August 1978)						
Common Name	Chemical Formula	Gravity (Air = 1)	Threshold 1 Limit	Hazardous 2 Limit	Lethal 3 Limit	
Hydrogen Sulfide	H_2S	1.18	10 ppm	250 ppm/1hr	600 ppm	
Sulfur Dioxide	SO_2	2.21	20 ppm		1000 ppm	
Carbon Monoxide	СО	0.97	50 ppm	400 ppm/1hr	1000 ppm	
Carbon Dioxide	CO_2	1.52	5000 ppm	5%	10%	
Methane	CH ₄	0.55	90000 ppm	Combustible A	Above 5% in ir	

TOXICITY OF VARIOUS GASES

1. Threshold concentration at which it is believed that all workers may repeatedly be exposed day after day, without	2. Hazardous concentration that may cause death	3. Lethal concentration that will cause death with short-term exposure
adverse effect		

Properties of Gases

The produced gas will probably be a mixture of Carbon Dioxide, Hydrogen Sulfide, and Methane.

Carbon Dioxide

Carbon Dioxide (CO₂) is usually considered inert and is commonly used to extinguish fires.

It is heavier than air (1.52 times) and it will concentrate in low areas of still air.

Humans cannot breathe air containing more than 10% CO₂ without losing consciousness. Air containing 5% CO₂ will cause disorientation in a few minutes.

Continued exposures to CO₂ after being affected will cause convulsions, coma, and respiratory failure.

The threshold limit of CO₂ is 5000 ppm.

Short-term exposure to 50,000 PPM (5%) is reasonable. This gas is colorless and odorless and can be tolerated in relatively high concentrations.

Hydrogen Sulfide

Hydrogen Sulfide (H₂S) itself is a colorless, transparent gas and is flammable. It is heavier than air and, hence, may accumulate in low places.

Although the slightest presence of H₂S in the air is normally detectable by its characteristic "rotten egg" odor, it is dangerous to rely on the odor as a means of detecting excessive concentrations because the sense of smell is rapidly lost, allowing lethal concentrations to be accumulated without warning. The following table indicates the poisonous nature of Hydrogen Sulfide.

HYDROGEN SULFIDE TOXICITY					
Concentration			Effects		
$%H_2S$	PPM	GR/100 SCF 1			
0.001	10	0.65	Safe for 8 hours without respirator. Obvious and unpleasant odor.		
0.002	20	1.30	Burning in eyes and irritation of respiratory tract after on hour.		
0.01	100	6.48	Kills smell in 3 to 15 minutes; may sting eyes and throat.		
0.02	200	12.96	Kills smell shortly; stings eyes and throat.		
0.05	500	32.96	Dizziness; breathing ceases in a few minutes; need prompt artificial respiration.		
0.07	700	45.92	Unconscious quickly; death will result if not rescued promptly		
0.10	1000	64.80	DEATH!		
Note: 1	Note: 1 grain per 100 cubic feet				

Sulfur Dioxide

Sulfur Dioxide is a colorless, transparent gas and is non-flammable.

Sulfur Dioxide (SO₂) is produced during the burning of H₂S. Although SO₂ is heavier than air, it will be picked up by a breeze and carried downwind at elevated temperatures. Since Sulfur Dioxide is extremely irritating to the eyes and mucous membranes of the upper respiratory tract, it has exceptionally good warning powers in this respect. The following table indicates the toxic nature of the gas.

•

SULFUR DIOXIDE TOXICITY				
Concentration		Effects		
%SO ₂ PPM				
0.0005	3 to 5	Pungent odor-normally a person can detect SO ₂ in this		
		range.		
0.0012	12	Throat irritation, coughing, and constriction of the chest		
		tearing and smarting of eyes.		
0.15	150	So irritating that it can only be endured for a few		
		minutes.		
0.05	500	Causes a sense of suffocation, even with first breath.		

H₂S REQUIRED EQUIPMENT LIST

RESPIRATORY SAFETY SYSTEMS

- Working cascade system available on rig floor and pit system & 750' of air line hose
- Four (4) breathing air manifolds
- Four (4) 30-minute rescue packs
- Five (5) work/Escape units
- Five (5) escape units
- One (1) filler hose for the work/escape/rescue units

DETECTION AND ALARM SYSTEM

- 4 channel H2S monitor
- 4 wireless H2S monitors
- H2S alarm system (Audible/Red strobe)
- Personal gas monitor for each person on location
- Gas sample tubes

WELL CONTROL EQUIPMENT

- Flare line with remote ignitor and backup flare gun, placed 150' from wellhead
- Choke manifold with remotely operated choke
- Mud gas separator

VISUAL WARNING SYSTEMS

- One color code condition sign will be placed at each entrance reflecting possible conditions at the site
- A colored condition flag will be on display, reflecting current condition at the site at the time
- At least 4 wind socks placed on location, visible at all angles and locations

MUD PROGRAM

- Mud will contain sufficient weight and additives to control and minimize H2S

METALLURGY

- All drill strings, casing, tubing, wellhead, BOP, spools, kill lines, choke manifold and lines, and valves shall be suitable for anticipated H2S volume and pressure

COMMUNICATION

- Cell phones, intercoms, and satellite phones will be available on location

ADDITIONAL SAFETY RELATED ITEMS

- Stretcher
- 2 OSHA full body harness
- 20# class ABC fire extinguisher

DETERMINATION OF RADIUS OF EXPOSURE

Potentially hazardous volume means a volume of gas of such H2S concentration and flow rate that it may result in radius of exposure-calculated ambient concentrations of 100 ppm H2S at any occupied residence, school, church, park, school bus stop, place of business or other area where the public could reasonably be expected to frequent, or 500 ppm H2S at any Federal, State, County or municipal road or highway.

Currently there are no residence located within the ROE

Radius of exposure means the calculation resulting from using the Pasquill -Gifford derived equation, or by such other method(s) that may be approved by the authorized officer. Advanced Fire and Safety has provided the Pasquill-Gifford formula in excel format for simple calculations.

NEW MEXICO OIL & GAS CONSERVATION DIVISION 118

Chedder Fed Com 401H

H2S Concentration- 250 PPM

Maximum Escape Volume- 5000 MCF/Day

100 PPM Radius of Exposure - 116 (Formula= 1.589 x (250/1000000) x (5000 x 1000) x .6258

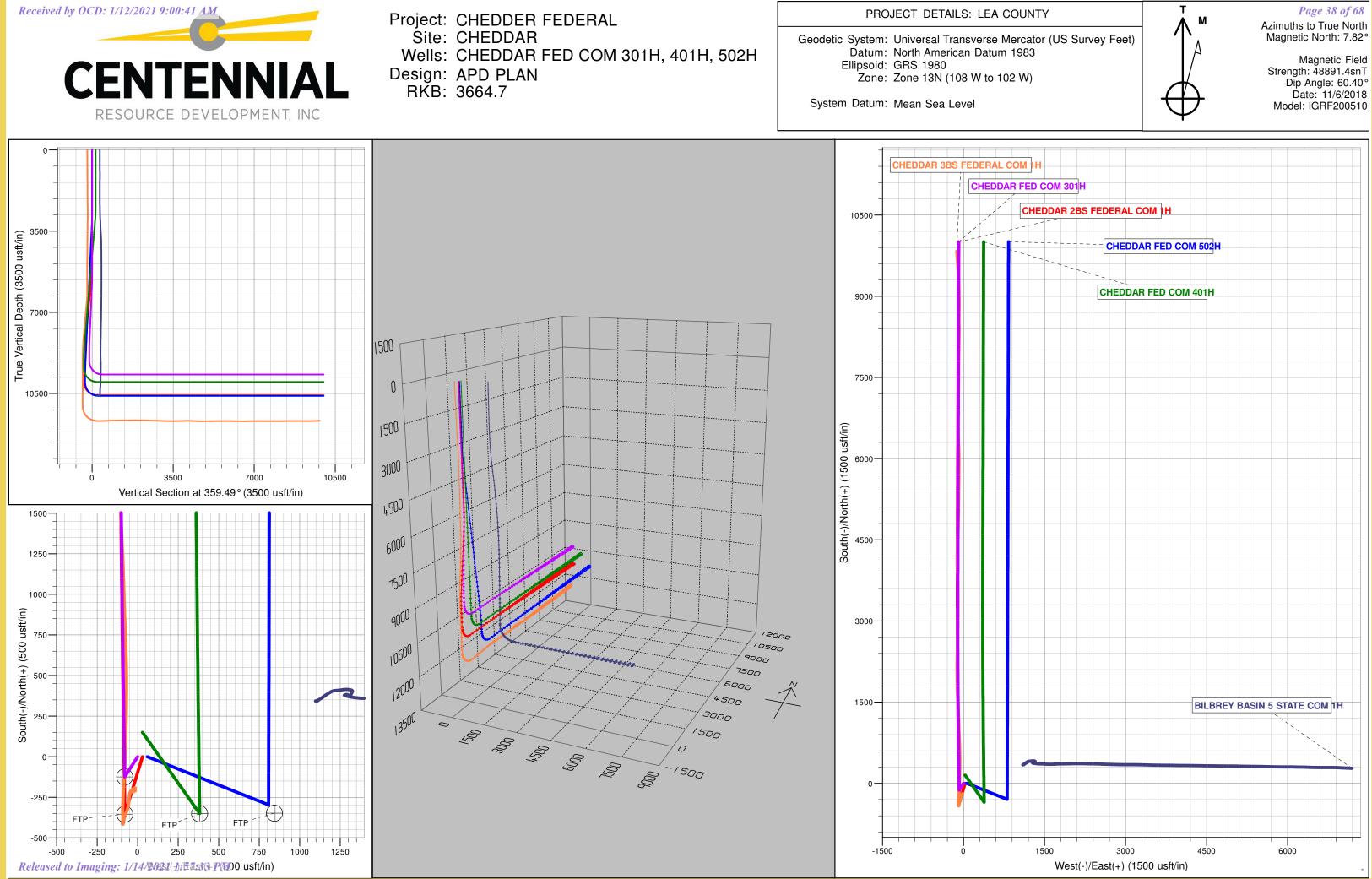
500 PPM Radius of Exposure (Block 16)- <mark>53</mark> Formula= .4546 x (250/1000000) x (5000 x 1000) x .6258

