

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD HobbsFORM 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.
NMNM117125

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
NMNM136574

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
SHEBA FEDERAL COM 1H

2. Name of Operator

CENTENNIAL RESOURCE PRODUCTION, LLC

Contact: KANICIA CASTILLO

Email: kanicia.castillo@cdevinc.com

9. API Well No.

30-025-43358-00-S1

3a. Address

1001 17TH STREET SUITE 1800
DENVER, CO 80202

3b. Phone No. (include area code)

Ph: 720.499.153

10. Field and Pool or Exploratory Area
ANTELOPE RIDGE-BONE SPRING, W
RED HILLS-BONE SPRING, NORTH

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

Sec 22 T24S R34E NENE 620FNL 535FEL
32.123090 N Lat, 103.270363 W Lon

NOV 28 2018

11. County or Parish, State

LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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 Resource Production, LLC respectfully requests off lease measurement of gas production for this Sheba Federal Com 1H battery.

We have a check meter on the well pad to measure gas leaving the lease, then the gas is routed to the off lease sales meters for Targa and Lucid.

~~Targa gas meter # 181001000 is located at 32⁰12733.24?N, 103⁰2971.22?W. The Lucid gas meter # 14432 is located at 32⁰12735.37?N, 103⁰27758.40?W.~~

We have notified working interest owner.

Centennial will be responsible for pipeline leaks and loss of production between facility and off

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

Electronic Submission #440851 verified by the BLM Well Information System
For CENTENNIAL RESOURCE PRODUCTION, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/24/2018 (19PP0217SE)

Name (Printed/Typed) KANICIA CASTILLO

Title SR REGULATORY ANALYST

Signature (Electronic Submission)

Date 10/23/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

TL PET

Date

11/28/2018

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)

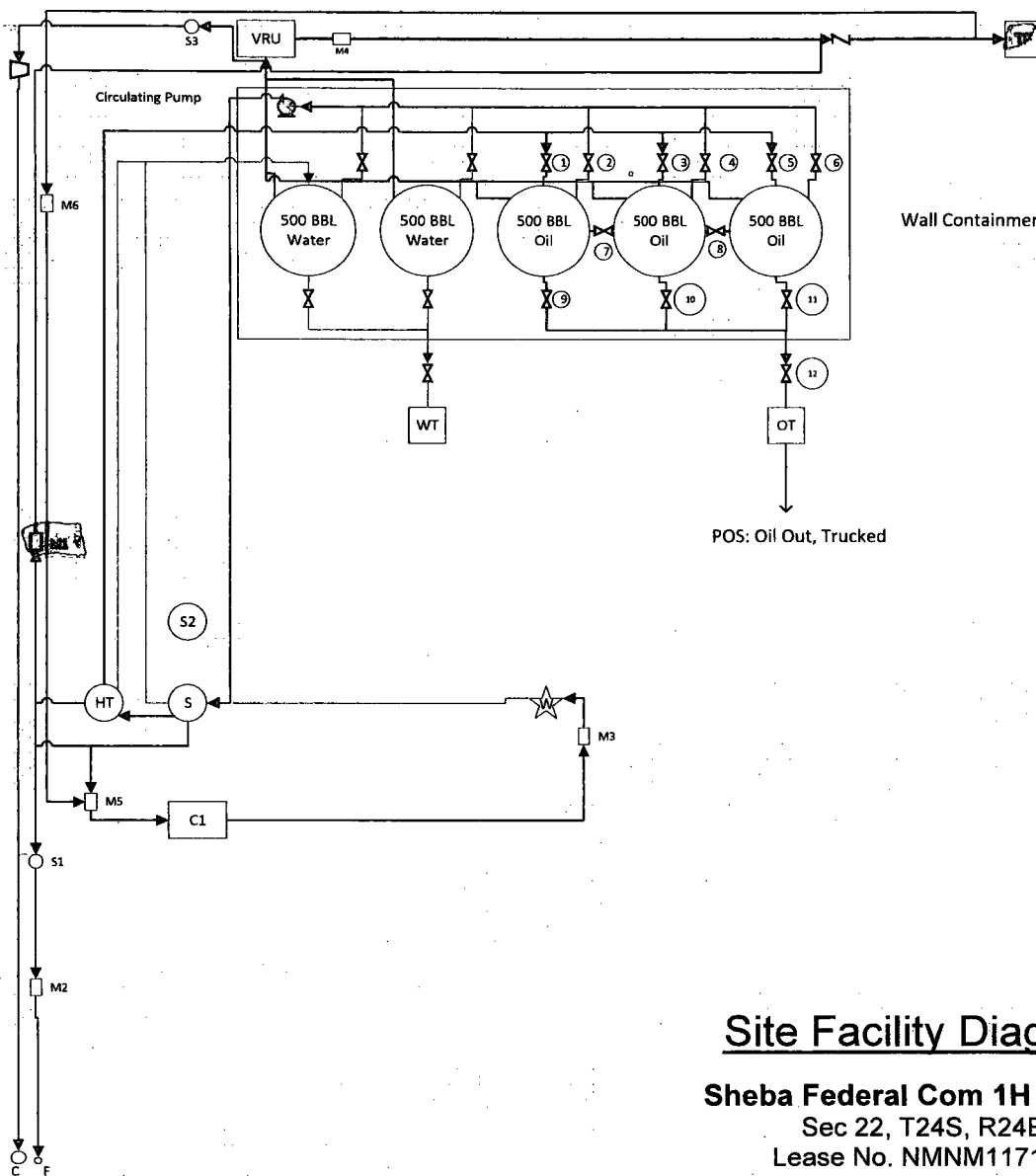
**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #440851 that would not fit on the form

