

**BEFORE THE OIL CONSERVATION COMMISSION
EXAMINER HEARING APRIL 16, 2020**

CASE No. 21158

CRUNCH BERRY 7 FEDERAL COM #601H
CRUNCH BERRY 7 FEDERAL COM #602H

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

CASE NO. 21158

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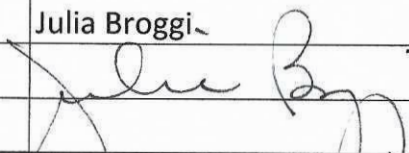
1. **Centennial Exhibit A** – Compulsory Pooling Application Checklist
2. **Centennial Exhibit B** – Application for Compulsory Pooling
3. **Centennial Exhibit C** – Land Affidavit
4. **Centennial Exhibit C-1** – C-102 for Crunch Berry 7 Federal Com 601H
5. **Centennial Exhibit C-2** – C-102 for Crunch Berry 7 Federal Com 602H
6. **Centennial Exhibit C-3** – Land Ownership Schematic for Spacing Unit
7. **Centennial Exhibit C-4** – Well Proposal Letter with Accompanying AFEs for Crunch Berry 7 Federal Com 601H
8. **Centennial Exhibit C-5** – Well Proposal Letter with Accompanying AFEs for Crunch Berry 7 Federal Com 602H
9. **Centennial Exhibit C-6** – Chronology of Contact with Non-Joined Working Interests
10. **Centennial Exhibit D** – Geology Affidavit
11. **Centennial Exhibit D-1** – Locator Map
12. **Centennial Exhibit D-2** – Subsea Structure Map
13. **Centennial Exhibit D-3** – Cross-Section Location Map
14. **Centennial Exhibit D-4** – Stratigraphic Cross-Section
15. **Centennial Exhibit E** – Notice Affidavit
16. **Centennial Exhibit F** – Affidavit of Publication of Notice

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21158	APPLICANT'S RESPONSE
Date: April 16, 2020	
Applicant	Centennial Resource Production, LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production, LLC (OGRID No. 372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	N/A
Well Family	Crunch Berry 7 Federal Com Nos. 601H, 602H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	28432 (Grama Ridge; Bone Spring, West)
Well Location Setback Rules:	Statewide horizontal well rules
Spacing Unit Size:	630, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	630, more or less
Building Blocks:	Quarter-quarter sections, or the equivalent
Orientation:	South/North
Description: TRS/County	W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes; E/2 W/2 of Sections 6 and 7
Proximity Defining Well: if yes, description	Crunch Berry 7 Federal Com No. 602H
Applicant's Ownership in Each Tract	Yes
Well(s)	BEFORE THE OIL CONSERVATION DIVISION
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add as needed Santa Fe, New Mexico Exhibit No. A Submitted by: Centennial Resource Production LLC Hearing Date: April 16, 2020 Case No. 21158

Well #1	Crunch Berry 7 Federal Com No. 601H SHL: 217' from South line and 790' from West line SW/4 SW/4 (Lot 4) of Section 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico BHL: 100' from North line and 330' from West line NW/4 NW/4 (Lot 4) of Section 6, , Township 22 South, Range 34 East, NMPM, Lea County, New Mexico Completion Target: Bone Spring Well Orientation: South/North Completion location expected to be standard
Well #2	Crunch Berry 7 Federal Com No. 602H SHL: 217' from South line and 820' from West line SW/4 SW/4 (Lot 4) of Section 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico BHL: 100' feet from North line and 1210' from West line NW/4 NW/4 (Lot 4) of Section 6, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico Completion Target: Bone Spring Well Orientation: South/North Completion location expected to be standard
Horizontal Well First and Last Take Points	See Centennial Exhibit C-1, C-2
Completion Target (Formation, TVD and MD)	See Centennial Exhibit D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Centennial Exhibit C, Para. 17
Requested Risk Charge	Centennial Exhibit B
Notice of Hearing	
Proposed Notice of Hearing	Centennial Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Centennial Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Centennial Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Centennial Exhibit C-3
Tract List (including lease numbers and owners)	Centennial Exhibit C-3
Pooled Parties (including ownership type)	Centennial Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	

Sample Copy of Proposal Letter	Centennial Exhibit C-4, C-5
List of Interest Owners (ie Exhibit A of JOA)	Centennial Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Centennial Exhibit C-6
Overhead Rates In Proposal Letter	Centennial Exhibit C-4, C-5
Cost Estimate to Drill and Complete	Centennial Exhibit C-4, C-5
Cost Estimate to Equip Well	Centennial Exhibit C-4, C-5
Cost Estimate for Production Facilities	Centennial Exhibit C-4, C-5
Geology	
Summary (including special considerations)	Centennial Exhibit D
Spacing Unit Schematic	Centennial Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Centennial Exhibit D, Para. 9
Target Formation	Centennial Exhibit D, D-1, D-2, D-3, D-4
HSU Cross Section	Centennial Exhibit D, D-3, D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Centennial Exhibit C-1, C-2
Tracts	Centennial Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Centennial Exhibit C-3
General Location Map (including basin)	Centennial Exhibit D-1
Well Bore Location Map	Centennial Exhibit D-1
Structure Contour Map - Subsea Depth	Centennial Exhibit D-2
Cross Section Location Map (including wells)	Centennial Exhibit D-3
Cross Section (including Landing Zone)	Centennial Exhibit D-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Julia Broggi
Signed Name (Attorney or Party Representative):	
Date:	14-Apr-20

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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

CASE NO. _____

APPLICATION

Centennial Resource Production, LLC ("Applicant") (OGRID No. 372165), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 630.28-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, Centennial states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the following proposed initial wells, both of which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6: (1) **Crunch Berry 7 Federal Com #601H Well**; (2) **Crunch Berry 7 Federal Com #602H Well**.
3. The completed interval for the proposed **Crunch Berry 7 Federal Com #602H** will be within 330' of the quarter-quarter line separating the E/2 W/2 and the W/2 W/2 of Sections 6 and 7 to allow inclusion of this acreage into a standard 630.28-acre horizontal well spacing unit.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed well and horizontal spacing unit.


WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: _____



Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

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agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR

CENTENNIAL RESOURCE PRODUCTION, LLC

CASE _____:

Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 630.28-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to the following proposed initial wells, both of which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6: (1) **Crunch Berry 7 Federal Com #601H Well**; (2) **Crunch Berry 7 Federal Com #602H Well**. The completed interval for the proposed **Crunch Berry 7 Federal Com #602H** will be within 330' of the quarter-quarter line separating the E/2 W/2 and the W/2 W/2 of Sections 6 and 7 to allow inclusion of this acreage into a standard 630.28-acre horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Oil Center, New Mexico.

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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
COMPULSORY POOLING, LEA COUNTY
NEW MEXICO**

CASE NO. 21158

**AFFIDAVIT OF TAYLOR THORESON
IN SUPPORT OF CASE NO. 21158**

Taylor Thoreson, of lawful age and being first duly sworn, declares as follows:

1. My name is Taylor Thoreson. I am a Senior Landman with Centennial Resource Production, LLC (“Centennial”).
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties has indicated opposition to this pooling application, and therefore I do not expect any opposition at the hearing
5. Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 630.28-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.
6. Centennial proposes to dedicate the above horizontal spacing unit to the following initial wells, both of which will be horizontally drilled from a surface location in the SW/4 SW/4

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158

(Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6: **Crunch Berry 7 Federal Com No. 601H Well** and **Crunch Berry 7 Federal Com No. 602H Well**.