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EMERGENCY CONTACT LIST

911 is available in the area										
NAME	POSITION	COMPANY	NUMBER							
Centennial Contacts										
Jeremy Ray	Drilling Engineer	CDEV	303-263-7872							
Ricky Mills/John Helm	Superintendent	CDEV	432-305-1068							
Mike Ponder/Wayne Miller	Field Superintendent	CDEV	432-287-3003							
Brett Thompson	Drilling Manager	CDEV	720-656-7027							
Reggie Phillips	HSE Manager	CDEV	432-638-3380							
H&P 650 Drilling Office	Drilling Supervisor	CDEV	432-538-3343							
Local Emergency Response										
Fire Department			575-395-2511							
Jal Community Hospital			505-395-2511							
State Police			505-827-9000							
Lea County Sheriff			575-396-3611							
	Safety Contractor									
Advanced Safety	Office	Advanced Safety	833-296-3913							
Joe Gadway	Permian Supervisor	Advanced Safety	318-446-3716							
Clint Hudson	Operations Manager	Advanced Safety	337-552-8330							
	Well Control Compa	ny								
Wild Well Control			866-404-9564							
Contractors										
Tommy E Lee	Pump Trucks		432-813-7140							
Paul Smith	Drilling Fluids	Momentum	307-258-6254							
Compass Coordinators	Cement	Compass	432-561-5970							





NEW MEXICO

LEA CHEDDAR CHEDDAR FED COM 401H

CHEDDAR FED COM 401H

Plan: PWP0

Survey Report - Geographic

04 March, 2019

Company:	NE	W ME>	KICO			Local Co	o-ordinate Re	ference:	Well CHE	DDAR FED COM	1401H
Project:	LE.	Ą				TVD Ref	erence:		RKB=366	5.1+25 @ 3690.0	Jusft
Site:	CH	EDDAF	۲			MD Refe	erence:		RKB=366	5.1+25 @ 3690.0	Jusft
Well:	CH	EDDAF	R FED CON	1 401H		North Re	eference:		True	-	
Wellbore:	CH	EDDAF	R FED CON	1 401H		Survey 0	Calculation M	ethod:	Minimum	Curvature	
Design:	PV	/P0				Databas	e:		Centennia	al EDM SQL Serv	er
Project		LEA									
Map System: Geo Datum: Map Zone:		North A	sal Transve American Da 3N (108 W	atum 1983	r (US Survey F	e∈ Systen	n Datum:		Mean Se	a Level	
Site		CHED	DAR								
Site Position:				No	orthing:		0.00 usft	Latitud	o.		0° 0' 0.000 N
From:		Ма	ap		asting:	97.50	0.00 usft 04,799.39 usft	Latituu			152° 28' 52.124 W
Position Unce	ertain		•		ot Radius:	- ,	13-3/16 "	•	onvergence	:	0.00 °
		-									
Well		CHED	DAR FED	COM 401H							
Well Position		+N/-S		0.0 usft	Northing:		11,768,927.		Latitude:		32° 24' 54.021 N
		+E/-W		0.0 usft	Easting:		2,040,245.		Longitud		103° 42' 14.243 W
Position Unce	ertain	ty		0.0 usft	Wellhead Ele	evation:		usft	Ground L	evel:	3,665.1 usf
Wellbore		CHEI	DDAR FED	COM 401H							
•• ••				•		_	• •	-			
Magnetics		Mo	odel Name	Sar	nple Date	Dec	lination (°)	ſ	Dip Angle (°)	Fiel	d Strength (nT)
			IGRF2005	10	12/31/2009		7.82		e	60.40 48	3,891.66918146
Design		PWP	0								
Audit Notes:											
Version:				Р	hase:	PROTOTY	'PE ·	Tie On Dej	oth:		0.0
Vertical Secti	on:			Depth From	ו (TVD)	+N/-\$	-	+E/-W		Direction	
				(usft)		(usft	•	(usft)		(°)	
					0.0		0.0	0.0			1.99
Survey Tool F	Progr	am	Da	te 3/4/2019	1						
From		То									
(usft)		(usf		vey (Wellboi	re)		Tool Name		Descript	tion	
	0.0	20),139.3 PWF	90 (CHEDDA	R FED COM 4	01H)	MWD+IFR1+	MS	OWSG	/IWD + IFR1 + Mu	ulti-Station Correction
Planned Surv	vey										
				Vortical			Man		lan		
Measured Depth	Incli	nation	Azimuth	Vertical Depth	+N/-S	+E/-W	Map Northing		lap sting		
(usft)		°)	Azimuth (°)	(usft)	+n/-S (usft)	+E/-W (usft)	(usft)		sft)	Latitude	Longitude
0.0		0.00	0.00	0.0		0.0	11,768,927.		, 0,245.58	32° 24' 54.021 N	-
100.0		0.00	0.00	100.0	0.0	0.0	11,768,927.	88 2,040	0,245.58	32° 24' 54.021 N	l 103° 42' 14.243 W
200.0		0.00	0.00	200.0		0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
300.0		0.00	0.00	300.0		0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
400.0 500.0		0.00 0.00	0.00 0.00	400.0 500.0		0.0 0.0	11,768,927. 11,768,927.		0,245.58 0,245.58	32° 24' 54.021 N 32° 24' 54.021 N	
600.0		0.00	0.00	600.0		0.0	11,768,927.),245.58),245.58	32° 24' 54.021 N	
700.0		0.00	0.00	700.0		0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
800.0		0.00	0.00	800.0		0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
900.0		0.00	0.00	900.0		0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
1,000.0		0.00	0.00	1,000.0	0.0	0.0	11,768,927.		0,245.58	32° 24' 54.021 N	
1,100.0		0.00	0.00	1,100.0	0.0	0.0	11,768,927.	88 2,040	0,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2/4/2010 2.25.2						-	~~ 2			001	DASS FOOD 14 Duild OF

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Company:	NEW MEXICO	Local Co-ordinate Reference:	Well CHEDDAR FED COM 401H
Project:	LEA	TVD Reference:	RKB=3665.1+25 @ 3690.0usft
Site:	CHEDDAR	MD Reference:	RKB=3665.1+25 @ 3690.0usft
Well:	CHEDDAR FED COM 401H	North Reference:	True
Wellbore:	CHEDDAR FED COM 401H	Survey Calculation Method:	Minimum Curvature
Design:	PWP0	Database:	Centennial EDM SQL Server

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
1,200.0		0.00	1,200.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,200.0		0.00	1,200.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,400.0		0.00	1,400.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,500.0		0.00	1,500.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,600.0		0.00	1,600.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,700.0		0.00	1,700.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,800.0		0.00	1,800.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
1,900.0	0.00	0.00	1,900.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,000.0	0.00	0.00	2,000.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,100.0		0.00	2,100.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,200.0		0.00	2,200.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,300.0		0.00	2,300.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,400.0		0.00	2,400.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,500.0		0.00	2,500.0	0.0	0.0	11,768,927.88	2,040,245.58	32° 24' 54.021 N	103° 42' 14.243 W
2,600.0		144.77	2,600.0	-0.7	0.5	11,768,927.18	2,040,246.09	32° 24' 54.014 N	103° 42' 14.237 W
2,700.0		144.77	2,700.0	-2.9	2.0	11,768,925.06	2,040,247.62	32° 24' 53.992 N	103° 42' 14.219 W
2,800.0		144.77	2,799.9	-6.4	4.5	11,768,921.52	2,040,250.18	32° 24' 53.957 N	103° 42' 14.190 W
2,900.0 3,000.0		144.77 144.77	2,899.7 2,999.4	-11.4 -17.8	8.1 12.6	11,768,916.58 11,768,910.23	2,040,253.76 2,040,258.37	32° 24' 53.908 N 32° 24' 53.844 N	103° 42' 14.149 W 103° 42' 14.096 W
3,100.0		144.77	2,999.4 3,098.9	-17.8	12.0	11,768,902.47	2,040,258.57	32° 24' 53.767 N	103° 42' 14.032 W
3,200.0		144.77	3,198.4	-34.2	24.1	11,768,894.00	2,040,200.12	32° 24' 53.682 N	103° 42' 13.961 W
3,300.0		144.77	3,297.8	-42.7	30.2	11,768,885.54	2,040,276.26	32° 24' 53.598 N	103° 42' 13.891 W
3,400.0		144.77	3,397.3	-51.3	36.2	11,768,877.07	2,040,282.39	32° 24' 53.513 N	103° 42' 13.820 W
3,500.0		144.77	3,496.7	-59.8	42.2	11,768,868.61	2,040,288.52	32° 24' 53.429 N	103° 42' 13.750 W
3,600.0		144.77	3,596.2	-68.3	48.3	11,768,860.14	2,040,294.66	32° 24' 53.344 N	103° 42' 13.680 W
3,700.0	6.00	144.77	3,695.6	-76.9	54.3	11,768,851.68	2,040,300.79	32° 24' 53.260 N	103° 42' 13.609 W
3,800.0	6.00	144.77	3,795.1	-85.4	60.3	11,768,843.21	2,040,306.92	32° 24' 53.175 N	103° 42' 13.539 W
3,900.0	6.00	144.77	3,894.5	-93.9	66.3	11,768,834.75	2,040,313.05	32° 24' 53.091 N	103° 42' 13.469 W
4,000.0		144.77	3,994.0	-102.5	72.4	11,768,826.28	2,040,319.19	32° 24' 53.006 N	103° 42' 13.398 W
4,100.0		144.77	4,093.4	-111.0	78.4	11,768,817.82	2,040,325.32	32° 24' 52.922 N	103° 42' 13.328 W
4,200.0		144.77	4,192.9	-119.6	84.4	11,768,809.36	2,040,331.45	32° 24' 52.837 N	103° 42' 13.258 W
4,300.0		144.77	4,292.3	-128.1	90.5	11,768,800.89	2,040,337.59	32° 24' 52.753 N	103° 42' 13.187 W
4,400.0		144.77	4,391.8	-136.6	96.5	11,768,792.43	2,040,343.72	32° 24' 52.668 N	103° 42' 13.117 W
4,500.0		144.77 144.77	4,491.2	-145.2	102.5	11,768,783.96	2,040,349.85	32° 24' 52.584 N	103° 42' 13.047 W
4,600.0 4,700.0		144.77	4,590.7 4,690.1	-153.7 -162.3	108.6 114.6	11,768,775.50 11,768,767.03	2,040,355.99 2,040,362.12	32° 24' 52.499 N 32° 24' 52.415 N	103° 42' 12.976 W 103° 42' 12.906 W
4,800.0		144.77	4,789.6	-170.8	120.6	11,768,758.57	2,040,368.25	32° 24' 52.330 N	103° 42' 12.836 W
4,900.0		144.77	4,889.0	-179.3	126.6	11,768,750.10	2,040,374.38	32° 24' 52.246 N	103° 42' 12.765 W
5,000.0		144.77	4,988.5	-187.9	132.7	11,768,741.64	2,040,380.52	32° 24' 52.161 N	103° 42' 12.695 W
5,100.0		144.77	5,087.9	-196.4	138.7	11,768,733.17	2,040,386.65	32° 24' 52.077 N	103° 42' 12.624 W
5,200.0		144.77	5,187.4	-204.9	144.7	11,768,724.71	2,040,392.78	32° 24' 51.992 N	103° 42' 12.554 W
5,300.0		144.77	5,286.9	-213.5	150.8	11,768,716.25	2,040,398.92	32° 24' 51.908 N	103° 42' 12.484 W
5,400.0	6.00	144.77	5,386.3	-222.0	156.8	11,768,707.78	2,040,405.05	32° 24' 51.823 N	103° 42' 12.413 W
5,500.0	6.00	144.77	5,485.8	-230.6	162.8	11,768,699.32	2,040,411.18	32° 24' 51.739 N	103° 42' 12.343 W
5,600.0	6.00	144.77	5,585.2	-239.1	168.9	11,768,690.85	2,040,417.31	32° 24' 51.654 N	103° 42' 12.273 W
5,700.0		144.77	5,684.7	-247.6	174.9	11,768,682.39	2,040,423.45	32° 24' 51.570 N	103° 42' 12.202 W
5,800.0		144.77	5,784.1	-256.2	180.9	11,768,673.92	2,040,429.58	32° 24' 51.485 N	103° 42' 12.132 W
5,900.0		144.77	5,883.6	-264.7	186.9	11,768,665.46	2,040,435.71	32° 24' 51.401 N	103° 42' 12.062 W
6,000.0		144.77	5,983.0	-273.3	193.0	11,768,656.99	2,040,441.85	32° 24' 51.316 N	103° 42' 11.991 W
6,100.0		144.77	6,082.5	-281.8	199.0	11,768,648.53	2,040,447.98	32° 24' 51.232 N	103° 42' 11.921 W
6,200.0		144.77	6,181.9	-290.3	205.0	11,768,640.06	2,040,454.11	32° 24' 51.147 N	103° 42' 11.851 W
6,300.0		144.77	6,281.4	-298.9	211.1	11,768,631.60	2,040,460.25	32° 24' 51.063 N	103° 42' 11.780 W
6,400.0		144.77	6,380.8 6,480.3	-307.4	217.1	11,768,623.14	2,040,466.38	32° 24' 50.978 N	103° 42' 11.710 W
6,500.0 6,600.0		144.77 144.77	6,480.3 6,579.7	-315.9 -324.5	223.1 229.2	11,768,614.67 11,768,606.21	2,040,472.51 2,040,478.64	32° 24' 50.894 N 32° 24' 50.809 N	103° 42' 11.640 W 103° 42' 11.569 W
0,000.0	0.00	144.77	0,079.7	-524.3	229.2	11,700,000.21	2,040,470.04	JZ 24 JU.009 N	105 42 11.009 W