32. Additional remarks, continued

lease sales meter.

Please see attachments.



POS: Gas Out, Pipeline to Targa COP & Targa COP

Wall Containment: 90' X 24' X 28"

Production Phase

Open Valves: 1, 7, 8

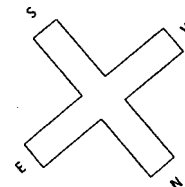
Closed Valves: 2, 3, 4, 5, 6, 9, 10, 11, 12

Sales Phase

Open Valves: 5, 9, 12

Closed Valves: 1, 2, 3, 4, 6, 7, 8, 10, 11

M1 30 7125 55025



Site Facility Diagram

Sheba Federal Com 1H Battery

Sec 22, T24S, R24E

Lease No. NMNM117125

Lea County, New Mexico

Location of Site Security Plan:
Centennial Resource Development, INC
 500 W. Illinois, Suite 500
 Midland, TX 79101

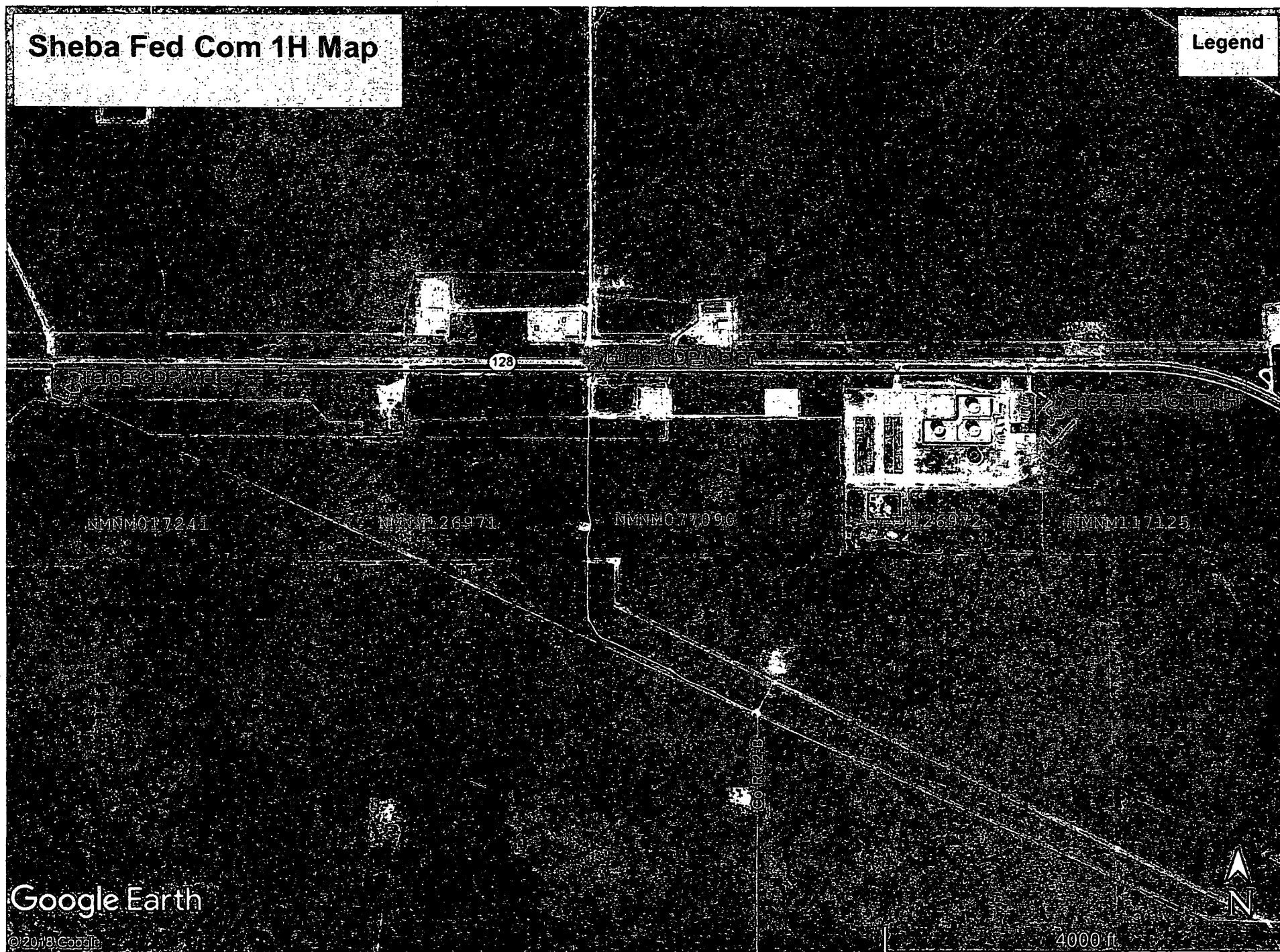


Sheba Fed Com 1H

- C: Combustor
- C1: Compressor
- F: Flare
- HT: Heater Treater
- ~~M1: Production Gas Meter~~
- M2: Flare Meter
- M3: Injection Meter
- M4: VRU Meter
- M5: Compressor Suction Meter
- M6: Buyback Meter
- OT: Oil Truck Load
- S: Separator
- S1: Flare Scrubber
- S2: Gas Scrubber
- S3: Combustor Scrubber
- W: Wellhead
- WT: Water Truck Load