7. Centennial has prepared draft Form C-102s for both proposed wells. Those C-102s are attached hereto as **Centennial Exhibits C-1** and **C-2**. The pool code for the proposed wells is 28432 (Grama Ridge; Bone Spring, West).

8. The completed interval for the proposed Crunch Berry 7 Federal Com No. 602H Well will be within 330' of the quarter-quarter line separating the E/2 W/2 and the W/2 W/2 of Sections 6 and 7 to allow inclusion of this acreage into a standard 630.28-acre horizontal well spacing unit.

9. **Centennial Exhibit C-3** is an exhibit that I prepared that identifies the tracts of land comprising the proposed spacing unit, which includes federal land only. Exhibit C-3 also identifies the interest owners and their ownership interest in the spacing unit. Centennial is seeking to pool those interest owners identified on the exhibit.

10. There are no depth severances in the Bone Spring formation.

11. Centennial sent well proposal letters, along with corresponding AFEs, to the working interest owners. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. Copies of the well proposal letters, along with the AFEs, are attached hereto as **Centennial Exhibits C-4** and **C-5**.

12. Centennial is also seeking to pool overriding royalty interest owners.

13. There are no unleased mineral interests in the subject acreage.

14. Centennial has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

A chronology of Centennial's contacts with the working interest owners it is seeking to pool is attached hereto as **Centennial Exhibit C-6**.

15. If Centennial reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Centennial is no longer seeking to pool that party.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown. In compiling these addresses, Centennial conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All interest owners were locatable.

17. Centennial seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs are consistent with what Centennial and other operators are charging in this area for these types of wells. Centennial respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in these cases.

18. **Centennial Exhibits C-1 through A-6** were either prepared by me or compiled under my direction and supervision.


TAYLOR THORESON

STATE OF COLORADO)
)
COUNTY OF DENVER)

SUBSCRIBED and SWORN to before me this 14th day of April 2020 by Taylor Thoreson.


NOTARY PUBLIC

My Commission Expires:

6-4-23



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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name CRUNCH BERRY 7 FEDERAL COM		⁶ Well Number 601H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC		⁹ Elevation 3508.3'

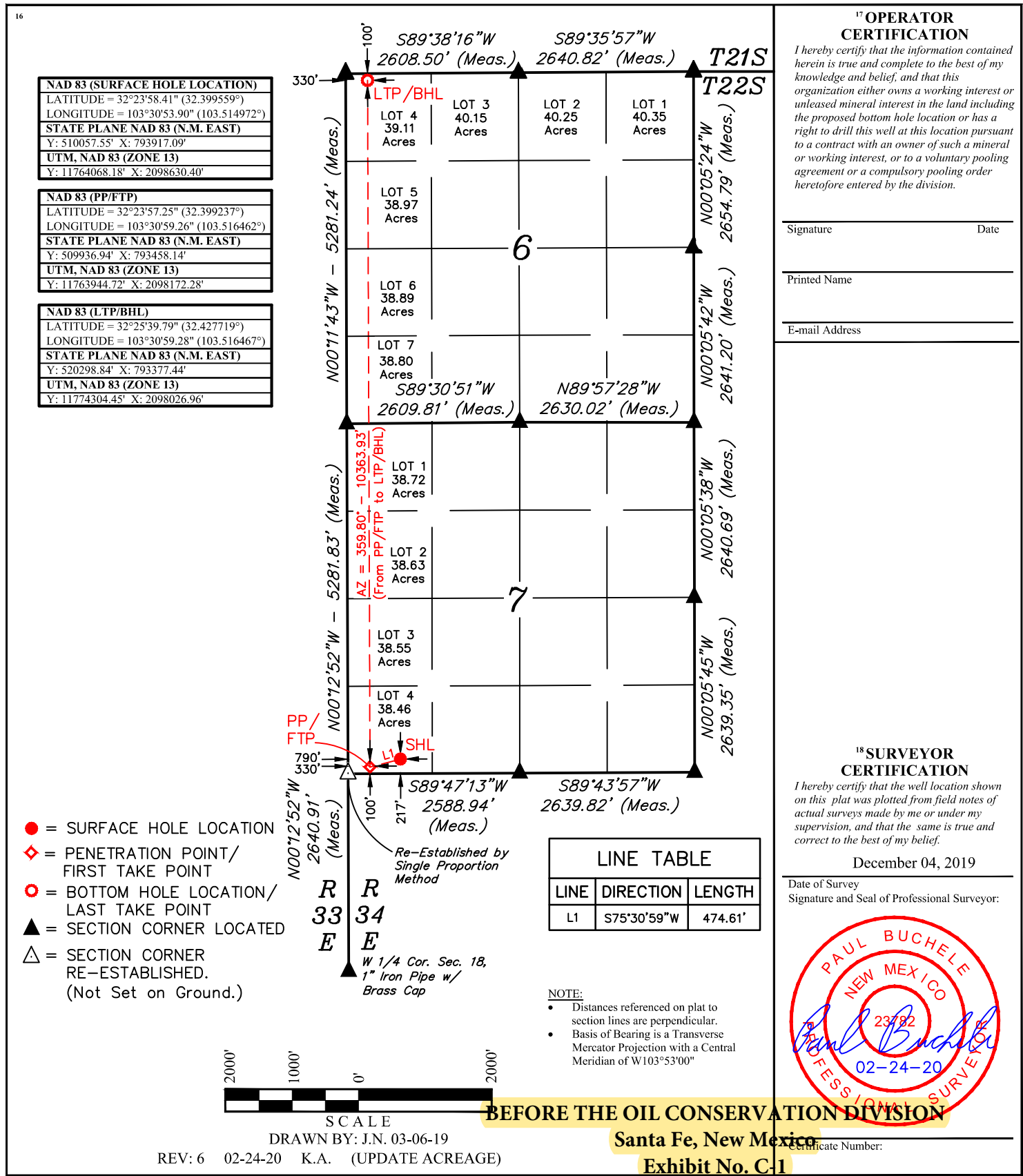
¹⁰Surface Location

UL or lot no. 4	Section 7	Township 22S	Range 34E	Lot Idn	Feet from the 217	North/South line SOUTH	Feet from the 790	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. 4	Section 6	Township 22S	Range 34E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 330	East/West line WEST	County LEA
¹² Dedicated Acres 630.28		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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



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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code	3 Pool Name	
4 Property Code		5 Property Name CRUNCH BERRY 7 FEDERAL COM		6 Well Number 602H
7 OGRID No.		8 Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC		9 Elevation 3507.9'