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Company	NEW MEXICO	Local Co-ordinate Reference:	Well CHEDDAR FED COM 401H
Company:			
Project:	LEA	TVD Reference:	RKB=3665.1+25 @ 3690.0usft
Site:	CHEDDAR	MD Reference:	RKB=3665.1+25 @ 3690.0usft
Well:	CHEDDAR FED COM 401H	North Reference:	True
Wellbore:	CHEDDAR FED COM 401H	Survey Calculation Method:	Minimum Curvature
Design:	PWP0	Database:	Centennial EDM SQL Server

Planned Survey

Measured Depth (usft)	Inclination		Vertical Depth (usft)	+N/-S	+E/-W	Map Northing (usft)	Map Easting (usft)	L otión do	Longitudo
	(°)	(°)		(usft)	(usft)			Latitude	Longitude
6,700.0		144.77	6,679.2	-333.0	235.2	11,768,597.74	2,040,484.78	32° 24' 50.725 N	103° 42' 11.499 W
6,800.0		144.77	6,778.6	-341.6	241.2	11,768,589.28	2,040,490.91	32° 24' 50.640 N	103° 42' 11.428 W
6,900.0		144.77	6,878.1	-350.1	247.2	11,768,580.81	2,040,497.04	32° 24' 50.556 N	103° 42' 11.358 W
7,000.0		144.77	6,977.5 7.077.0	-358.6	253.3	11,768,572.35	2,040,503.18	32° 24' 50.471 N	103° 42' 11.288 W
7,100.0 7,200.0		144.77 144.77	7,077.0 7,176.4	-367.2 -375.7	259.3 265.3	11,768,563.88 11,768,555.42	2,040,509.31 2,040,515.44	32° 24' 50.387 N 32° 24' 50.302 N	103° 42' 11.217 W 103° 42' 11.147 W
7,300.0		144.77	7,170.4	-384.2	205.5	11,768,546.95	2,040,513.44	32° 24' 50.502 N 32° 24' 50.218 N	103° 42' 11.147 W
7,400.0		144.77	7,375.3	-392.8	277.4	11,768,538.49	2,040,527.71	32° 24' 50.133 N	103° 42' 11.006 W
7,500.0		144.77	7,474.8	-401.3	283.4	11,768,530.02	2,040,533.84	32° 24' 50.049 N	103° 42' 10.936 W
7,600.0		144.77	7,574.3	-409.9	289.4	11,768,521.56	2,040,539.97	32° 24' 49.964 N	103° 42' 10.866 W
7,700.0		144.77	7,673.7	-418.4	295.5	11,768,513.10	2,040,546.11	32° 24' 49.880 N	103° 42' 10.795 W
7,800.0	6.00	144.77	7,773.2	-426.9	301.5	11,768,504.63	2,040,552.24	32° 24' 49.795 N	103° 42' 10.725 W
7,900.0	6.00	144.77	7,872.6	-435.5	307.5	11,768,496.17	2,040,558.37	32° 24' 49.711 N	103° 42' 10.655 W
8,000.0	6.00	144.77	7,972.1	-444.0	313.6	11,768,487.70	2,040,564.51	32° 24' 49.626 N	103° 42' 10.584 W
8,100.0		144.77	8,071.5	-452.6	319.6	11,768,479.24	2,040,570.64	32° 24' 49.542 N	103° 42' 10.514 W
8,200.0		144.77	8,171.0	-461.1	325.6	11,768,470.77	2,040,576.77	32° 24' 49.457 N	103° 42' 10.444 W
8,300.0		144.77	8,270.4	-469.6	331.7	11,768,462.31	2,040,582.90	32° 24' 49.373 N	103° 42' 10.373 W
8,350.0		144.77	8,320.1	-473.9	334.7	11,768,458.08	2,040,585.97	32° 24' 49.330 N	103° 42' 10.338 W
8,400.0		144.77	8,369.9	-478.0	337.6	11,768,454.02	2,040,588.91	32° 24' 49.290 N	103° 42' 10.304 W
8,500.0		144.77	8,469.5	-485.1	342.6	11,768,446.96	2,040,594.02	32° 24' 49.219 N	103° 42' 10.246 W
8,600.0		144.77	8,569.3	-490.8	346.6	11,768,441.31	2,040,598.12 2,040,601.19	32° 24' 49.163 N 32° 24' 49.121 N	103° 42' 10.199 W
8,700.0 8,800.0		144.77 144.77	8,669.1 8,769.1	-495.1 -497.9	349.6 351.6	11,768,437.07 11,768,434.25	2,040,601.19	32°24′49.121 N 32°24′49.093 N	103° 42' 10.163 W 103° 42' 10.140 W
8,800.0		144.77	8,869.0	-497.9 -499.4	351.0	11,768,432.84	2,040,603.23	32° 24' 49.093 N 32° 24' 49.078 N	103° 42' 10.140 W
8,950.0		0.00	8,919.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,000.0		0.00	8,969.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,100.0		0.00	9,069.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,200.0		0.00	9,169.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,300.0		0.00	9,269.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,400.0		0.00	9,369.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,458.0	0.00	0.00	9,427.0	-499.5	352.8	11,768,432.66	2,040,604.39	32° 24' 49.077 N	103° 42' 10.127 W
9,500.0	4.20	359.26	9,469.0	-498.0	352.8	11,768,434.20	2,040,604.35	32° 24' 49.092 N	103° 42' 10.127 W
9,600.0		359.26	9,567.6	-482.0	352.6	11,768,450.16	2,040,603.95	32° 24' 49.250 N	103° 42' 10.129 W
9,700.0		359.26	9,661.9	-449.2	352.1	11,768,482.99	2,040,603.13	32° 24' 49.575 N	103° 42' 10.134 W
9,800.0		359.26	9,749.1	-400.5	351.5	11,768,531.70	2,040,601.91	32° 24' 50.057 N	103° 42' 10.142 W
9,900.0		359.26	9,826.5	-337.4	350.7	11,768,594.81	2,040,600.32	32° 24' 50.682 N	103° 42' 10.151 W
10,000.0		359.26	9,891.8	-261.8	349.7	11,768,670.39	2,040,598.43	32° 24' 51.430 N	103° 42' 10.163 W
10,100.0		359.26	9,942.9	-176.0	348.6	11,768,756.15	2,040,596.28	32° 24' 52.279 N	103° 42' 10.175 W
10,200.0		359.26	9,978.4	-82.6	347.4	11,768,849.48 11,768,947.56	2,040,593.95	32° 24' 53.203 N 32° 24' 54.174 N	103° 42' 10.190 W 103° 42' 10.204 W
10,300.0		359.26 359.26	9,997.1 10,000.0	15.5 73.4	346.1 345.4	11,769,005.43	2,040,591.49 2,040,590.04	32°24′54.174 N 32°24′54.747 N	103° 42' 10.204 W
10,358.0 10,400.0		359.20	10,000.0	115.4	345.4 344.8	11,769,047.43	2,040,590.04	32° 24' 55.162 N	103° 42' 10.213 W
10,400.0		359.29	10,000.0	215.4	343.6	11,769,147.40	2,040,586.53	32° 24' 56.152 N	103° 42' 10.219 W
10,600.0		359.32	10,000.0	315.4	342.4	11,769,247.37	2,040,584.10	32° 24' 57.142 N	103° 42' 10.248 W
10,700.0		359.34	10,000.0	415.3	341.2	11,769,347.34	2,040,581.72	32° 24' 58.131 N	103° 42' 10.262 W
10,800.0		359.37	10,000.0	515.3	340.1	11,769,447.31	2,040,579.38	32° 24' 59.121 N	103° 42' 10.275 W
10,900.0		359.39	10,000.0	615.3	339.0	11,769,547.29	2,040,577.09	32° 25' 0.111 N	103° 42' 10.287 W
11,000.0		359.42	10,000.0	715.3	338.0	11,769,647.26	2,040,574.83	32° 25' 1.100 N	103° 42' 10.300 W
11,100.0		359.44	10,000.0	815.3	337.0	11,769,747.24	2,040,572.62	32° 25' 2.090 N	103° 42' 10.311 W
11,200.0	90.00	359.46	10,000.0	915.3	336.0	11,769,847.21	2,040,570.45	32° 25' 3.080 N	103° 42' 10.322 W
11,300.0		359.49	10,000.0	1,015.3	335.1	11,769,947.19	2,040,568.33	32° 25' 4.069 N	103° 42' 10.333 W
11,400.0		359.51	10,000.0	1,115.3	334.2	11,770,047.17	2,040,566.24	32° 25' 5.059 N	103° 42' 10.343 W
11,500.0		359.54	10,000.0	1,215.3	333.4	11,770,147.15	2,040,564.20	32° 25' 6.049 N	103° 42' 10.353 W
11,600.0		359.56	10,000.0	1,315.3	332.6	11,770,247.13	2,040,562.20	32° 25' 7.038 N	103° 42' 10.362 W
11,700.0	90.00	359.59	10,000.0	1,415.3	331.9	11,770,347.11	2,040,560.25	32° 25' 8.028 N	103° 42' 10.371 W

