

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 20, 2022**

CASE NO. 22251

ELDERBERRY 19 STATE COM 501H-503H

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 22251


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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22251	APPLICANT'S RESPONSE
Date	January 20, 2022
Applicant	Centennial Resource Production, LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production, LLC (OGRID No. 372165)
Applicant's Counsel: BEFORE THE OIL CONSERVATION DIVISION	Holland & Hart LLP
Case Title: Santa Fe, New Mexico Exhibit No. A Submitted by: Centennial Resource Production, LLC Hearing Date: January 20, 2022 Case No. 22251	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	V-F Petroluem
Well Family	Elderberry 19 State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Pool
Pool Name and Pool Code:	WC-025 G-07 S213430M; Bone Spring Pool [Pool code 97962]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	480 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	SE/4 of Section 19 and the E/2 of Section 30, Township 21 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	N/A
Proximity Tracts: If yes, description	Yes; the Elderberry 19 State Com #502H well will remain within 330 feet of the quarter-quarter line separating the E/2 SE/4 from the W/2 of the SE/4 of Section 19 and the E/2 E/2 from the W/2 E/2 of Section 30, to allow inclusion of this acreage into a standard horizontal well spacing unit.
Proximity Defining Well: if yes, description	Elderberry 19 State Com #502H; see well details below.
Applicant's Ownership in Each Tract	See Exhibit C-3
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Elderberry 19 State Com #501H well (API No. 30-025-Pending) SHL: Unit J of Section 19, T21S, R34E, Lea County BHL: Unit O of Section 30, T21S, R34E, Lea County FTP: 2542 feet FSL, 2130 feet FEL, Sec. 19 LTP: 100 feet FSL, 2130 feet FEL, Sec. 30 Target: Bone Spring formation Orientation: North-South Completions: Standard Location
Well #2	Elderberry 19 State Com #502H well (API No. 30-025-Pending) SHL: Unit J of Section 19, T21S, R34E, Lea County BHL: Unit P of Section 30, T21S, R34E, Lea County FTP: 2542 feet FSL, 450 feet FEL, Sec. 19 LTP: 100 feet FSL, 450 feet FEL, Sec. 30 Target: Bone Spring formation Orientation: North-South Completions: Standard Location
Well #3	Elderberry 19 State Com #503H well (API No. 30-025-Pending) SHL: Unit J of Section 19, T21S, R34E, Lea County BHL: Unit P of Section 30, T21S, R34E, Lea County FTP: 2542 feet FSL, 1290 feet FEL, Sec. 19 LTP: 100 feet FSL, 1290 feet FEL, Sec. 30 Target: Bone Spring formation Orientation: North-South Completions: Standard Location
Horizontal Well First and Last Take Points	See above for each well
Completion Target (Formation, TVD and MD)	See Exhibit D-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	1/20/2022

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

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

CASE NO. 22251

APPLICATION

Centennial Resource Production, LLC (“Centennial” or “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 480-acre, more or less, horizontal spacing unit comprised of the SE/4 of Section 19 and the E/2 of Section 30, Township 21 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:

a. (1) the **Elderberry 19 State Com #501H well**, to be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 19, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 30; and

b. (2) the **Elderberry 19 State Com #502H well**, and (3) the **Elderberry 19 State Com #503H well**, both are to be horizontally drilled from a surface

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

**Submitted by: Centennial Resource Production, LLC
Hearing Date: January 20, 2022
Case No. 22251**

location in the NW/4 SE/4 (Unit J) of Section 19, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30.

3. The completed interval of the **Elderberry 19 State Com #502H well** will remain within 330 feet of the quarter-quarter line separating the E/2 SE/4 from the W/2 of the SE/4 of Section 19 and the E/2 E/2 from the W/2 E/2 of Section 30, to allow inclusion of this acreage into a standard horizontal well spacing unit.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working 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 horizontal wells and spacing unit.


WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, 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 wells 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
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**ATTORNEYS FOR
CENTENNIAL RESOURCE PRODUCTION, LLC**

**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. 22251

AFFIDAVIT OF GAVIN SMITH

Gavin Smith, of lawful age and being first duly sworn, states the following:

1. My name is Gavin Smith and I am employed by Centennial Resource Production, LLC (“Centennial”) as a Senior Landman.
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 the status of the lands in the subject area.
4. None of the uncommitted parties in this case has indicated opposition to proceeding by affidavit and, therefore, I do not expect opposition at the hearing.
5. In **Case No. 22251**, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SE/4 of Section 19 and the E/2 of Section 30, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, and dedicating the spacing unit to the following proposed initial wells:

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Centennial Resource Production, LLC
Hearing Date: January 20, 2022
Case No. 22251**

- the **Elderberry 19 State Com #501H well**, to be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 19, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 30; and
- the **Elderberry 19 State Com #502H well**, and the **Elderberry 19 State Com #503H well**, both are to be horizontally drilled from a surface location in the NW/4 SE/4 (Unit J) of Section 19, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 30. The completed interval of the Elderberry 19 State Com #502H well will remain within 330 feet of the quarter-quarter line separating the E/2 SE/4 from the W/2 of the SE/4 of Section 19 and the E/2 E/2 from the W/2 E/2 of Section 30, to allow inclusion of this acreage into a standard horizontal well spacing unit.

6. **Centennial Exhibit C-1** contains draft Form C-102s for the proposed initial wells in this standard spacing unit. These forms demonstrate that the completed interval for each well will meet the standard setback requirements for horizontal oil wells.

7. Centennial understands that these Bone Spring wells will be placed in the WC-025 G-07 S213430M; Bone Spring Pool [Pool code 97962].

8. **Centennial Exhibit C-2** identifies the tracts of land comprising each of the proposed horizontal spacing units, the working interest ownership in each tract, and their interest in the horizontal spacing unit. There are no unleased mineral interest owners. The subject acreage is comprised of state lands. The NE/4 of Section 19 will not be stranded because it is included in another horizontal well spacing unit within the Bone Spring formation.

9. No depth severances exist within the Bone Spring formation underlying this acreage.

10. **Centennial Exhibit C-3** identifies the working interest owners that Centennial is seeking to pool in the proposed horizontal spacing unit.

11. Centennial has conducted a diligent search of the public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each mineral owner. As indicated in **Exhibit C-5**, Centennial has been able to locate and has had discussions with each party that it seeks to pool in these cases in an effort to reach voluntary joinder.

12. Centennial also seeks to pool the overriding royalty interest owners identified in Exhibit C-3.

13. **Centennial Exhibit C-4** contains a sample of the well proposal letters and AFEs sent to the working interest owners. The costs reflected in these AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in these formations.

14. **Centennial Exhibit C-5** contains a general summary of the contacts with the uncommitted owners. In my opinion, Centennial has undertaken good faith efforts to reach an agreement with the uncommitted owners.

15. Centennial requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

16. Centennial has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Centennial seeks to pool and instructed that they be notified of this hearing.

