

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM121588

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
CHEDDAR 3BS FEDERAL COM 1H9. API Well No.
30-025-4469210. Field and Pool or Exploratory Area
BILBERY BASIN/BONE SPRING11. County or Parish, State
LEA COUNTY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

CENTENNIAL RESOURCE PRODUCTION

Contact: MELISSA A LUKE

Email: MELISSA.LUKE@CDEVINC.COM

3a. Address

1001 17TH STREET SUITE 1800
DENVER, CO 80202

3b. Phone No. (include area code)

Ph: 720-499-1482

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 5 T22S R32E Mer NMP SWSW 244FSL 370FWL

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Hydraulic Fracturing☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Well Spud

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Centennial respectfully requests permission to move in with a surface spudder rig to this location on 05/15/2018. Please see the attached write up detailing the specifications for our spudder rig proposal.

Once surface rig has demobilized, the rotary rig will arrive on location on 05/27/2018, to continue drilling well to TD.

Should you have any questions or concerns, please contact me at melissa.luke@cdevinc.com or 720-499-1482.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #413529 verified by the BLM Well Information System
For CENTENNIAL RESOURCE PRODUCTION, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 05/04/2018 ()

Name (Printed/Typed) MELISSA A LUKE

Title SR. REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/03/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Mustafa Haque

Title

Engineer

Date 5/4/2018

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Centennial Resource Production, LLC

APD Attachment: Spudder Rig Data

Operator Name / Number: Centennial Resource Production, LLC

1. Summary of Request:

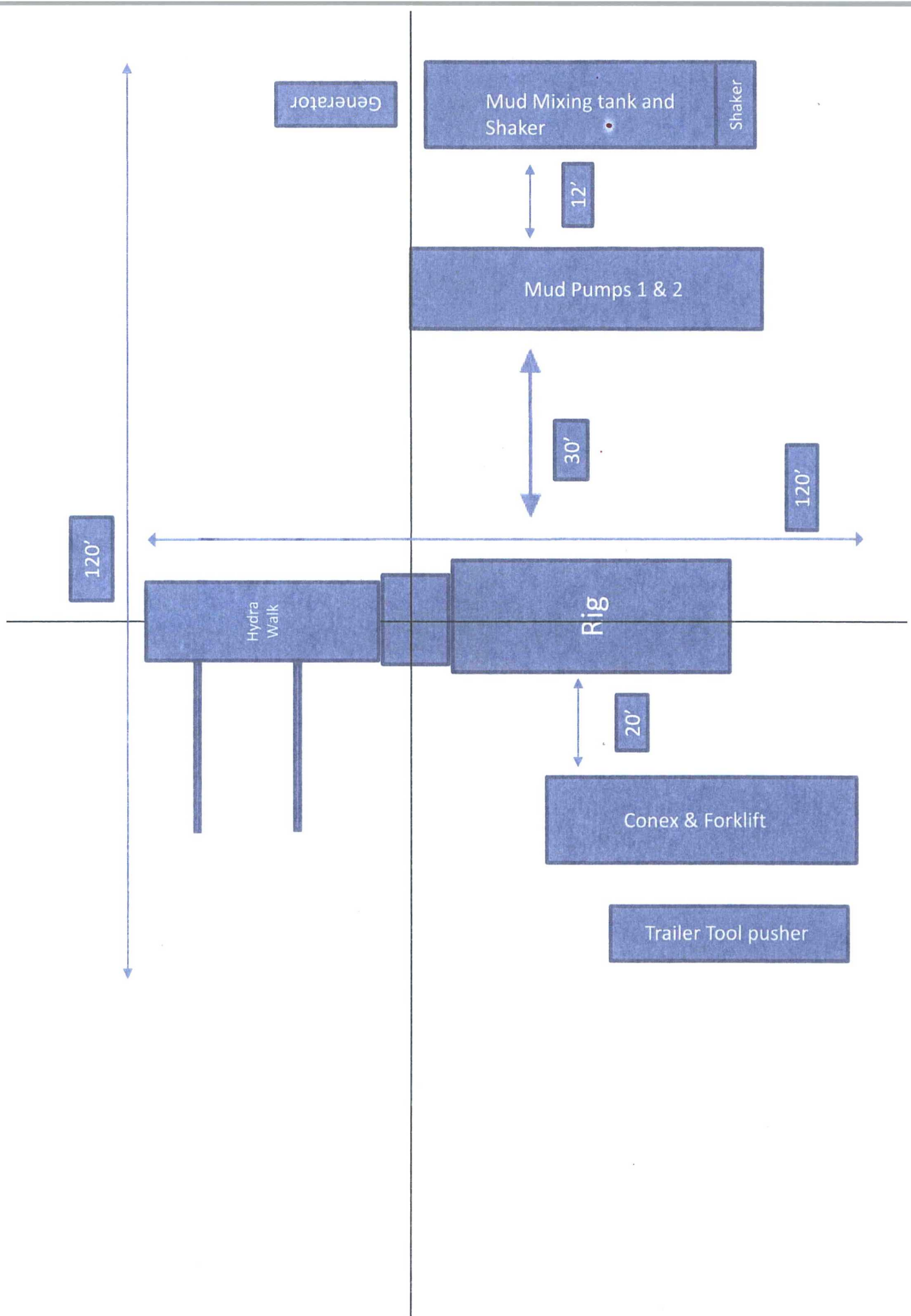
Centennial Resource Production LLC, respectfully requests approval for the following operations for the surface hole in the drill plan

1. Utilize a spudder rig to pre-set surface casing for time and cost savings.

2. Description of Operations:

1. Spudder rig will move in to drill the surface hole and pre-set surface casing on the well.
 - a. After drilling the surface hole section, the spudder rig will run surface casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. The spudder rig will utilize fresh water-based mud to drill the surface hole to TD. Solids control will be handled entirely on a closed loop basis. No earth pits will be used.
2. The wellhead will be installed and tested as soon as the surface casing is cut off and the WOC has been reached.
3. A blind flange at the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wing-valves.
4. Spudder rig operations are expected to take 2-3 days.
5. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
6. Drilling operations will begin with a larger rig and BOP stack equal to or greater than the pressure rating that was permitted. BOP stack will be nipped up and tested on the wellhead before operations resume on the well.
 - a. The larger rig will move back onto location within 90 days from the point at which the well is secure and the spudder rig is moved off location.
 - b. The BLM will be contacted / notified 24 hours before the larger rig moves back on the pre-set location.
7. Centennial Resource Production will have supervision on the rig to ensure the compliance with all BLM and NMOCD regulations and to oversee operations.
8. Once the rig is removed, Centennial Resource Production will secure the wellhead area by placing a guard rail around the cellar area.

Spudder Rig Layout



PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Centennial Resources Production, LLC
LEASE NO.:	NMNM-131588
WELL NAME & NO.:	Cheddar 3BS Federal Com 1H
SURFACE HOLE FOOTAGE:	0244' FSL & 0370' FWL
BOTTOM HOLE FOOTAGE:	0330' FNL & 0330' FWL Sec. 32, T. 21 S., R 32 E.
LOCATION:	Section 05, T. 22 S., R 32 E., NMPM
COUNTY:	Lea County, New Mexico

All previous COAs still apply except for the following:

1. Operator has proposed 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.