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Page 4

Company:	NEW MEXICO	Local Co-ordinate Reference:	Well CHEDDAR FED COM 401H
Project:	LEA	TVD Reference:	RKB=3665.1+25 @ 3690.0usft
Site:	CHEDDAR	MD Reference:	RKB=3665.1+25 @ 3690.0usft
Well:	CHEDDAR FED COM 401H	North Reference:	True
Wellbore:	CHEDDAR FED COM 401H	Survey Calculation Method:	Minimum Curvature
Design:	PWP0	Database:	Centennial EDM SQL Server

Planned Survey

Measured Depth	Inclination		Vertical Depth	+N/-S	+E/-W	Map Northing	Map Easting		
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)	Latitude	Longitude
11,800.0	90.00	359.61	10,000.0	1,515.3	331.2	11,770,447.09	2,040,558.33	32° 25' 9.018 N	103° 42' 10.379 W
11,900.0		359.63	10,000.0	1,615.3	330.5	11,770,547.07	2,040,556.46	32° 25' 10.007 N	103° 42' 10.387 W
12,000.0		359.66	10,000.0	1,715.3	329.9	11,770,647.06	2,040,554.63	32° 25' 10.997 N	103° 42' 10.394 W
12,100.0		359.68	10,000.0	1,815.3	329.3	11,770,747.04	2,040,552.84	32° 25' 11.987 N	103° 42' 10.400 W
12,200.0		359.71	10,000.0	1,915.3	328.8	11,770,847.02	2,040,551.09	32° 25' 12.976 N	103° 42' 10.407 W
12,300.0		359.73	10,000.0	2,015.3	328.3	11,770,947.01	2,040,549.39	32° 25' 13.966 N	103° 42' 10.412 W
12,400.0		359.76	10,000.0	2,115.3	327.8	11,771,047.00	2,040,547.73	32° 25' 14.956 N	103° 42' 10.418 W
12,500.0		359.78	10,000.0	2,215.3	327.4	11,771,146.98	2,040,546.11	32° 25' 15.945 N	103° 42' 10.422 W
12,600.0 12,700.0		359.80 359.83	10,000.0 10,000.0	2,315.3 2,415.3	327.1 326.7	11,771,246.97 11,771,346.96	2,040,544.54 2,040,543.00	32° 25' 16.935 N 32° 25' 17.925 N	103° 42' 10.426 W 103° 42' 10.430 W
12,700.0		359.85	10,000.0	2,415.3	326.5	11,771,446.95	2,040,543.00	32° 25' 18.914 N	103° 42' 10.433 W
12,900.0		359.88	10,000.0	2,615.3	326.2	11,771,546.94	2,040,540.06	32° 25' 19.904 N	103° 42' 10.436 W
13,000.0		359.90	10,000.0	2,715.3	326.0	11,771,646.93	2,040,538.65	32° 25' 20.894 N	103° 42' 10.438 W
13,100.0		359.93	10,000.0	2,815.3	325.9	11,771,746.92	2,040,537.29	32° 25' 21.884 N	103° 42' 10.440 W
13,200.0		359.95	10,000.0	2,915.3	325.8	11,771,846.91	2,040,535.97	32° 25' 22.873 N	103° 42' 10.441 W
13,300.0		359.97	10,000.0	3,015.3	325.7	11,771,946.90	2,040,534.69	32° 25' 23.863 N	103° 42' 10.442 W
13,400.0		360.00	10,000.0	3,115.3	325.7	11,772,046.89	2,040,533.45	32° 25' 24.853 N	103° 42' 10.443 W
13,500.0	90.00	0.02	10,000.0	3,215.3	325.7	11,772,146.89	2,040,532.26	32° 25' 25.842 N	103° 42' 10.442 W
13,600.0	90.00	0.05	10,000.0	3,315.3	325.8	11,772,246.88	2,040,531.10	32° 25' 26.832 N	103° 42' 10.442 W
13,700.0	90.00	0.07	10,000.0	3,415.3	325.9	11,772,346.87	2,040,529.99	32° 25' 27.822 N	103° 42' 10.440 W
13,800.0	90.00	0.09	10,000.0	3,515.3	326.0	11,772,446.87	2,040,528.92	32° 25' 28.811 N	103° 42' 10.439 W
13,900.0		0.12	10,000.0	3,615.3	326.2	11,772,546.86	2,040,527.90	32° 25' 29.801 N	103° 42' 10.436 W
14,000.0		0.14	10,000.0	3,715.3	326.4	11,772,646.86	2,040,526.91	32° 25' 30.791 N	103° 42' 10.434 W
14,032.4		0.15	10,000.0	3,747.7	326.5	11,772,679.28	2,040,526.60	32° 25' 31.112 N	103° 42' 10.433 W
14,100.0		0.15	10,000.0	3,815.3	326.7	11,772,746.85	2,040,525.96	32° 25' 31.781 N	103° 42' 10.431 W
14,200.0		0.15	10,000.0	3,915.3	326.9	11,772,846.85	2,040,525.02	32° 25' 32.770 N	103° 42' 10.428 W
14,300.0		0.15	10,000.0	4,015.3	327.2	11,772,946.84	2,040,524.07	32° 25' 33.760 N	103° 42' 10.425 W
14,400.0 14,500.0		0.15 0.15	10,000.0 10,000.0	4,115.3 4,215.3	327.5 327.7	11,773,046.84 11,773,146.83	2,040,523.12 2,040,522.17	32° 25' 34.750 N 32° 25' 35.739 N	103° 42' 10.421 W 103° 42' 10.418 W
14,500.0		0.15	10,000.0	4,215.3	328.0	11,773,246.83	2,040,522.17	32° 25' 36.729 N	103° 42' 10.415 W
14,700.0		0.15	10,000.0	4,315.3	328.3	11,773,346.83	2,040,520.27	32° 25' 37.719 N	103° 42' 10.412 W
14,800.0		0.15	10,000.0	4,515.3	328.5	11,773,446.82	2,040,519.32	32° 25' 38.708 N	103° 42' 10.409 W
14,900.0		0.15	10,000.0	4,615.3	328.8	11,773,546.82	2,040,518.38	32° 25' 39.698 N	103° 42' 10.406 W
15,000.0		0.15	10,000.0	4,715.3	329.1	11,773,646.81	2,040,517.43	32° 25' 40.688 N	103° 42' 10.403 W
15,100.0		0.15	10,000.0	4,815.3	329.3	11,773,746.81	2,040,516.48	32° 25' 41.677 N	103° 42' 10.400 W
15,200.0		0.15	10,000.0	4,915.3	329.6	11,773,846.80	2,040,515.53	32° 25' 42.667 N	103° 42' 10.397 W
15,300.0	90.00	0.15	10,000.0	5,015.3	329.9	11,773,946.80	2,040,514.58	32° 25' 43.657 N	103° 42' 10.394 W
15,400.0	90.00	0.15	10,000.0	5,115.3	330.1	11,774,046.79	2,040,513.63	32° 25' 44.647 N	103° 42' 10.390 W
15,500.0	90.00	0.15	10,000.0	5,215.3	330.4	11,774,146.79	2,040,512.68	32° 25' 45.636 N	103° 42' 10.387 W
15,600.0		0.15	10,000.0	5,315.3	330.6	11,774,246.79	2,040,511.74	32° 25' 46.626 N	103° 42' 10.384 W
15,700.0		0.15	10,000.0	5,415.3	330.9	11,774,346.78	2,040,510.79	32° 25' 47.616 N	103° 42' 10.381 W
15,800.0		0.15	10,000.0	5,515.3	331.2	11,774,446.78	2,040,509.84	32° 25' 48.605 N	103° 42' 10.378 W
15,900.0		0.15	10,000.0	5,615.3	331.4	11,774,546.77	2,040,508.89	32° 25' 49.595 N	103° 42' 10.375 W
16,000.0		0.15	10,000.0	5,715.3	331.7	11,774,646.77	2,040,507.94	32° 25' 50.585 N	103° 42' 10.372 W
16,100.0		0.15	10,000.0	5,815.3	332.0	11,774,746.76	2,040,506.99	32° 25' 51.574 N	103° 42' 10.369 W
16,200.0		0.15	10,000.0	5,915.3	332.2	11,774,846.76	2,040,506.04	32° 25' 52.564 N	103° 42' 10.366 W
16,300.0		0.15	10,000.0	6,015.3	332.5	11,774,946.75	2,040,505.10	32° 25' 53.554 N	103° 42' 10.363 W
16,400.0 16,500.0		0.15 0.15	10,000.0 10,000.0	6,115.3 6,215.3	332.8 333.0	11,775,046.75 11,775,146.74	2,040,504.15 2,040,503.20	32° 25' 54.544 N 32° 25' 55.533 N	103° 42' 10.359 W 103° 42' 10.356 W
16,600.0		0.15	10,000.0	6,315.3	333.3	11,775,246.74	2,040,503.20	32° 25' 56.523 N 32° 25' 56.523 N	103° 42' 10.358 W
16,700.0		0.15	10,000.0	6,415.3	333.6	11,775,346.74	2,040,502.25	32° 25' 57.513 N	103° 42' 10.350 W
16,800.0		0.15	10,000.0	6,515.3	333.8	11,775,446.73	2,040,500.35	32° 25' 58.502 N	103° 42' 10.330 W
16,900.0		0.15	10,000.0	6,615.3	334.1	11,775,546.73	2,040,499.40	32° 25' 59.492 N	103° 42' 10.344 W
17,000.0		0.15	10,000.0	6,715.3	334.3	11,775,646.72	2,040,498.46	32° 26' 0.482 N	103° 42' 10.341 W
17,100.0		0.15	10,000.0	6,815.3	334.6	11,775,746.72	2,040,497.51	32° 26' 1.471 N	103° 42' 10.338 W