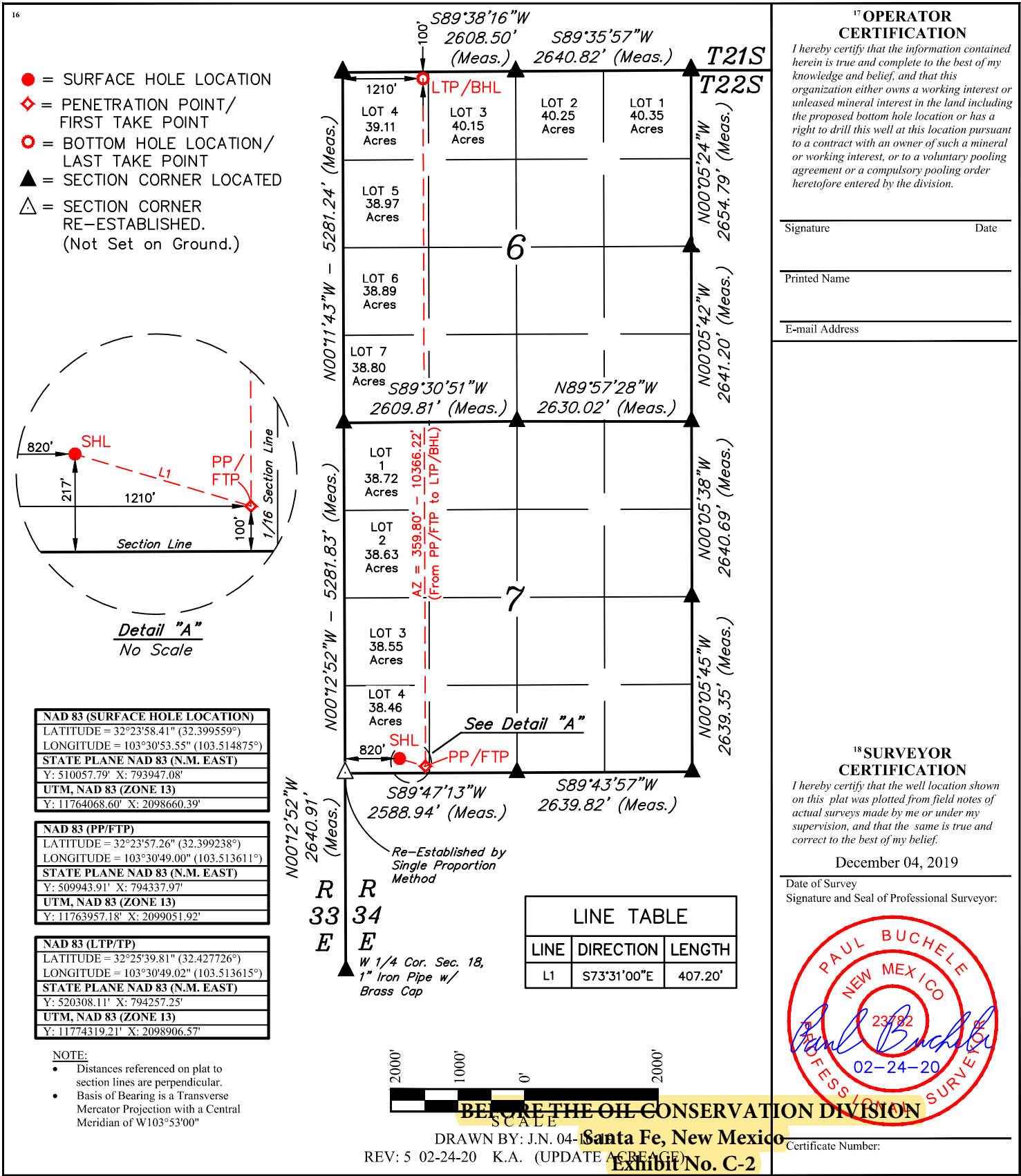
10 Surface Location

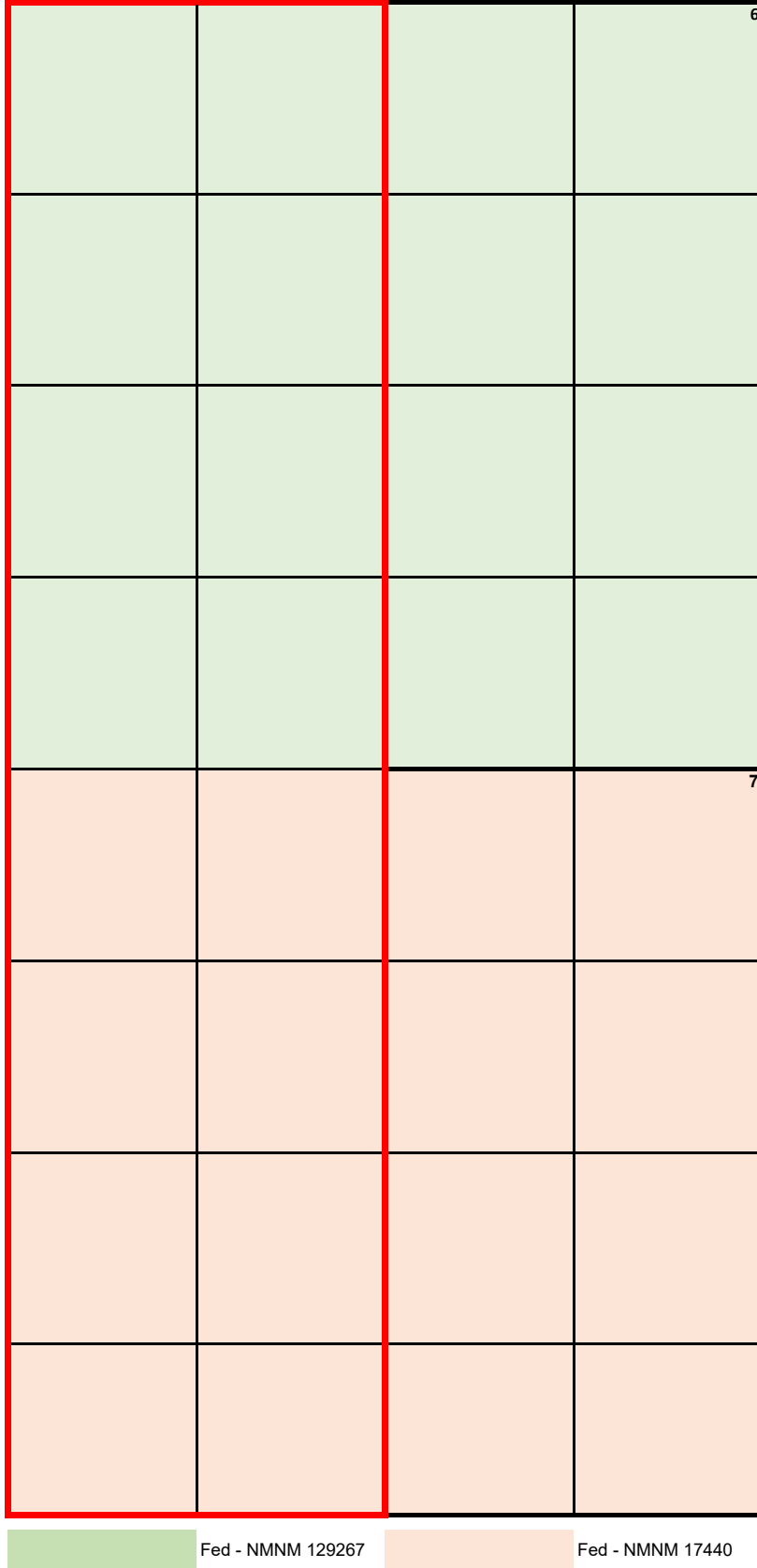
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	7	22S	34E		217	SOUTH	820	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	6	22S	34E		100	NORTH	1210	WEST	LEA
12 Dedicated Acres 630.28		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: Centennial Resource Production LLC
Hearing Date: April 16, 2020
Case No. 21158