17. **Centennial Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

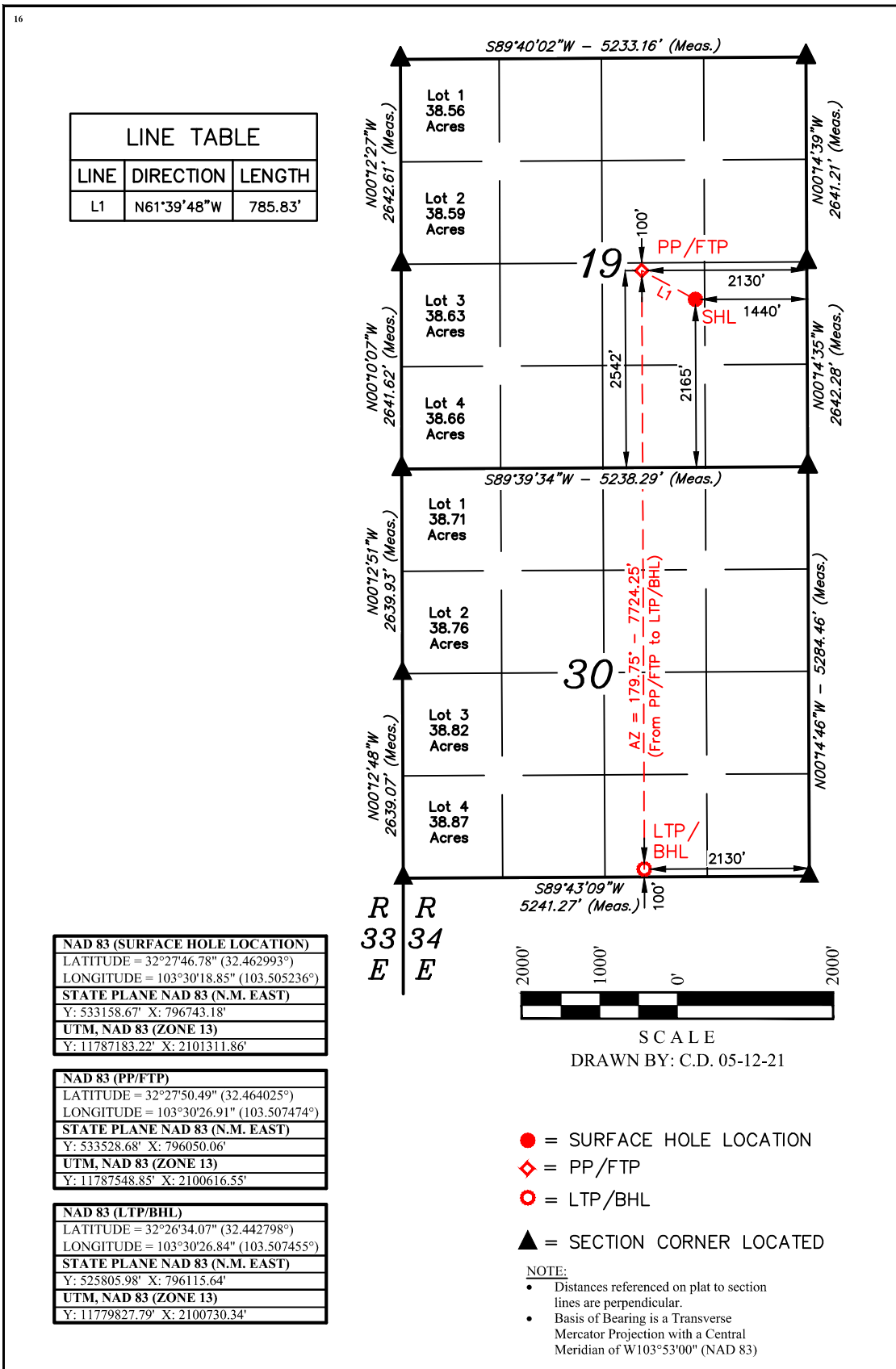
Surface Location

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Bottom Hole Location If Different From Surface

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes sub-tables for Dedicated Acres, Joint or Infill, Consolidation Code, 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.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 08, 2021
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

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 ELDERBERRY 19 STATE COM			6 Well Number 502H
7 OGRID No.		8 Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			9 Elevation 3735.5'