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Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
17,200.0	90.00	0.15	10,000.0	6,915.3	334.9	11,775,846.71	2,040,496.56	32° 26' 2.461 N	103° 42' 10.335 W
17,300.0	90.00	0.15	10,000.0	7,015.3	335.1	11,775,946.71	2,040,495.61	32° 26' 3.451 N	103° 42' 10.332 W
17,400.0		0.15	10,000.0	7,115.3	335.4	11,776,046.70	2,040,494.66	32° 26' 4.440 N	103° 42' 10.328 W
17,500.0	90.00	0.15	10,000.0	7,215.3	335.7	11,776,146.70	2,040,493.71	32° 26' 5.430 N	103° 42' 10.325 W
17,600.0	90.00	0.15	10,000.0	7,315.3	335.9	11,776,246.70	2,040,492.76	32° 26' 6.420 N	103° 42' 10.322 W
17,700.0	90.00	0.15	10,000.0	7,415.3	336.2	11,776,346.69	2,040,491.82	32° 26' 7.410 N	103° 42' 10.319 W
17,800.0		0.15	10,000.0	7,515.3	336.5	11,776,446.69	2,040,490.87	32° 26' 8.399 N	103° 42' 10.316 W
17,900.0		0.15	10,000.0	7,615.3	336.7	11,776,546.68	2,040,489.92	32° 26' 9.389 N	103° 42' 10.313 W
18,000.0		0.15	10,000.0	7,715.3	337.0	11,776,646.68	2,040,488.97	32° 26' 10.379 N	103° 42' 10.310 W
18,100.0		0.15	10,000.0	7,815.3	337.3	11,776,746.67	2,040,488.02	32° 26' 11.368 N	103° 42' 10.307 W
18,200.0		0.15	10,000.0	7,915.3	337.5	11,776,846.67	2,040,487.07	32° 26' 12.358 N	103° 42' 10.304 W
18,300.0		0.15	10,000.0	8,015.3	337.8	11,776,946.66	2,040,486.12	32° 26' 13.348 N	103° 42' 10.300 W
18,400.0		0.15	10,000.0	8,115.3	338.0	11,777,046.66	2,040,485.18	32° 26' 14.337 N	103° 42' 10.297 W
18,500.0		0.15	10,000.0	8,215.3	338.3	11,777,146.65	2,040,484.23	32° 26' 15.327 N	103° 42' 10.294 W
18,600.0		0.15	10,000.0	8,315.3	338.6	11,777,246.65	2,040,483.28	32° 26' 16.317 N	103° 42' 10.291 W
18,700.0		0.15	10,000.0	8,415.3	338.8	11,777,346.65	2,040,482.33	32° 26' 17.307 N	103° 42' 10.288 W
18,800.0		0.15	10,000.0	8,515.3	339.1	11,777,446.64	2,040,481.38	32° 26' 18.296 N	103° 42' 10.285 W
18,900.0		0.15	10,000.0	8,615.3	339.4	11,777,546.64	2,040,480.43	32° 26' 19.286 N	103° 42' 10.282 W
19,000.0		0.15	10,000.0	8,715.3	339.6	11,777,646.63	2,040,479.48	32° 26' 20.276 N	103° 42' 10.279 W
19,100.0		0.15	10,000.0	8,815.3	339.9	11,777,746.63	2,040,478.54	32° 26' 21.265 N	103° 42' 10.276 W
19,200.0		0.15	10,000.0	8,915.3	340.2	11,777,846.62	2,040,477.59	32° 26' 22.255 N	103° 42' 10.273 W
19,300.0		0.15	10,000.0	9,015.3	340.4	11,777,946.62	2,040,476.64	32° 26' 23.245 N	103° 42' 10.269 W
19,400.0		0.15	10,000.0	9,115.3	340.7	11,778,046.61	2,040,475.69	32° 26' 24.234 N	103° 42' 10.266 W
19,500.0		0.15	10,000.0	9,215.3	341.0	11,778,146.61	2,040,474.74	32° 26' 25.224 N	103° 42' 10.263 W
19,600.0		0.15	10,000.0	9,315.3	341.2	11,778,246.61	2,040,473.79	32° 26' 26.214 N	103° 42' 10.260 W
19,700.0		0.15	10,000.0	9,415.3	341.5	11,778,346.60	2,040,472.84	32° 26' 27.203 N	103° 42' 10.257 W
19,800.0		0.15	10,000.0	9,515.3	341.7	11,778,446.60	2,040,471.90	32° 26' 28.193 N	103° 42' 10.254 W
19,900.0		0.15	10,000.0	9,615.3	342.0	11,778,546.59	2,040,470.95	32° 26' 29.183 N	103° 42' 10.251 W
20,000.0		0.15	10,000.0	9,715.3	342.3	11,778,646.59	2,040,470.00	32° 26' 30.173 N	103° 42' 10.248 W
20,100.0		0.15	10,000.0	9,815.3	342.5	11,778,746.58	2,040,469.05	32° 26' 31.162 N	103° 42' 10.245 W
20,139.4	90.00	0.15	10,000.0	9,854.7	342.6	11,778,785.98	2,040,468.68	32° 26' 31.552 N	103° 42' 10.243 W

Design Targets Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
LTP/BHL - CHEDDAI - plan hits target o - Point		0.00	10,000.0	9,854.7	342.6	11,778,785.98	2,040,468.68	32° 26' 31.552 N	103° 42' 10.243 W
FTP - CHEDDAR FE - plan misses targ - Circle (radius 50	get center by		10,000.0 t 9900.0usf	-500.8 t MD (9826.9		11,768,431.37 7.4 N, 350.7 E)	2,040,604.02	32° 24' 49.064 N	103° 42' 10.131 W

Checked By: _____ Approved By: _____ Date: ____

Centennial Resource Development New Mexico Multi-Well Pad Drilling Batch Setting Procedures

> Avalon and Bone Springs Formations

<u>13-3/8"</u> Surface Casing - CRD intends to preset 13-3/8" casing to a depth approved in the APD. 17-1/2" Surface Holes will be batch drilled by a Surface Preset rig. Appropriate notifications will be made prior to spudding the well, running and cementing casing and prior to skidding to the rig to the next well on pad.

- 1. Drill 17-1/2" Surface hole to Approved Depth with Surface Preset Rig and perform wellbore cleanup cycles. Trip out and rack back drilling BHA.
- 2. Run and land 13-3/8" 54.5# J55 BTC casing to depth approved in APD.
- 3. Cement 13-3/8" casing with cement to surface and floats holding.
- 4. Cut / Dress 20" Conductor and 13-3/8" casing as needed, weld on Cameron Multi-bowl system with baseplate supported by 20" conductor (see Illustration 1-1 Below). Weld performed per Cameron weld procedure.
- 5. Test Weld to 70% of 13-3/8" casing collapse or ~ 790psi.
- 6. Install nightcap with Pressure Gauge on wellhead. Nightcap is shown on final wellhead Stack up Illustration #2-2 page 3.
- 7. Skid Rig to adjacent well to drill Surface hole.
- 8. Surface casing test will be performed by the Big Rig in order to allow ample time for Cement to develop 500psi compressive strength. Casing test to 0.22 psi/ft or 1500 psi whichever is greater not to exceed 70% casing burst.

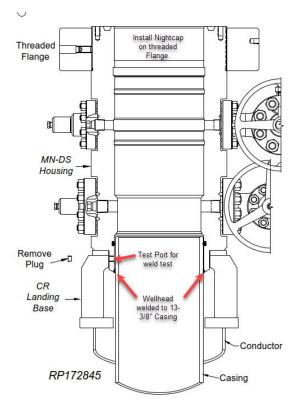


Illustration 1-1

 Intermediate and Production Casing – For all subsequent Intermediate and Production Casing Strings, the Big Rig will remove the nightcap and install and test BOPE. Prior to drill out the 13-3/8" Casing will be tested to 0.22psi/ft or 1500psi whichever is greater. The well will be drilled below 13-3/8" to its intended final TD in the Avalon or Bonesprings formations. Batch drilling will not be executed for casing strings below the 13-3/8". Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings. The

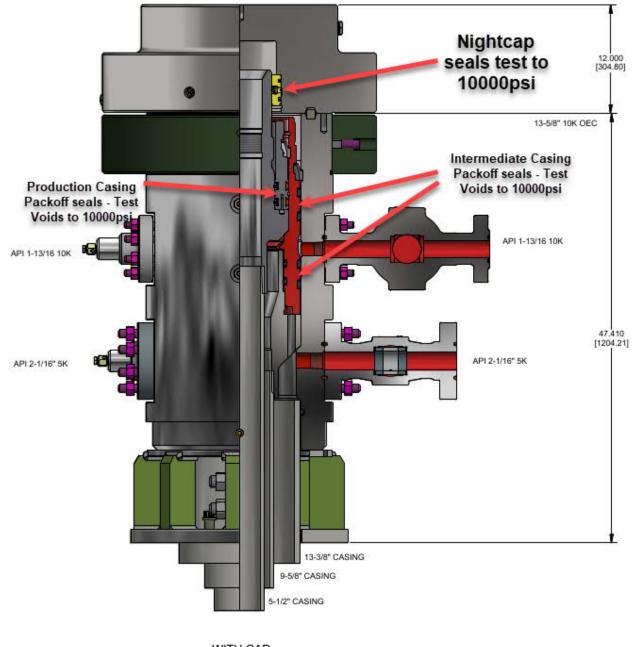
> Wolfcamp Formations

<u>13-3/8" Surface Casing</u> - CRD intends to preset 13-3/8" casing to a depth approved in the APD. Surface Holes will be batch set by a Surface Preset rig. Appropriate notifications will be made prior to spudding the well, running and cementing casing and prior to skidding to the rig to the next well on pad.

- 1. Drill 17-1/2" Surface hole to Approved Depth with Surface Preset Rig and perform wellbore cleanup cycles. Trip out and rack back drilling BHA.
- 2. Run and land 13-3/8" 54.5# J55 BTC casing to depth approved in APD.
- 3. Cement 13-3/8" casing with cement to surface and floats holding.
- 4. Cut / Dress 20" Conductor and 13-3/8" casing as needed, weld on Cameron Multi-bowl system with baseplate supported by 20" conductor (see Illustration 1-1). Weld performed per Cameron weld procedure.
- 5. Test Weld to 70% of 13-3/8" casing collapse or ~ 790psi.
- 6. Install nightcap with Pressure Gauge on wellhead. Nightcap is shown on final wellhead Stack up Illustration #2-2 on page 3.
- 7. Subsequent casing test will be performed by the Big Rig in order to allow ample time for Cement to develop 500psi compressive strength. Casing test to 0.22 psi/ft or 1500 psi whichever is greater not to exceed 70% casing burst.