Ownership Exhibit

Crunch Berry 7 Federal Com 601H and 602H

Name	Address	Interest Type	Well Working Interest
Owners to be Pooled			
Upland Corporation	P.O. Box 2269, Fredricksburg, TX 78624	Working Interest	0.00107968
Wells Fargo, N.A. as Trustee under agreement with John H. Burton & Mary C. Burton, dated 7/30/1980	P.O. Box 1546, Mesa, AZ 85201	Record Title	0.00000000
Madison M. Hinkle	P.O. Box 2292, Roswell, NM 88202	ORRI	N/A
Rolla R. Hinkle, III	P.O. Box 2292, Roswell, NM 88202	ORRI	N/A
Mustang Oil & Gas, LLC	P.O. Box 412, Roswell, NM 88202	ORRI	N/A
Schneider, Corey & Josey, Inc.	2001 Bryan Twr., Suite 925, Dallas, Texas 75201	ORRI	N/A
Stephen W. Schneider, Jr.	P.O. Box 161426, Big Sky, Montana 59716	ORRI	N/A
EOG Resources, Inc.	5509 Champions Dr., Midland, TX 79706	ORRI	N/A
Cayuga Royalties, LLC	P.O. Box 540711, Houston, TX 77254	ORRI	N/A
Rheiner Holdings, LLC	P.O. Box 980552, Houston, TX 77098	ORRI	N/A
Monticello Minerals, LLC	5528 Vickery Blvd., Dallas, TX 75206	ORRI	N/A
Trainer Partners, Ltd.	P.O. Box 3788, Midland, TX 79702	ORRI	N/A
Total:			0.00107968

Owners NOT being Pooled			
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	0.927410093
Advance Energy Partners Hat Mesa, LLC	11490 Westheimer Rd., Ste. 950, Houston, TX 77077	Working Interest	0.03810046
Cimarex Energy Co.	600 N. Marienfeld Street, Suite 600	Working Interest	0.03340977
Total:			0.998920323
Total Working Interest:			1.00000000



February 24, 2020

RE: Crunch Berry 7 Fed Com #601H
SHL: 217' FSL Sec. 7 & 790' FWL Sec. 7 T22S R34E
BHL: 100' FNL Sec. 6 & 330' FWL Sec. 6 T22S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Crunch Berry 7 Fed Com #601H as a horizontal well to test the Bone Spring Formation at a TVD of 10,000 feet. The W/2 of the referenced Section 6 and the W/2 of Section 7 will be dedicated to the well as the proration unit being a total of 630.28 acres. Please see the enclosed AFE in the amount of \$9,853,343.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of February 1, 2020. The JOA contains a proposed overhead rate of \$8000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at carl.messina@cdevinc.com. Should you have any questions, please call me at (720) 499-1411.

Best Regards

A handwritten signature in blue ink that reads 'Carl Messina'.

Carl Messina
Land Coordinator

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4
Submitted by: Centennial Resource Production LLC
Hearing Date: April 16, 2020
Case No. 21158



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED CRUNCH BERRY 7 FED COM #601H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED CRUNCH BERRY 7 FED COM #601H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____



Authorization for Expenditure

AFE Number	401116	Original
Drilling Total (\$)	\$3,580,204	
Completion Total (\$)	\$3,646,126	
Facilities Total (\$)	\$1,820,102	
Flowback Total (\$)	\$806,911	
AFE Total (\$)	\$9,853,343	

AFE Description

Property Name	Well Crunch Berry 7 Federal Com 601H	State	New Mexico
AFE Type	Drill and Complete	County	Lea
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX

Scheduled Spud Date	Aug 15, 2020	Estimated TVD (ft)	
Target Zone	3RD BONE SPRING SAND	Estimated MD (ft)	
Sub-Target Zone			

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$6,000.00	8015.1100	IDC - STAKING & SURVEYING	\$29,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$28,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$19,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$135,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$105,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$50,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$400,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$180,000.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$342,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$35,000.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$60,000.00	8015.2300	IDC - FUEL / POWER	\$72,000.00
8015.2400	IDC - RIG WATER	\$16,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$216,000.00
8015.2600	IDC - MUD LOGGING	\$22,500.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$75,000.00
8015.2800	IDC - CORE ANALYSIS	\$0.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$210,000.00	8015.3100	IDC - CASING CREW & TOOLS	\$49,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$0.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$31,500.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$72,000.00
8015.3700	IDC - DISPOSAL	\$128,000.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$0.00	8015.4100	IDC - RENTAL EQUIPMENT	\$80,000.00
8015.4200	IDC - MANCAMP	\$40,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$114,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$0.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$18,400.00
8015.4800	IDC - OVERHEAD	\$0.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$16,368.05
8015.5200	IDC - CONTINGENCY	\$262,476.81	8015.1310	IDC - PERMANENT EASEMENT	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$0.00	8020.1100	TDC - CASING - SURFACE	\$63,112.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$154,700.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$0.00
8020.1400	TDC - CASING - PRODUCTION	\$351,927.95	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$79,343.75	8020.1800	TDC - CONTINGENCY	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$0.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$0.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$299,074.00	8025.1600	ICC - COILED TUBING	\$161,062.00

8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,315.00
8025.1900	ICC - INSPECTION & TESTING	\$100,000.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$412,161.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,646,162.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8025.3000	ICC - WATER HANDLING	\$253,502.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$35,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$101,862.00
8025.3500	ICC - WELLSITE SUPERVISION	\$83,359.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$7,500.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$.00	8025.4200	ICC - CONTINGENCY	\$.00
8025.3050	ICC - SOURCE WATER	\$380,254.00	8025.4400	ICC - COMPANY LABOR	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$45,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$15,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$150,000.00	8035.2400	FAC - SUPERVISION	\$15,000.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$523,362.00	8035.2900	FAC - TANK BATTERY	\$215,000.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$155,000.00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$200,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$24,240.00	8035.3400	FAC - METER & LACT	\$125,000.00
8035.3600	FAC - ELECTRICAL	\$100,000.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$50,000.00	8035.4500	FAC - CONTINGENCY	\$100,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00	8035.1800	FAC - FUEL / POWER	\$.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$2,500.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - INJECTION PUMP	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3500	FAC - COMPRESSOR	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$10,000.00	8035.4100	FAC - OVERHEAD	\$.00
8035.4300	FAC - INSURANCE	\$.00	8035.1310	FAC - PEMANENT EASEMENT	\$30,000.00
8035.4400	FAC - COMPANY LABOR	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$18,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00	8040.1500	IFC - FUEL / POWER	\$.00
8040.1600	IFC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$204,410.85	8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2300	IFC - COMPLETION FLUID	\$.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$180,000.00	8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$85,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$25,000.00
8040.4200	IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8045.1100	TFC - TUBING	\$65,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$18,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$70,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$23,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$55,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00



February 24, 2020

RE: Crunch Berry 7 Fed Com #602H
SHL: 217' FSL Sec. 7 & 820' FWL Sec. 7 T22S R34E
BHL: 100' FNL Sec. 6 & 1210' FWL Sec. 6 T22S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Crunch Berry 7 Fed Com #602H as a horizontal well to test the Bone Spring Formation at a TVD of 10,000 feet. The W/2 of the referenced Section 6 and the W/2 of Section 7 will be dedicated to the well as the proration unit being a total of 630.28 acres. Please see the enclosed AFE in the amount of \$11,814,721.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of February 1, 2020. The JOA contains a proposed overhead rate of \$8000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at carl.messina@cdevinc.com. Should you have any questions, please call me at (720) 499-1411.

Best Regards

A handwritten signature in blue ink that reads 'Carl Messina'.