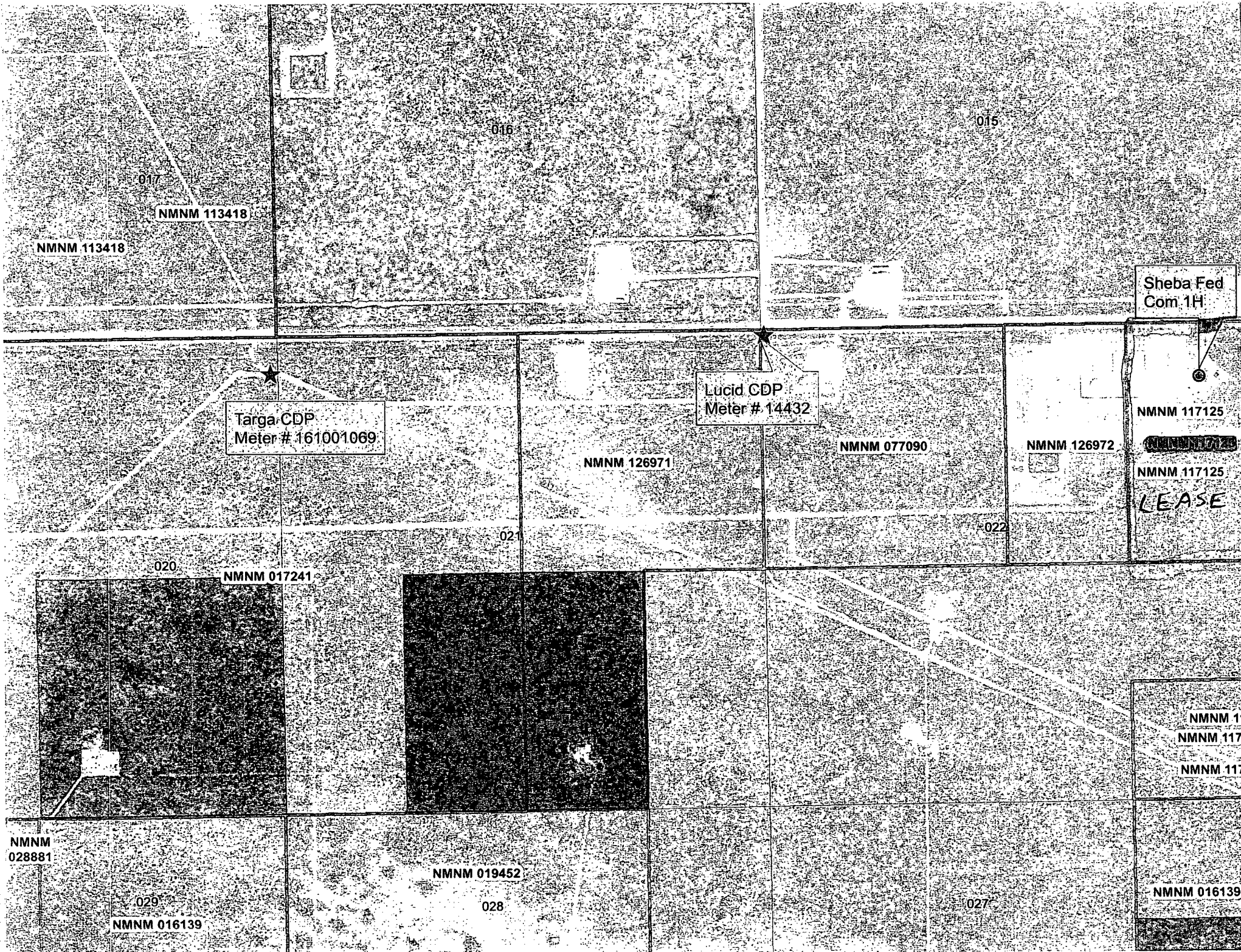
Sheba Fed Com 1H Map

Legend



Google Earth

© 2018 Google



NMNM 113418

017

NMNM 113418

016

015

★
Targa CDP
Meter # 161001069

★
Lucid CDP
Meter # 14432

Sheba Fed.
Com 1H

NMNM 126971

NMNM 077090

NMNM 126972

NMNM 117125

~~NMNM 117125~~
NMNM 117125

020

NMNM 017241

021

NMNM 137411

022

NMNM 138289

CA

NMNM
028881

029

NMNM 016139

NMNM 019452

028

NMNM 072407

NMNM 117125

NMNM 117125

NMNM 117125

027

NMNM 113418

NMNM 113418

Sheba Fed
Com 1H

Targa CDP
Meter # 161001069

Lucid CDP
Meter # 14432

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Targa CDP
Meter # 161001069

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NMNM
028881

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NMNM 072407

NMNM 117125

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NMNM 117125

NMNM 016139

NMNM 016139

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

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

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Applicant: Centennial Resource Production, LLC**OGRID Number:** 372165**Well Name:** Sheba Federal Com 1H**API:** 30-025-43358**Pool:** Antelope Ridge; Wolfcamp**Pool Code:** 2220

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

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

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

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

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☒ OLM

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

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue owners *w/owner only*C. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

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

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

Kania Castillo

Print or Type Name

Signature

10/23/18

Date

720-499-1537

Phone Number

kanicia.castillo@cdevinc.com

e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION

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

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

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

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

(A) POOL COMMINGLING

Please attach sheets with the following information

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

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

(B) LEASE COMMINGLING

Please attach sheets with the following information

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

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

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

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

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

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

SIGNATURE: KC TITLE: Sr. Regulatory Analyst DATE: 10/23/18