<u>Intermediate Casing</u> – CRD intends to Batch set all intermediate casing strings to a depth approved in the APD, typically set 100' above KOP in the 3rd Bonesprings Carbonate. For the last intermediate section drilled on pad, the associated production interval will immediately follow. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

- 1. Big Rig will remove the nightcap and install and test BOPE.
- 2. Test Surface casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
- 3. Install wear bushing then drill out 13-3/8" shoe-track plus 20' and conduct FIT to minimum of the MW equivalent anticipated to control the formation pressure to the next casing point.
- 4. Drill Intermediate hole to approved casing point. Trip out of hole with BHA to run Casing.
- 5. Remove wear bushing then run and land Intermediate Casing with mandrel hanger in wellhead.
- 6. Cement casing to surface with floats holding.
- 7. Washout stack then run wash tool in wellhead and wash hanger and pack-off setting area.
- 8. Install pack-off and test void to 10000 psi for 15 minutes. Nightcap shown on final wellhead stack up illustration 2-2 on page 3.
- 9. Test casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
- 10. Install nightcap skid rig to adjacent well to drill Intermediate hole.



WITH CAP Illustration 2-2

<u>Production Casing</u> – CRD intends to Batch set all Production casings, except for the last intermediate hole. In this case the production interval will immediately follow the intermediate section on that well. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

- 1. Big Rig will remove the nightcap and install and test BOPE.
- 2. Install wear bushing then drill Intermediate shoe-track plus 20' and conduct FIT to minimum MW equivalent to control the formation pressure to TD of well.
- 3. Drill Vertical hole to KOP Trip out for Curve BHA.
- 4. Drill Curve, landing in production interval Trip for Lateral BHA.

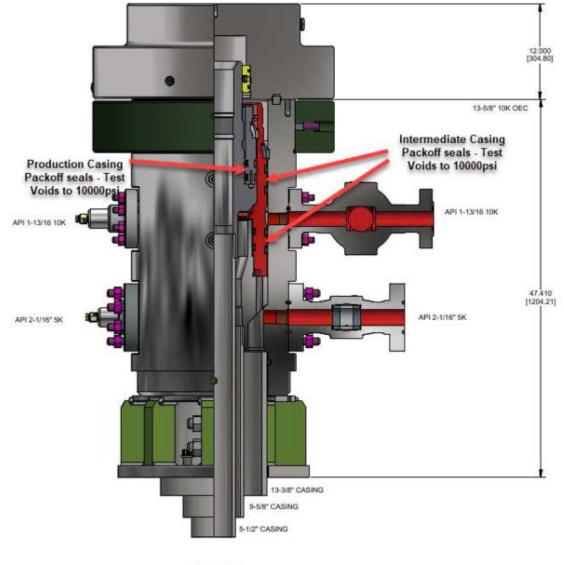
- 5. Drill Lateral / Production hole to Permitted BHL, perform cleanup cycles and trip out to run 5-1/2" Production Casing.
- 6. Remove wear bushing then run 5-1/2" production casing to TD landing casing mandrel in wellhead.
- 7. Cement 5-1/2" Production string to surface with floats holding.
- 8. Run in with wash tool and wash wellhead area install pack-off and test void to 10000psi for 15 minutes.
- 9. Install BPV in 5-1/2" mandrel hanger Nipple down BOPE and install nightcap.
- 10. Test nightcap void to 10000psi for 30 minutes per illustration 2-2 page 3.
- 11. Skid rig to adjacent well on pad to drill production hole.

Cheddar Fed Com 401H

Centennial Drilling Plan for 3-Casing String Bone Springs Formation

13-3/8" x 9-5/8" x 5-1/2" Casing Design

- 1. Drill 17-1/2" surface hole to Total Depth with Spudder Rig and perform wellbore cleanup cycles.
- 2. Run and land 13-3/8" casing to Depth.
- 3. Cement 13-3/8" casing cement to surface.
- 4. Cut / Dress Conductor and 13-3/8" casing as needed, weld on Multi-bowl system with baseplate supported by 20" conductor.
- 5. Test Weld to 70% of 13-3/8" casing collapse. Place nightcap with Pressure Gauge on wellhead and test seals to 70% of Casing Collapse.
- 6. Bleed Pressure if necessary and remove nightcap. Nipple up and test BOPE with test plug per Onshore Order 2.
- 7. Test casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
- 8. Install wear bushing then drill out 13-3/8" shoe-track plus 20' and conduct FIT to minimum of the MW equivalent anticipated to control the formation pressure to the next casing point.
- 9. Drill 12-1/4" Intermediate hole to 9-5/8" casing point. (Base Capitan Reef).
- 10. Remove wear bushing then run and land 9-5/8" Intermediate Casing with mandrel hanger in wellhead.
- 11. Cement 9-5/8 casing cement to surface.
- 12. Washout stack then run wash tool in wellhead and wash hanger and pack-off setting area.
- 13. Install pack-off and test to 5000 psi for 15 minutes.
 - a. Test casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
- 14. Install wear bushing then drill out 9-5/8" shoe-track plus 20' and conduct FIT to minimum MW equivalent to control the formation pressure to TD of well.
- 15. Drill 8-3/4" Vertical hole to KOP Trip out for Curve BHA.
- 16. Drill 8-3/4" Curve, landing in production interval Trip for Lateral BHA.
- 17. Drill 8-1/2" Lateral to Permitted BHL, perform cleanup cycles and trip out to run 5-1/2" Production Casing.
- 18. Remove wear bushing then run 5-1/2" production casing to TD landing casing mandrel in wellhead.
- 19. Cement 5-1/2" Production string to surface.
- 20. Run in with wash tool and wash wellhead area install pack-off and test to 5000psi for 15 minutes.
- 21. Install BPV in 5-1/2" mandrel hanger Nipple down BOPE and install nightcap.
- 22. Test nightcap void to 5000psi for 30 minutes.



WITH CAP

GEOLOGIC PROG

Page 51	of	68
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			WELL	NAME	Cheddar Federal (Com 401H	8/28/	2020	
	-0		AR		Burratta	API			
	ENTENNIAL		HZ TA	RGET	SBSG Shale	WI %			
LENI	IENr	IAL	LAT LE		10,000	AFE#			
RESOURCE	E DEVELOPM	ent, llc	TRRC P			COUNTY	COUNTY Lea		
	TWNP	RNG	SECT	ION	FOOTAGE		COMMENT		
SHL	22S	32E	5		603' FSL, 440' FWL		ease. Drill St	o N.	
FTP/PP	22S	32E	Ę	-)	100' FSL, 792' FWL				
LTP	21S	32E	3	2	100' FNL, 792' FWL				
BHL	215	32E	3		100' FNL, 792' FWL				
			GROUN	D LEVEL	3,665' RIG KB	26'	KB ELEV	3,691	
GEOLOGIST	Isabel I	Harper			@cdevinc.com		03) 589-884	-	
LOGG					No open hole loggin		/		
		N	IWD GR from		of surface casing to T	5			
MUDLO	GGING				ud logging and mud).		
		Mud			ut of surface casing t				
FC	ORMATION		TVD	SSTVD	THICKNESS	1	FINAL TVD	DELTA	
	Rustler		743'	2,948'	3,900'			22217	
	Salado		916'	2,775'	3,811'				
BX BLM (F	letcher Anl	nvdrite)	3,393'	298'	2,131'				
(Lamar	.j,	4,643'	-952'	84'				
В	ell Canyon		4,727'	-1,036'	797'				
	erry Canyor	1	5,524'	-1,833'	230'				
	nzanita Lim		5,754'	-2,063'	1,100'				
	ushy Canyor		6,854'	-3,163'	1,727'				
	e Spring Lin		8,581'	-4,890'	152'				
-	Avalon	-	8,733'	-5,042'	887'				
F	BSG Sand		9,620'	-5,929'	264'				
	BSG Shale		9,884'	-6,193'	405'				
	BSG Sand		10,289'	-6,598'	454'				
1	BSG Carb		10,743'	-7,052'	529'				
	BSG Sand		11,272'	-7,581'					
Targ	et Top at O'	VS	10,074'	-6,383'	77'				
Targe	t Base at O'	VS	10,151'	-6,460'					
0									
HZ TA	RGET AT 0	VS	10,101'	-6,410'					
TARGET:	KBTVD = 10),101' at VS	S, INC = 90.0) deg					
	Target Win			5					
COMMENT:	<u> </u>								