Carl Messina
Land Coordinator

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Centennial Resource Production LLC
Hearing Date: April 16, 2020
Case No. 21158



THE UNDERSIGNED HEREBY ELECTS TO PARTICIPATE IN THE CAPTIONED CRUNCH BERRY 7 FED COM #602H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS NOT TO PARTICIPATE IN THE CAPTIONED CRUNCH BERRY 7 FED COM #602H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____



Authorization for Expenditure

AFE Number	401117	Original
Drilling Total (\$)	\$5,228,726	
Completion Total (\$)	\$3,958,982	
Facilities Total (\$)	\$1,820,102	
Flowback Total (\$)	\$806,911	
AFE Total (\$)	\$11,814,721	

AFE Description

Property Name	Well: Crunch Berry 7 Federal Com 602H	State	New Mexico
AFE Type	Drill and Complete	County	Lea
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	May 18, 2020	Estimated TVD (ft)	
Target Zone	Bone Spring	Estimated MD (ft)	
Sub-Target Zone			

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$6,000.00	8015.1100	IDC - STAKING & SURVEYING	\$29,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$28,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$41,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$110,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$65,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$50,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$625,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$165,000.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$434,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$35,000.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$102,500.00	8015.2300	IDC - FUEL / POWER	\$110,500.00
8015.2400	IDC - RIG WATER	\$25,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$254,000.00
8015.2600	IDC - MUD LOGGING	\$50,000.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$75,000.00
8015.2800	IDC - CORE ANALYSIS	\$0.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$175,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$280,000.00	8015.3100	IDC - CASING CREW & TOOLS	\$72,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$0.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$52,000.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$112,500.00
8015.3700	IDC - DISPOSAL	\$177,000.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$0.00	8015.4100	IDC - RENTAL EQUIPMENT	\$116,000.00
8015.4200	IDC - MANCAMP	\$58,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$168,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$0.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$27,400.00
8015.4800	IDC - OVERHEAD	\$0.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$15,345.05
8015.5200	IDC - CONTINGENCY	\$351,124.51	8015.1310	IDC - PERMANENT EASEMENT	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$0.00	8020.1100	TDC - CASING - SURFACE	\$72,675.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$130,295.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$371,690.00
8020.1400	TDC - CASING - PRODUCTION	\$465,821.25	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$260,000.00	8020.1800	TDC - CONTINGENCY	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$0.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$0.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$326,986.00	8025.1600	ICC - COILED TUBING	\$176,282.00

8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$20,995.00
8025.1900	ICC - INSPECTION & TESTING	\$100,000.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$451,266.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,801,729.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8025.3000	ICC - WATER HANDLING	\$277,459.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$35,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$111,488.00
8025.3500	ICC - WELLSITE SUPERVISION	\$88,213.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$7,500.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$.00	8025.4200	ICC - CONTINGENCY	\$.00
8025.3050	ICC - SOURCE WATER	\$416,189.00	8025.4400	ICC - COMPANY LABOR	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$45,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$15,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$150,000.00	8035.2400	FAC - SUPERVISION	\$15,000.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$523,362.00	8035.2900	FAC - TANK BATTERY	\$215,000.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$155,000.00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$200,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$24,240.00	8035.3400	FAC - METER & LACT	\$125,000.00
8035.3600	FAC - ELECTRICAL	\$100,000.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$50,000.00	8035.4500	FAC - CONTINGENCY	\$100,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00	8035.1800	FAC - FUEL / POWER	\$.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$2,500.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - INJECTION PUMP	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3500	FAC - COMPRESSOR	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$10,000.00	8035.4100	FAC - OVERHEAD	\$.00
8035.4300	FAC - INSURANCE	\$.00	8035.1310	FAC - PEMANENT EASEMENT	\$30,000.00
8035.4400	FAC - COMPANY LABOR	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$18,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00	8040.1500	IFC - FUEL / POWER	\$.00
8040.1600	IFC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$204,410.85	8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2300	IFC - COMPLETION FLUID	\$.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$180,000.00	8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$85,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$25,000.00
8040.4200	IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8045.1100	TFC - TUBING	\$65,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$18,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$70,000.00	8045.3100	TFC - MEASURMENT EQUIPMENT	\$23,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$55,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00

Chronology of Contact with Non-Joined Working Interests

Crunch Berry 7 Federal Com 601H and 602H

Week of 2/24/2020- Centennial proposed the Crunch Berry 7 Federal Com 601H and 602H wells.

Week of 3/2/2020- Centennial made an offer to purchase the non-joined working interest.

Week of 3/16/2020- Offer is accepted. The parties are proceeding with closing.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-6

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158

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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

CASE NO. 21158

**AFFIDAVIT OF ISABEL HARPER
IN SUPPORT OF CASE NO. 21158**

Isabel Harper, of lawful age and being first duly sworn, declares as follows:

1. My name is Isabel Harper. I work for Centennial Resource Production, LLC (“Centennial”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case, and I have conducted a geologic study of the lands in the subject area.
4. Centennial is targeting the Bone Spring formation.
5. **Centennial Exhibit D-1** is a locator map. It shows Centennial’s acreage in yellow and the paths of the proposed wellbores for the **Crunch Berry 7 Federal Com 601H Well** and the **Crunch Berry 7 Federal Com 602H Well**, with the surface hole and bottom hole locations.
6. **Centennial Exhibit D-2** is a subsea structure map that I prepared off the top of the 3rd Bone Spring Sand formation. The contour interval is 50 feet. The structure map shows the Bone Spring dipping to the northwest. The structure appears consistent across the proposed wellbore

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Centennial Resource Production LLC
Hearing Date: April 16, 2020
Case No. 21158**

paths. Based on this subsea structure map, I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells in this area.

7. **Centennial Exhibit No. D-3** overlays a cross-section line in blue consisting of three wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

8. **Centennial Exhibit No. D-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Bone Spring from the three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Bone Spring, is consistent in thickness, across the entire spacing unit.

9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

11. In my opinion, the granting of Centennial's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Centennial Exhibit Nos. D-1 through D-4** were either prepared by me or compiled under my direction and supervision.


ISABEL HARPER

STATE OF COLORADO)
)
COUNTY OF DENVER)

SUBSCRIBED and SWORN to before me this 14th day of April 2020 by Isabel Harper.


NOTARY PUBLIC

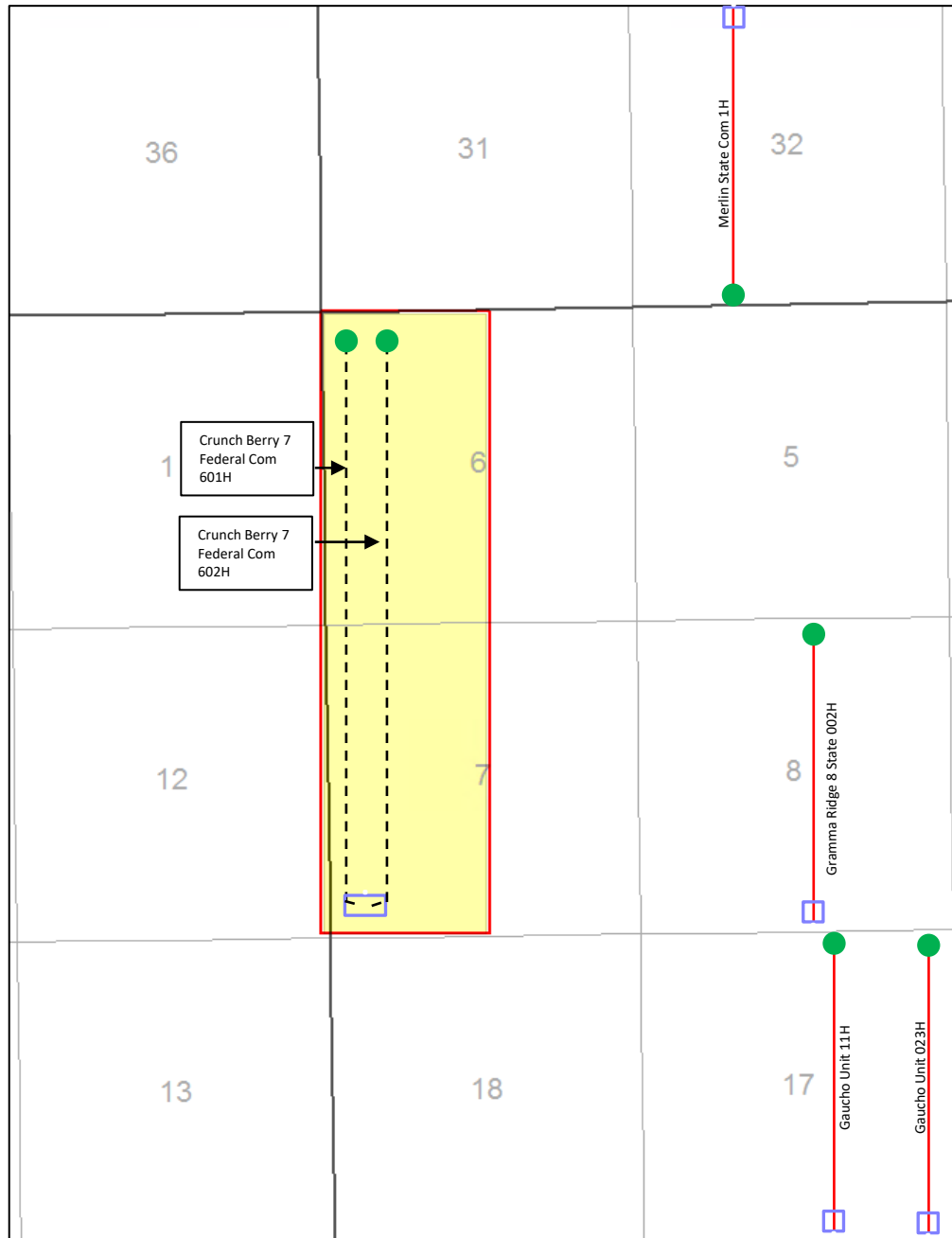
My Commission Expires:

6-4-23



Bone Spring Pool

Crunch Berry 7 Federal Com #601H & #602H



Map Legend

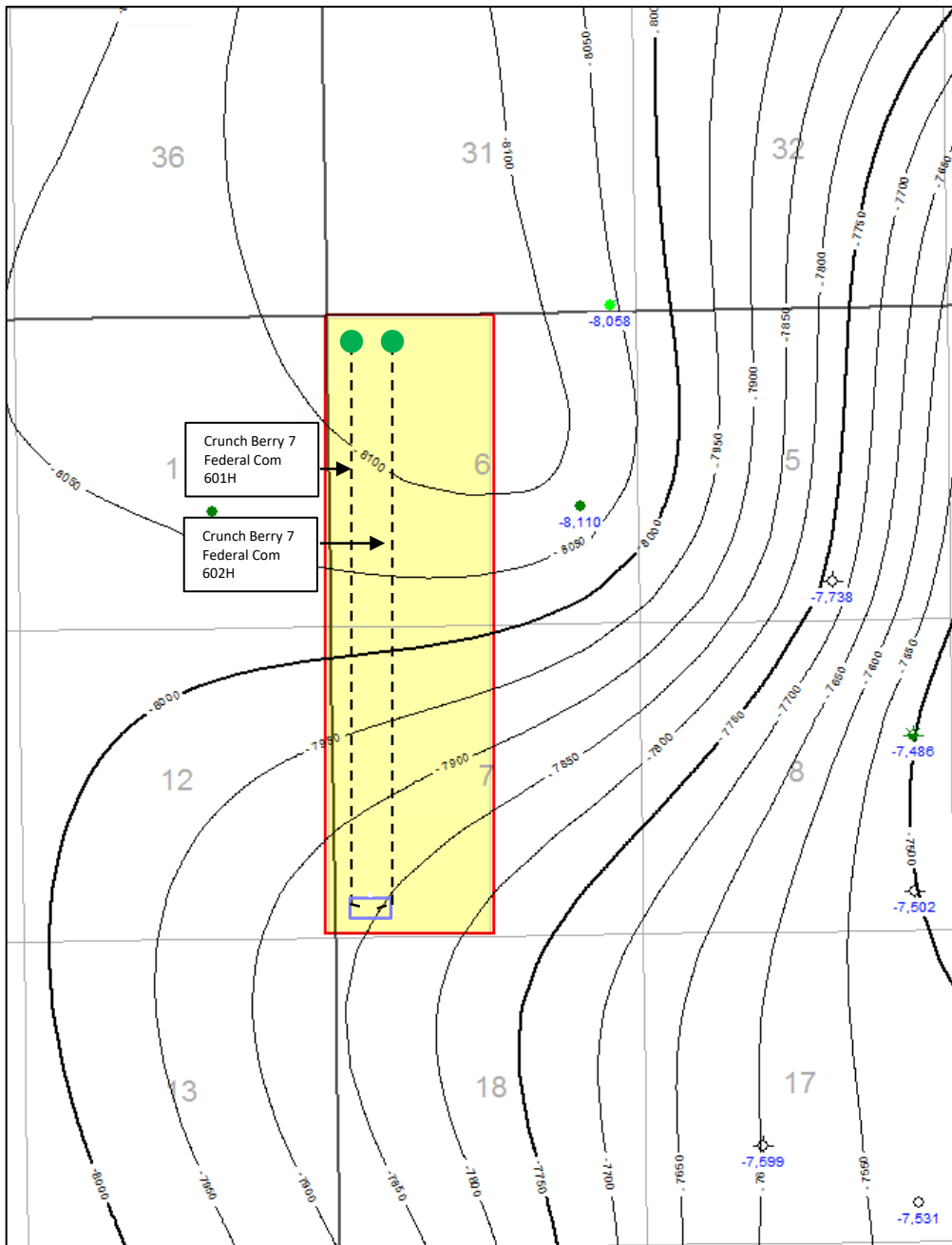
- SHL □ CDEV- Horizontal Location
- BHL ○
- Producing Third Bone Spring Wells
- CDEV Operating Acreage
- CDEV Drilling Unit

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-1
Submitted by: Centennial Resource Production LLC
Hearing Date: April 16, 2020
Case No. 21158

CENTENNIAL

Bone Spring Pool

3rd Bone Spring Sand Subsea Structure Map



Map Legend

- SHL CDEV- Horizontal Location
- BHL CDEV- Horizontal Location
- 3rd Bone Spring Sand Structure
CI: 50'
- CDEV Operating Acreage
- CDEV Drilling Unit

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: Centennial Resource Production LLC