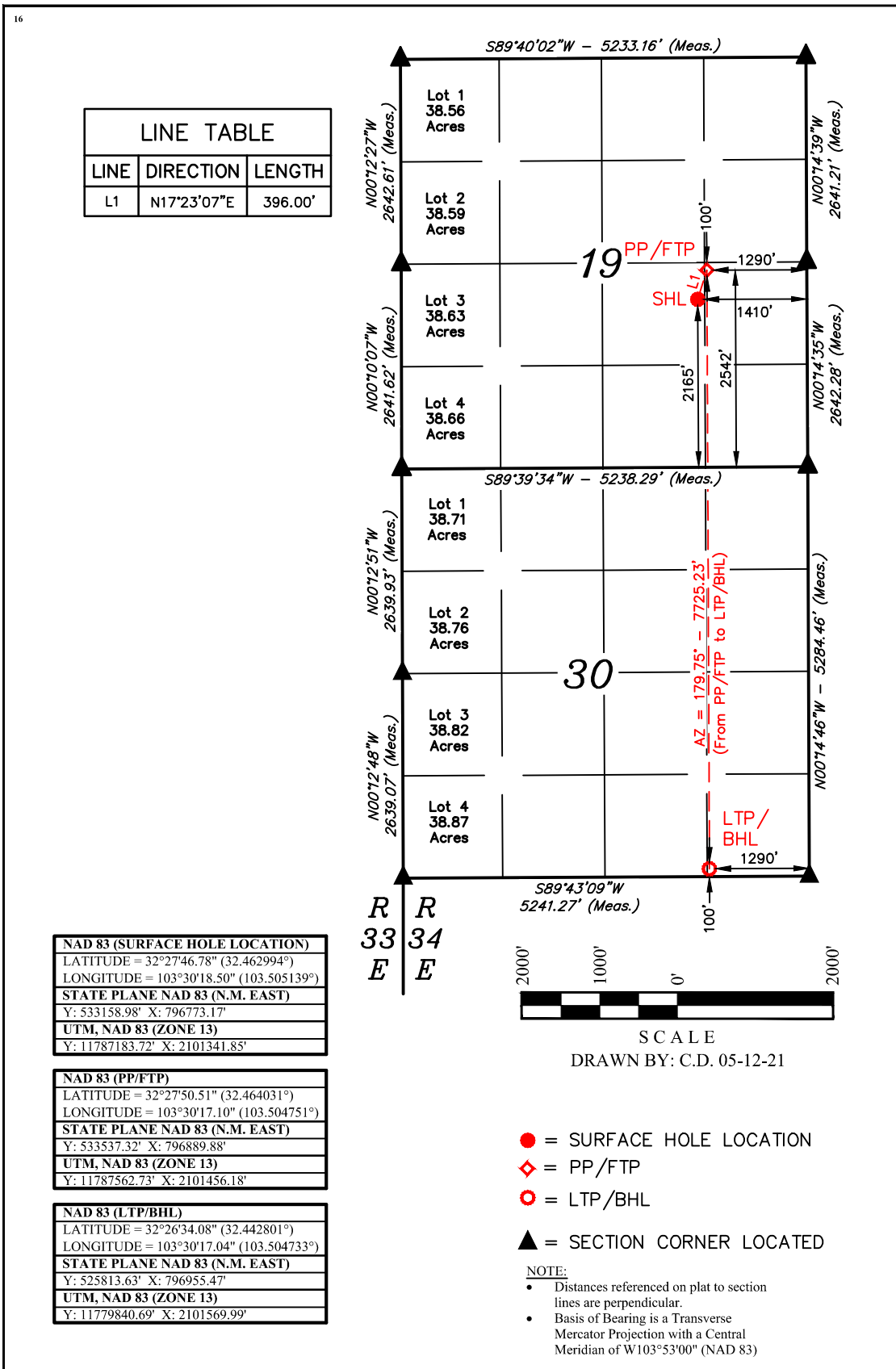
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	21S	34E		2165	SOUTH	1410	EAST	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
P	30	21S	34E		100	SOUTH	1290	EAST	LEA
12 Dedicated Acres		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.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 08, 2021

Date of Survey _____
Signature and Seal of Professional Surveyor: _____

Certificate Number: _____

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
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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 ELDERBERRY 19 STATE COM			⁶ Well Number 503H
⁷ OGRID No.		⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			⁹ Elevation 3735.7'