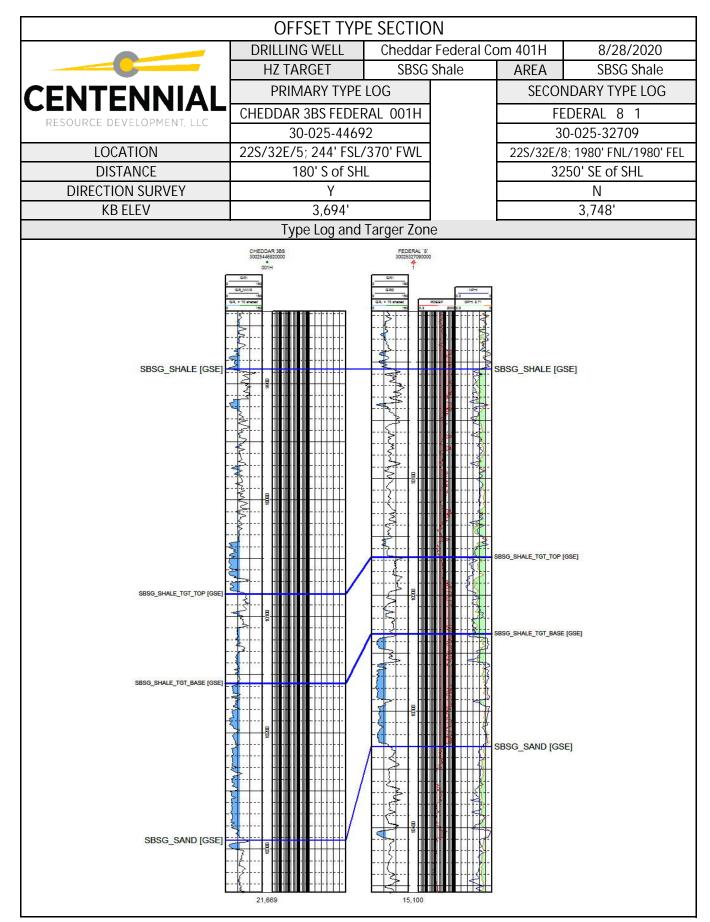
GEOLOGIC PROG

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	O	FSET TY	PE WELL	S			
	DRILLIN	G WELL	Cheddai	Federal C	om 401H	H 8/28/2020	
	HZ TA	RGET	SBSG	Shale	AREA	Burratta	
CENTENNIAL	PRIM	IARY TYPE	LOG		SECON	NDARY TYP	e log
	CHEDDAR	3BS FEDER	AL 001H		FE	DERAL 8	1
RESOURCE DEVELOPMENT, LLC	30)-025-4469	2		30	0-025-3270	9
LOCATION	22S/32E/	5; 244' FSL/3	370' FWL		22S/32E/8	3; 1980' FNL/	'1980' FEL
DISTANCE	1	80' S of SHI		1	32	50' SE of SI	ΗL
DIRECTION SURVEY		Y				Ν	
KB ELEV		3,694'				3,748'	
FORMATION	TVD	SSTVD	DELTA		TVD	SSTVD	DELTA
Rustler	746'	2,948'			722'	3,026'	
Salado	919'	2,775'			894'	2,854'	
Lamar	4,646'	-952'			4,701'	-953'	
Bell Canyon	4,730'	-1,036'	797'		4,768'	-1,020'	830
Cherry Canyon	5,527'	-1,833'	230'		5,604'	-1,856'	23
Manzanita Lime	5,757'	-2,063'	1,100'		5,839'	-2,091'	1,10
Brushy Canyon	6,857'	-3,163'	1,727'		6,944'	-3,196'	1,70
Bone Spring Lime	8,584'	-4,890'	152'		8,645'	-4,897'	192
Avalon	8,736'	-5,042'	887'		8,837'	-5,089'	91
FBSG Sand	9,623'	-5,929'	264'		9,751'	-6,003'	25
SBSG Shale	9,887'	-6,193'	405'		10,006'	-6,258'	32
SBSG Sand	10,292'	-6,598'	454'		10,330'	-6,582'	48
TBSG Carb	10,746'	-7,052'	529'		10,818'	-7,070'	59
TBSG Sand	11,275'	-7,581'			11,409'	-7,661'	42
WFMP					11,832'	-8,084'	
Casing Details							
13 3/8	728'			13 3/8	818'		
9 5/8	4,501'			9 5/8	4,560'		
5 1/2	21,661'			7	12,555'		
Reservoir Top	10,081'	-6,387'	77'		10,167'	-6,419'	6
Reservoir Base	10,081	-6,387	11		10,187	-6,419	0
	10,100	-0,404			10,233	-0,400	
Comments							

OFFSET TYPE WELLS							
	DRILLING WELL	Cheddai	r Federal C	om 401H	8/28/2020		
	HZ TARGET	SBSG	Shale	AREA	Burratta		
CENTENNIAL	PRIMARY TYPE	LOG		SECONDARY TYPE LOG			
RESOURCE DEVELOPMENT, LLC	CHEDDAR 3BS FEDERAL 001H			FE	FEDERAL 8 1		
RESOURCE DEVELOPMENT, ELC	30-025-44692			30-025-32709			
LOCATION	22S/32E/5; 244' FSL/	′370' FWL		22S/32E/8; 1980' FNL/1980' FI			
DISTANCE	180' S of SH	L		3250' SE of SHL			
DIRECTION SURVEY	Y		Y		Ν		
KB ELEV	3,694'				3,748'		
	LOCATION & STI	RUCTURE	ЛАР				

WFMP SS Structure Map



•

		MUD LO	G DISTRI	BUTION E	DETAILS		
		WELL	NAME	Cheddar	Federal Co	om 401H	8/28/2020
		AR	REA	Burr		API	
CENTE			ARGET	SBSG		WI %	
			ENGTH	100	00	AFE#	
RESOURCE DEVE	LOPMENI, LLC		PERMIT			COUNTY	
GEOLOGIST Isa	abel Harper			@cdevinc.co	m	(303) 589-8841
		Ν		g Company			
			TB				
TBD				<u>3D</u>			TBD
Contac				nail			phone
Contac				nail			phone
geodata@cdevinc.co		5		quirements			
		Dai	ily email dis	stribution lis	st		
		Final dis	stribution c	lata require	ments		
		Final dis		·	ments		
Contact Info	ormation		Final distril	bution list		I data	Cuttings
Contact Info		Reports	Final distril	bution list Copies		I data	Cuttings
Contact Info Centennial F Development, c/o 1001 17th street	Resource Joe Woodske,		Final distril Hard (2 copies Vertical, 2	bution list	Digita	I data inal set	Cuttings
Centennial F Development, c/o	Resource 9 Joe Woodske, t, Suite 1800,	Reports email	Final distril Hard (2 copies Vertical, 2	bution list Copies of 5" MD 2 copies of	Digita		
Centennial F Development, c/o 1001 17th street	Resource) Joe Woodske, t, Suite 1800, South County	Reports email	Final distril Hard (2 copies Vertical, 2	bution list Copies of 5" MD 2 copies of	Digita		Cuttings No Dried Samples to be Collected
Centennial F Development, c/o 1001 17th street SCAL, Inc., 2613 Road 1257, Midla MWD Only: Cente Development,	Resource) Joe Woodske, t, Suite 1800, South County and, TX 79706 ennial Resource , c/o Sarah	Reports email	Final distril Hard (2 copies Vertical, 2 5" Horizo 2 copies MD verti	bution list Copies of 5" MD 2 copies of	Digita email f		No Dried Samples to
Centennial F Development, c/o 1001 17th street SCAL, Inc., 2613 Road 1257, Midla MWD Only: Cente Development, Ferreyros, 1001 17	Resource o Joe Woodske, t, Suite 1800, South County and, TX 79706 ennial Resource , c/o Sarah 7th street, Suite gist: Isabel Harp	Reports email final set email final set	Final distril Hard (2 copies Vertical, 2 5" Horizo 2 copies MD verti	bution list Copies of 5" MD 2 copies of ontal and of the 5" cal logs 2 of the 5"	Digita email f email f	inal set inal set Brandon I	No Dried Samples to be Collected
Centennial F Development, c/o 1001 17th street SCAL, Inc., 2613 3 Road 1257, Midla MWD Only: Cente Development, Ferreyros, 1001 17 Project Geolog Operations Geolog	Resource o Joe Woodske, t, Suite 1800, South County and, TX 79706 ennial Resource , c/o Sarah 7th street, Suite gist: Isabel Harp	Reports email final set email final set	Final distril Hard (2 copies Vertical, 2 5" Horizo 2 copies MD verti	bution list Copies of 5" MD 2 copies of ontal and of the 5" cal logs 2 of the 5" Pr Sur	Digita email f	inal set inal set Brandon I Bailey Jop	No Dried Samples to be Collected Morin



ContiTech

CONTITECH RUBBER	No:QC-DB- 210/ 2014		
Industrial Kft.	Page:	9 / 113	

QUA INSPECTION	LITY CON		ATE	CERT. I	1 °:	504	
PURCHASER:	ContiTech	Oil & Marine C	orp.	P.O. N°:		4500409659	
CONTITECH RUBBER order N	•: 538236	HOSE TYPE:	3" ID	Choke and Kill Hose			
HOSE SERIAL N°:	67255	NOMINAL / ACT	UAL LENGTH	l:	10,67 m	/ 10,77 m	
W.P. 68,9 MPa 10)000 psi	T.P. 103,4	MPa 150	00 psi	Duration:	60	min.
Pressure test with water at ambient temperature See attachment. (1 page) ↑ 10 mm = 10 Min.							
\rightarrow 10 mm = 20 MPa COUPLINGS Typ	-	Serial	N°	G	uality	Heat N°	
3" coupling with	1	9251	9254	AIS	SI 4130	A0579N	
4 1/16" 10K API b.w. Fl	ange end			AIS	SI 4130	035608	
Not Designed F	or Well Te	esting			A	PI Spec 16 C	
All metal parts are flawless	All metal parts are flawless						
WE CERTIFY THAT THE ABOVE					H THE TERMS	OF THE ORDER	
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements. COUNTRY OF ORIGIN HUNGARY/EU							
Date: 20. March 2014.	Inspector		Quality Contr	rol	Conditionh Industria Quality Cont	l Kft.	L

ContiTech Rubber Industrial Kft. | Budapesti út 10. H-6728 Szeged | H-6701 P.O.Box 152 Szeged, Hungary Phone: +36 62 566 737 | Fax: +36 62 566 738 | e-mail: info@fluid.contitech.hu | Internet: www.contitech-rubber.hu; www.contitech.hu The Court of Coorgan County as Registry Court | Registry Court No: Cg.06-09-002502 | EU VAT No: HU11087209 Released topLinegragement top:// Budgest 9/12/01/8-26830003

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE

No: 501, 504, 505 Page: 1/1

	C:nii.c: Rubber C:nii.c: Rubber 01:20 01:20 01:20 01:10 01:10 01:00 00 00:000
GN +21.38 90 BL +1059. bar GN +21.36 90 RD +21.36 90 BL +1061. bar GN +21.35 90 RD +21.30 90 BL +1064. bar BL +1064. bar	00: #0 00: 40 00: 40 00: 20
19-03-2014- 29:50 67252-67255-67256 23	

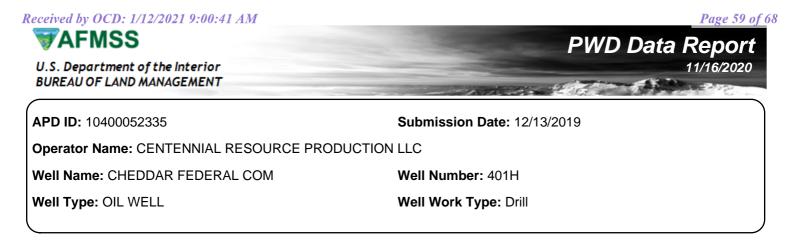


	No:QC-DB- 210/ 2014			
Industrial Kft.	Page:	15 / 113		

ContiTech

Hose Data Sheet

CRI Order No.	538236
Customer	ContiTech Oil & Marine Corp.
Customer Order No	4500409659
Item No.	1
Hose Type	Flexible Hose
Standard	API SPEC 16 C
Inside dia in inches	3
Length	35 ft
Type of coupling one end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
Type of coupling other end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	USUAL PHOENIX
Cover	NOT FIRE RESISTANT
Outside protection	St.steel outer wrap
Internal stripwound tube	No
Lining	OIL + GAS RESISTANT SOUR
Safety clamp	No
Lifting collar	No
Element C	No
Safety chain	No
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
Min. Bend Radius operating [m]	0,90
Min. Bend Radius storage [m]	0,90
Electrical continuity	The Hose is electrically continuous
Type of packing	WOODEN CRATE ISPM-15



Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? N Produced Water Disposal (PWD) Location: **PWD surface owner:** Lined pit PWD on or off channel: Lined pit PWD discharge volume (bbl/day): Lined pit specifications: Pit liner description: Pit liner manufacturers information: Precipitated solids disposal: Decribe precipitated solids disposal: Precipitated solids disposal permit: Lined pit precipitated solids disposal schedule: Lined pit precipitated solids disposal schedule attachment: Lined pit reclamation description: Lined pit reclamation attachment: Leak detection system description: Leak detection system attachment:

PWD disturbance (acres):

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Lined pit Monitor description: Lined pit Monitor attachment: Lined pit: do you have a reclamation bond for the pit? Is the reclamation bond a rider under the BLM bond? Lined pit bond number: Lined pit bond amount: Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): PWD surface owner:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Is the reclamation bond a rider under the BLM bond?