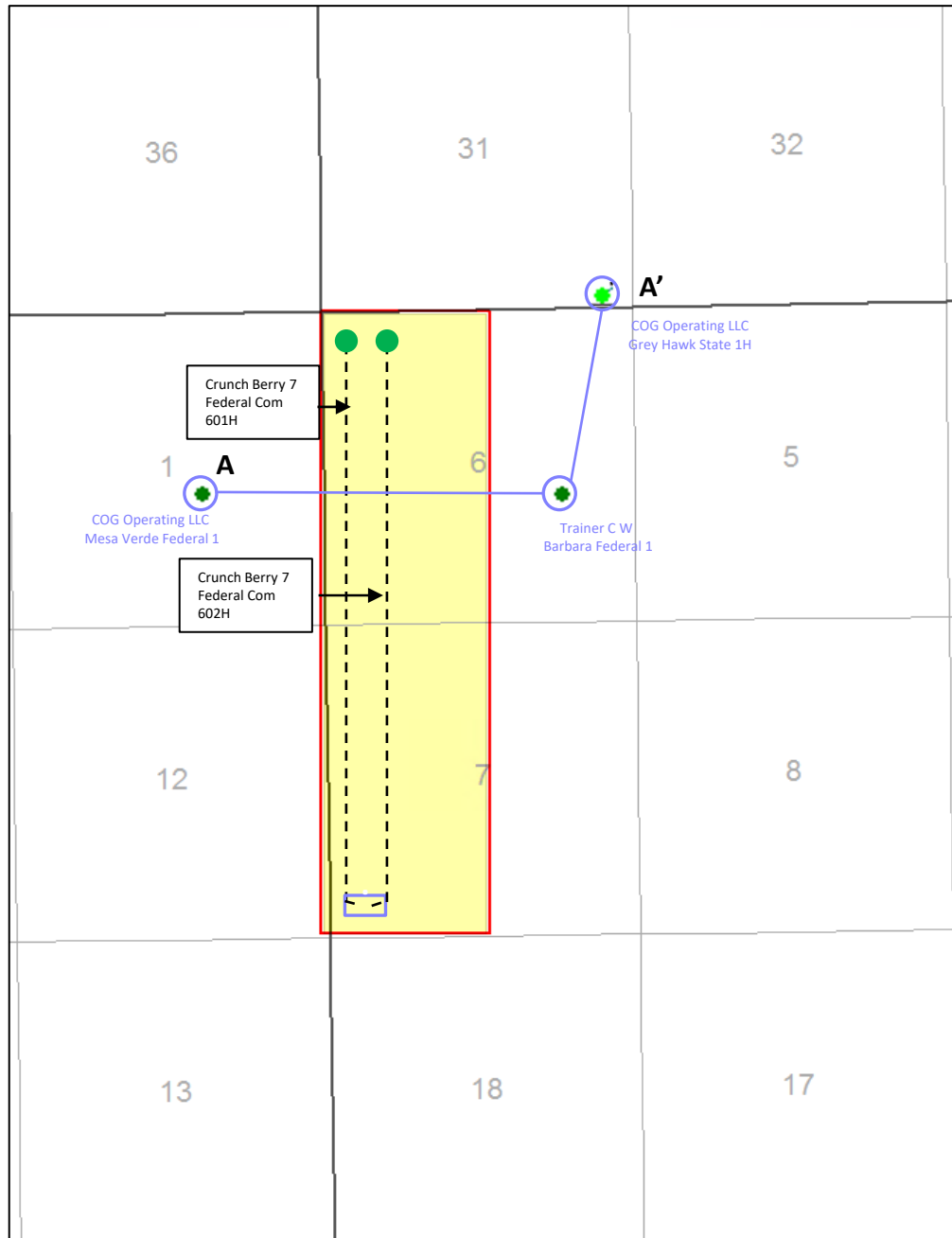
Hearing Date: April 16, 2020

Case No. 21158

CENTENNIAL

Bone Spring Pool

Crunch Berry 7 Federal Com #601H & #602H Type Section



Map Legend

- SHL □ CDEV- Horizontal Location
- BHL ○
- CDEV Operating Acreage
- CDEV Drilling Unit
- Cross Section Line

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-3

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158

CENTENNIAL

A

30025377010000
COG OPERATING LLC
MESA VERDE FEDERAL 1

<1.18MI>

30025245980000
TRAINER C W
BARBARA FEDERAL 1

<0.66MI>

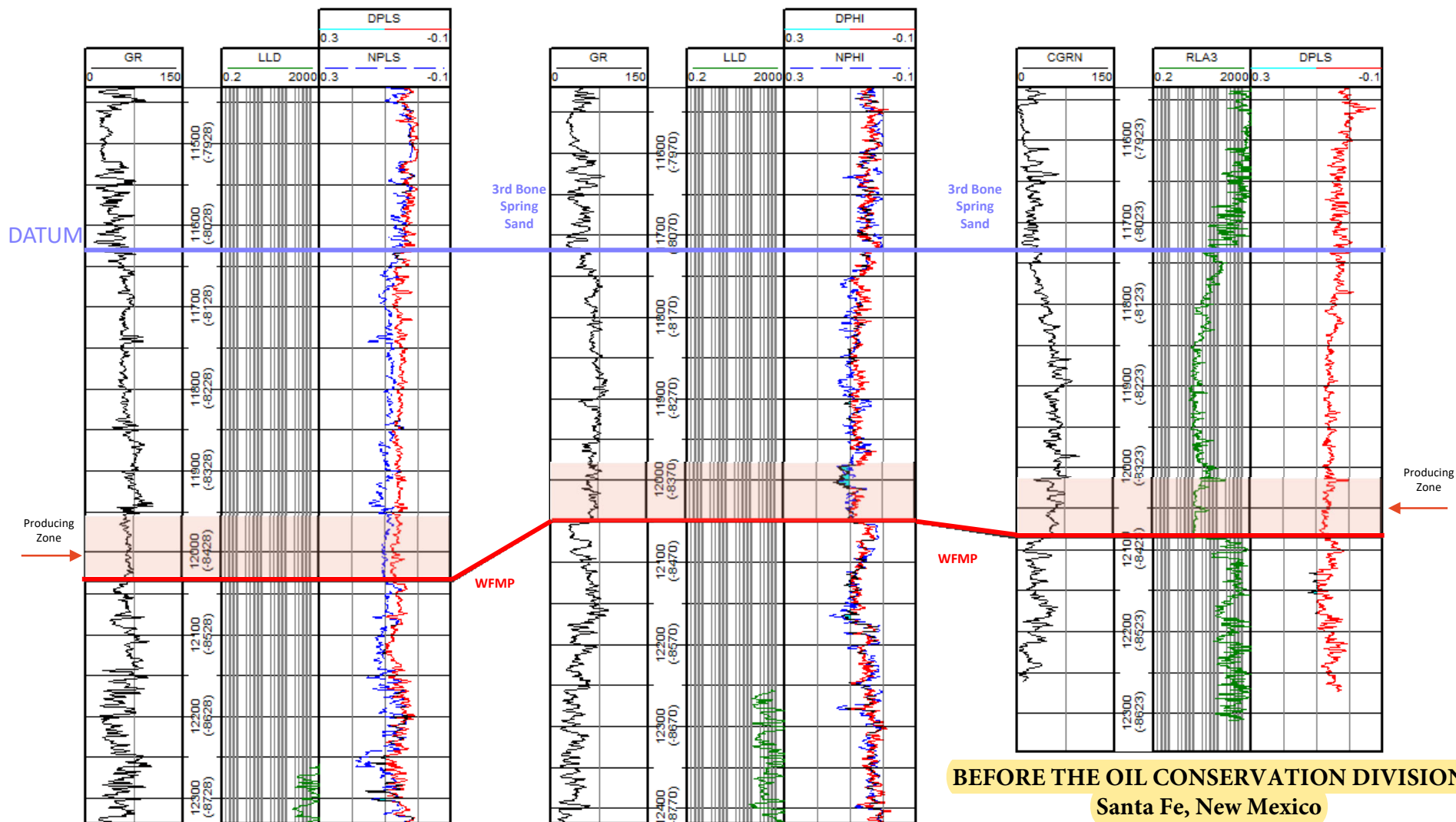
30025411930000
COG OPERATING LLC
GREY HAWK STATE 1H

A'

TWP: 22S – Range 33E- Sec. 1

TWP: 22S – Range 34E- Sec. 6

TWP: 21S – Range 34E- Sec. 31



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-4

Submitted by: Centennial Resource Production LLC

TD= 13,800.00

TD= 13,825.00

TD= 13,960.00

CENTENNIAL

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

**APPLICATION OF CENTENNIAL RESOURCE
PRODUCTION, LLC FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 21158

AFFIDAVIT

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

Julia Broggi, attorney in fact and authorized representative of Centennial Resource Production, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

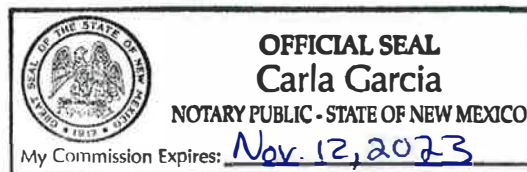

Julia Broggi

SUBSCRIBED AND SWORN to before me this 14th day of April 2020 by Julia Broggi.