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

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



October 23, 2018

Aquinnah Resources, LLC
Attn: Bob Landreth
110 W. Louisiana St. Suite 404
Midland, TX 79701

Certified Mail Article Number: 7007 1490 0005 0460 1787

RE: Application for Off Lease Measurement of Gas:

Sheba Federal Com 1H
API# 30-025-443358
Sec 22, T24S, R24E, Unit A
620' FNL & 535' FEL
Antelope Ridge; Wolfcamp
Lea County, New Mexico

Bob Landreth,

This letter will serve as notice that Centennial Resource Production, LLC has applied for a permit from the Oil Conservation Division in Santa Fe, NM for Off Lease Measurement of Gas. Please see attached application.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Kanicia Castillo
Sr. Regulatory Analyst

SENDER COMPLETE THIS SECTION

- ☒ Complete items 1, 2, and 3.
☒ Print your name and address on the reverse so that we can return the card to you.
☒ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article/Addressed to:

Aquinnah Resources, LLC
 Attn: Bob Landreth
 110 W. Louisiana Street, Suite 404
 Midland, TX 79701



9590 9402 2085 6132 4721 07

2. Article Number (Transfer from service label)

7007 1490 0005 0460 1787

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☒ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

CERTIFIED MAIL



7007 1490 0005 0460 1787

7007 1490 0005 0460 1787



1001 17th Street
 Suite 1800
 Denver, CO 80202

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage)	
For delivery information visit our website at www.usps.com	
OFFICIAL U	
Postage \$	
Certified Fee	
Return Receipt Fee (endorsement required)	
Restricted Delivery Fee (endorsement required)	
Total Postage & Fees \$	
Sent To	Aquinnah Resources, LLC
Street, Apt. No., or PO Box No.	Attn: Bob Landreth
City, State, ZIP+4	110 W. Louisiana Street, Midland, TX 79701
PS Form 3800, Aug 2014	

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Off-Lease/CA Measurement and Sales of Gas Production
Conditions of Approval
November 27, 2018
Centennial Resources Production
Sheba Federal Com 1H
3002543358
Lease 117125 and CA NMNM136574**

Approval of off-lease/CA measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33" for royalty-bearing flared gas and disposition code 63 for royalty-bearing vented gas.
DC 33 = Flared gas – royalty due
DC 63 = Vented gas – royalty due
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
5. This approval is subject to like approval by the New Mexico Oil Conservation Division.
6. Additional wells require additional approvals.
7. This approval does not constitute right-of-way approval for any off-lease/Unit activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
8. Approval for off-lease/CA from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.