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Unlined pit bond number: Unlined pit bond amount: Additional bond information attachment: **Section 4 - Injection** Would you like to utilize Injection PWD options? N Produced Water Disposal (PWD) Location: **PWD surface owner: PWD disturbance (acres):** Injection PWD discharge volume (bbl/day): Injection well mineral owner: Injection well type: Injection well number: Injection well name: Assigned injection well API number? Injection well API number: Injection well new surface disturbance (acres): **Minerals protection information: Mineral protection attachment: Underground Injection Control (UIC) Permit? UIC Permit attachment:**

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? N

Produced Water Disposal (PWD) Location:PWD surface owner:PWD disturbance (acres):PWD surface owner:PWD discharge volume (bbl/day):Surface Discharge NPDES Permit?Surface Discharge NPDES Permit attachment:Surface Discharge site facilities information:Surface Discharge site facilities map:Surface discharge site facilities map:Section 6 - OtherSection 6 - Other

Would you like to utilize Other PWD options? ${\sf N}$

Produced Water Disposal (PWD) Location:

PWD surface owner:

Other PWD discharge volume (bbl/day):

PWD disturbance (acres):

Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC

Well Name: CHEDDAR FEDERAL COM

Well Number: 401H

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

AFMSS

Bond Info Data Report U.S. Department of the Interior 11/16/2020 BUREAU OF LAND MANAGEMENT 40.00 APD ID: 10400052335 Submission Date: 12/13/2019 Highlighted data reflects the most **Operator Name: CENTENNIAL RESOURCE PRODUCTION LLC** recent changes Well Name: CHEDDAR FEDERAL COM Well Number: 401H Show Final Text Well Type: OIL WELL Well Work Type: Drill

Bond Information

Federal/Indian APD: FED BLM Bond number: NMB001841 **BIA Bond number:** Do you have a reclamation bond? NO Is the reclamation bond a rider under the BLM bond? Is the reclamation bond BLM or Forest Service? **BLM reclamation bond number:** Forest Service reclamation bond number: Forest Service reclamation bond attachment: **Reclamation bond number: Reclamation bond amount: Reclamation bond rider amount:** Additional reclamation bond information attachment: Page 63 of 68

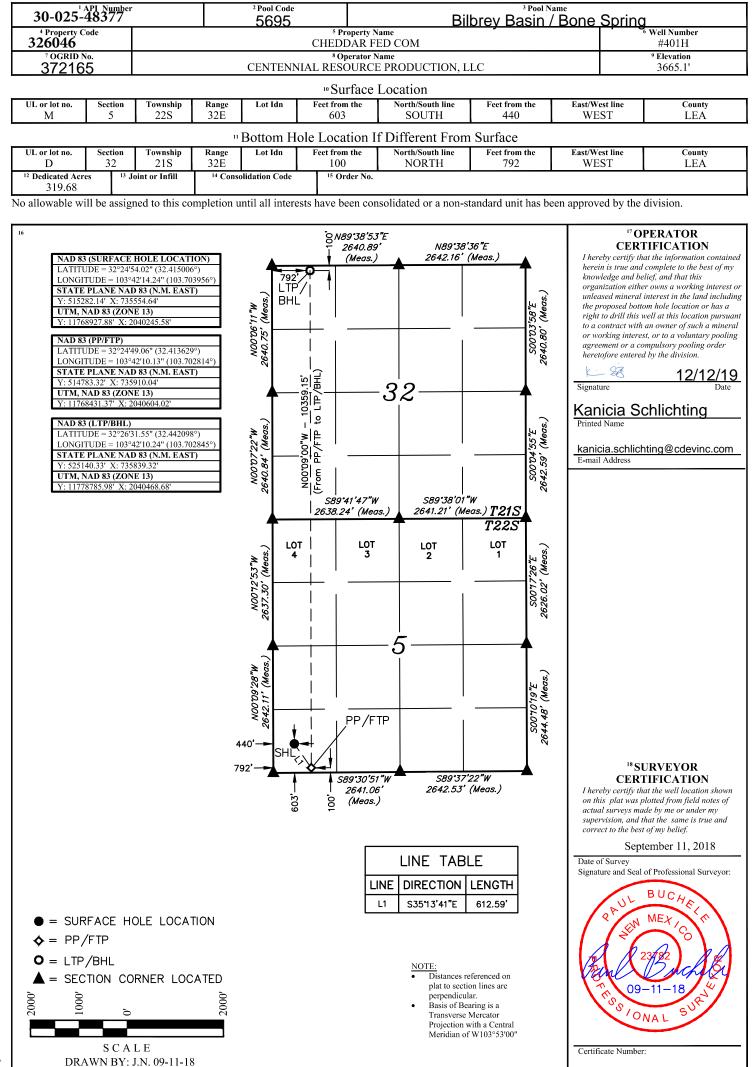
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT



Dage 64 of 68

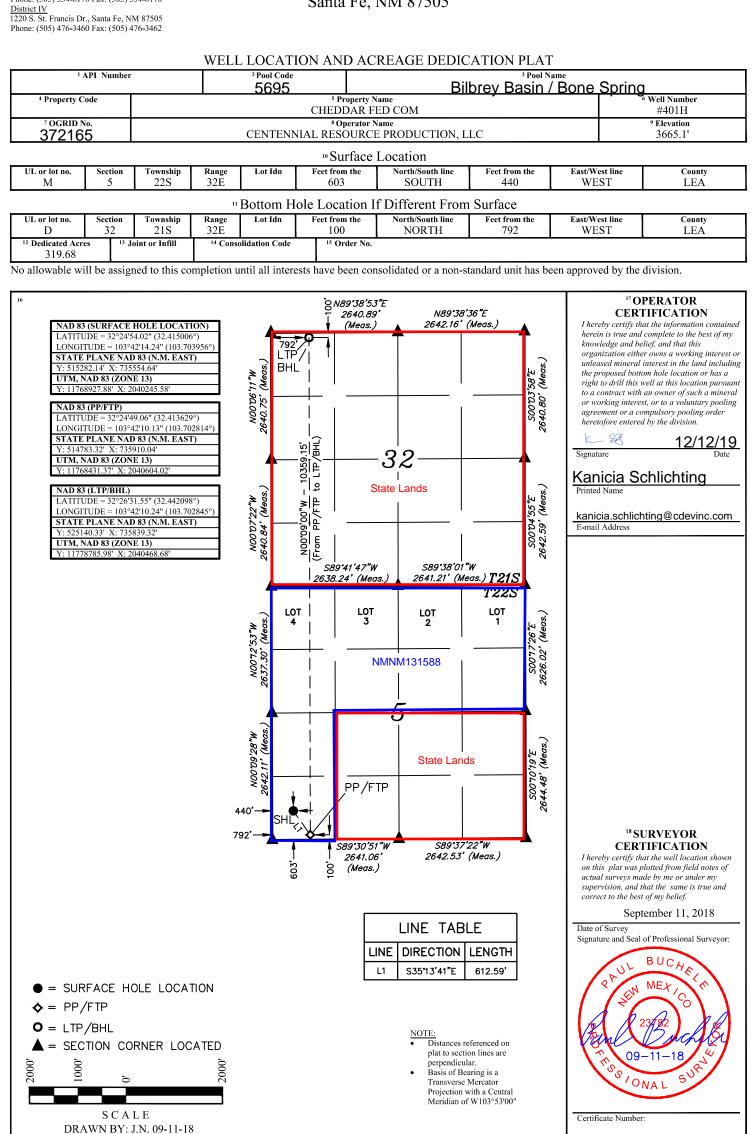
District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170

Dage 65 of 68

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

AMENDED REPORT



Received by OCD: 1/12/2021 9:00:41 AM

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 12/12/2019

Operator & OGRID No.: Centennial Resource Production, LLC 372165

OriginalAmended - Reason for Amendment:_

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected	Flared or	Comments
		(ULSTR)		MCF/D	Vented	
Cheddar Fed Com	Pending	M-5-22S-32E	454 FSL	1500	Neither	New Well
301H			& 410	MCFD		
			FWL	Flowrate		
Cheddar Fed Com	Pending	M-5-22S-32E	603 FSL	1500	Neither	New Well
401H			& 440	MCFD		
30-02	5-48377		FWL	Flowrate		
Cheddar Fed Com	Pending	M-5-22S-32E	453 FSL	1500	Neither	New Well
502H	_		& 470	MCFD		
			FWL	Flowrate		

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to <u>Lucid Energy Group's Red Hills</u> low/high pressure gathering system located in <u>Lea</u> County, New Mexico. <u>Centennial Resource Production, LLC</u> provides (periodically) to <u>Centennial Resource Production, LLC</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Centennial Resource Production, LLC</u> and Centennial Resource Production, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Lucid Red Hills</u> Processing Plant located in Sec.__13__, Twn._24S_, Rng._33E_, <u>Lea</u> County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>Centennial Resource Production, LLC</u> system at that time. Based on current information, it is <u>Centennial Resource Production, LLC</u> belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

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Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
 - 0 Only a portion of gas is consumed operating the generator, remainder of gas will be flared
 - Compressed Natural Gas On lease
 - **0** Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - 0 Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

District I 1625 N. French Dr., Hobbs, NM 88240

District II

District IV

Phone:(575) 393-6161 Fax:(575) 393-0720

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

Phone:(505) 334-6178 Fax:(505) 334-6170

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

District III 1000 Rio Brazos Rd., Aztec, NM 87410

Action 14475

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

CONDITIONS OF APPROVAL

Operator:				OGRID:	Action Number:	Action Type:	
	CENTENNIAL RESOURCE PRODUCTION	1001 17th Street, Suite 1800	Denver, CO80202	372165	14475	FORM 3160-3	
OCD	Condition						
Reviewer							
pkautz	Will require a File As Drilled C-102 and a Directional S	urvey with the C-104					
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and						
	shall immediately set in cement the water protection st	ring					