Notary Public

My Commission

Expires: Nov. 12, 2023



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. E

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158

HOLLAND & HART



Michael H. Feldewert
Phone (505) 988-4421
Fax (505) 983-6043
mfeldewert@hollandhart.com

March 19, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: NOTICE OF UPDATED HEARING ADDRESS

Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.

Crunch Berry 7 Federal Com #601H, #602H Wells

Ladies & Gentlemen:

The purpose of this letter is to amend the notice provided on March 13, 2020 of Centennial Resource Production, LLC's application with the New Mexico Oil Conservation Division related to the above-referenced wells. A hearing has been requested before a Division Examiner on April 2, 2020, however, the hearing may be rescheduled, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. The hearing will be held in Room 311, New Mexico State Capitol Building (the Roundhouse), 490 Old Santa Fe Trail, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Taylor Thoreson at (720) 499-1460, or at Taylor.Thoreson@cdevinc.com.

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

for

HOLLAND & HART



Michael H. Feldewert
Phone (505) 988-4421
Fax (505) 983-6043
mfeldewert@hollandhart.com

March 13, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.
Crunch Berry 7 Federal Com #601H, #602H Well



Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on April 2, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Taylor Thoreson at (720) 499-1460, or at Taylor.Thoreson@cdevinc.com.

Sincerely,



Michael H. Feldewert
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC

Centennial - Crunch Berry 7 Federal Com 601H 602H

Case No. 21158 Postal Delivery Report

Tracking Number	Recipient	Status
9214890194038309329507	Upland Corporation PO BOX 2269 Fredricksburg TX 78624	Returned
9214890194038309329514	Wells Fargo N A as Trustee under agreement with John H Burton & Mary C	Returned
9214890194038309329521	Madison M Hinkle PO BOX 2292 Roswell NM 88202	Delivered Signature Received
9214890194038309329538	Rolla R Hinkle III PO BOX 2292 Roswell NM 88202	Delivered Signature Received
9214890194038309329545	Mustang Oil & Gas LLC PO BOX 412 Roswell NM 88202	Delivered Signature Received
9214890194038309329552	Schneider Corey & Josey Inc 2001 Bryan Twr Suite 925 Dallas TX 75201	In-Transit
9214890194038309329569	Stephen W Schneider Jr PO BOX 161426 Big Sky MT 59716	Delivered Signature Received
9214890194038309329576	EOG Resources Inc 5509 Champions Dr Midland TX 79706	Delivered Signature Received
9214890194038309329583	Cayuga Royalties LLC PO BOX 540711 Houston TX 77254	Returned
9214890194038309329590	Rheiner Holdings LLC PO BOX 980552 Houston TX 77098	Delivered Signature Received
9214890194038309329606	Monticello Minerals LLC 5528 Vickery Blvd Dallas TX 75206	Delivered Signature Received
9214890194038309329613	Trainer Partners Ltd PO BOX 3788 Midland TX 79702	Delivered Signature Received

**A. Mailer Action****Shipment Confirmation
Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 03/13/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Centennial - Crunch Berry 7 Federal Com 601H & 602H**Case No. 21158****CM# 94344.0001**

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	12
Total	12

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

9275 0901 1935 6200 0020 9864 68





UNITED STATES
POSTAL SERVICE®

Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.									
		<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery									
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)											
1.	9214 8901 9403 8309 3295 07	Upland Corporation PO BOX 2269 Fredricksburg TX 78624											
2.	9214 8901 9403 8309 3295 14	Wells Fargo N A as Trustee under agreement with John H Burton & Mary C Burton dated 7/30/1960 PO BOX 1546 Mesa AZ 85201											
3.	9214 8901 9403 8309 3295 21	Madison M Hinkle PO BOX 2292 Roswell NM 88202											
4.	9214 8901 9403 8309 3295 38	Rolla R Hinkle III PO BOX 2292 Roswell NM 88202											
5.	9214 8901 9403 8309 3295 45	Mustang Oil & Gas LLC PO BOX 412 Roswell NM 88202											
6.	9214 8901 9403 8309 3295 52	Schneider Corey & Josey Inc 2001 Bryan Twr Suite 925 Dallas TX 75201											
7.	9214 8901 9403 8309 3295 69	Stephen W Schneider Jr PO BOX 161426 Big Sky MT 59716											
8.	9214 8901 9403 8309 3295 76	EOG Resources Inc 5509 Champions Dr Midland TX 79706											
Total Number of Pieces Listed by Sender 12		Total Number of Pieces Received at Post Office 12		Postmaster, Per (Name of receiving employee)									



Firm Mailing Book For Accountable Mail

[illegible]

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
March 18, 2020
and ending with the issue dated
March 18, 2020.


Publisher

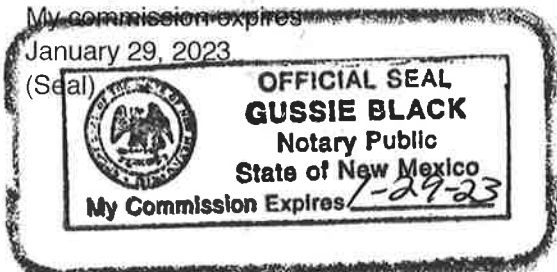
Sworn and subscribed to before me this
18th day of March 2020.


Business Manager

My commission expires

January 29, 2023

(Seal)



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

LEGAL

LEGAL

LEGAL

LEGAL NOTICE
MARCH 18, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold a public hearing before a hearing examiner on **April 2, 2020, 8:15 a.m.**, in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis, Santa Fe, New Mexico. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Florene Davidson, OCD Clerk, at (505) 476-3458. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Florene Davidson, OCD Clerk, at (505) 476-3458, or at the New Mexico Relay Network, 1-800-659-1779, no later than **March 23, 2020**.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Upland Corporation; Wells Fargo, N.A. as Trustee under agreement with John H. Burton & Mary C. Burton, dated 7/30/1980; Madison M. Hinkle, her heirs and devisees; Rolla R. Hinkle, III, his heirs and devisees; Mustang Oil & Gas, LLC; Schneider, Corey & Josey, Inc.; Stephen W. Schneider, Jr., his heirs and devisees; EOG Resources, Inc.; Cayuga Royalties, LLC; Rheiner Holdings, LLC; Monticello Minerals, LLC; and Trainer Partners, Ltd.

Case No. 21158: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 630.28-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 6 and 7, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to the following proposed initial wells, both of which will be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 6: (1) **Crunch Berry 7 Federal Com #601H Well**; (2) **Crunch Berry 7 Federal Com #602H Well**. The completed interval for the proposed **Crunch Berry 7 Federal Com #602H** will be within 330' of the quarter-quarter line separating the E/2 W/2 and the W/2 W/2 of Sections 6 and 7 to allow inclusion of this acreage into a standard 630.28-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and the proposed horizontal spacing unit, and a 200% charge for risk involved in drilling said well. Said area is located approximately 16 miles southwest of Oil Center, New Mexico. #35323

67100754

00240798

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION Santa Fe,
New Mexico
Exhibit No. F**

Submitted by: Centennial Resource Production LLC

Hearing Date: April 16, 2020

Case No. 21158