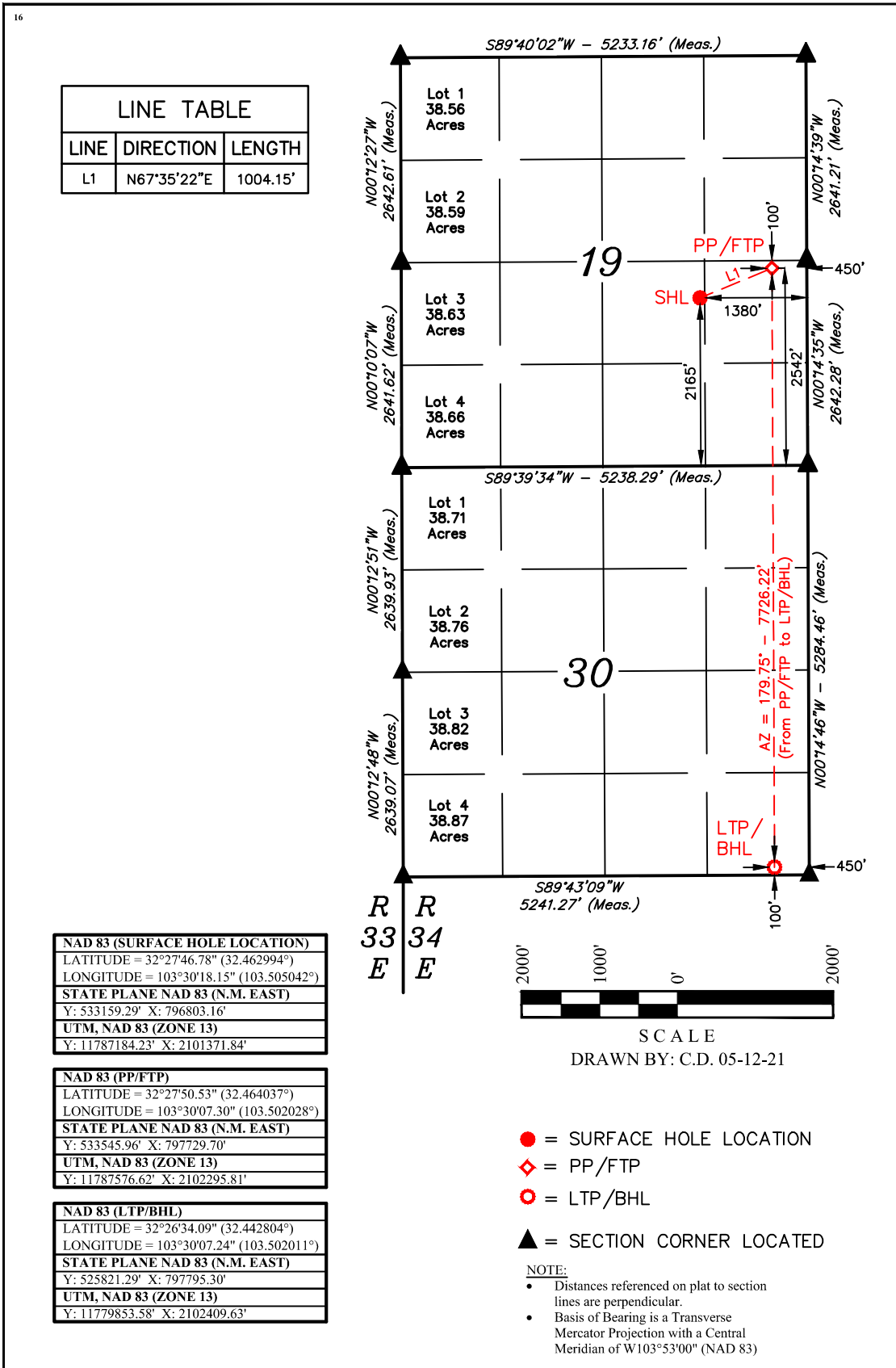
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	21S	34E		2165	SOUTH	1380	EAST	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
P	30	21S	34E		100	SOUTH	450	EAST	LEA
¹² Dedicated Acres		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.



¹⁷ OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
 Printed Name _____
 E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

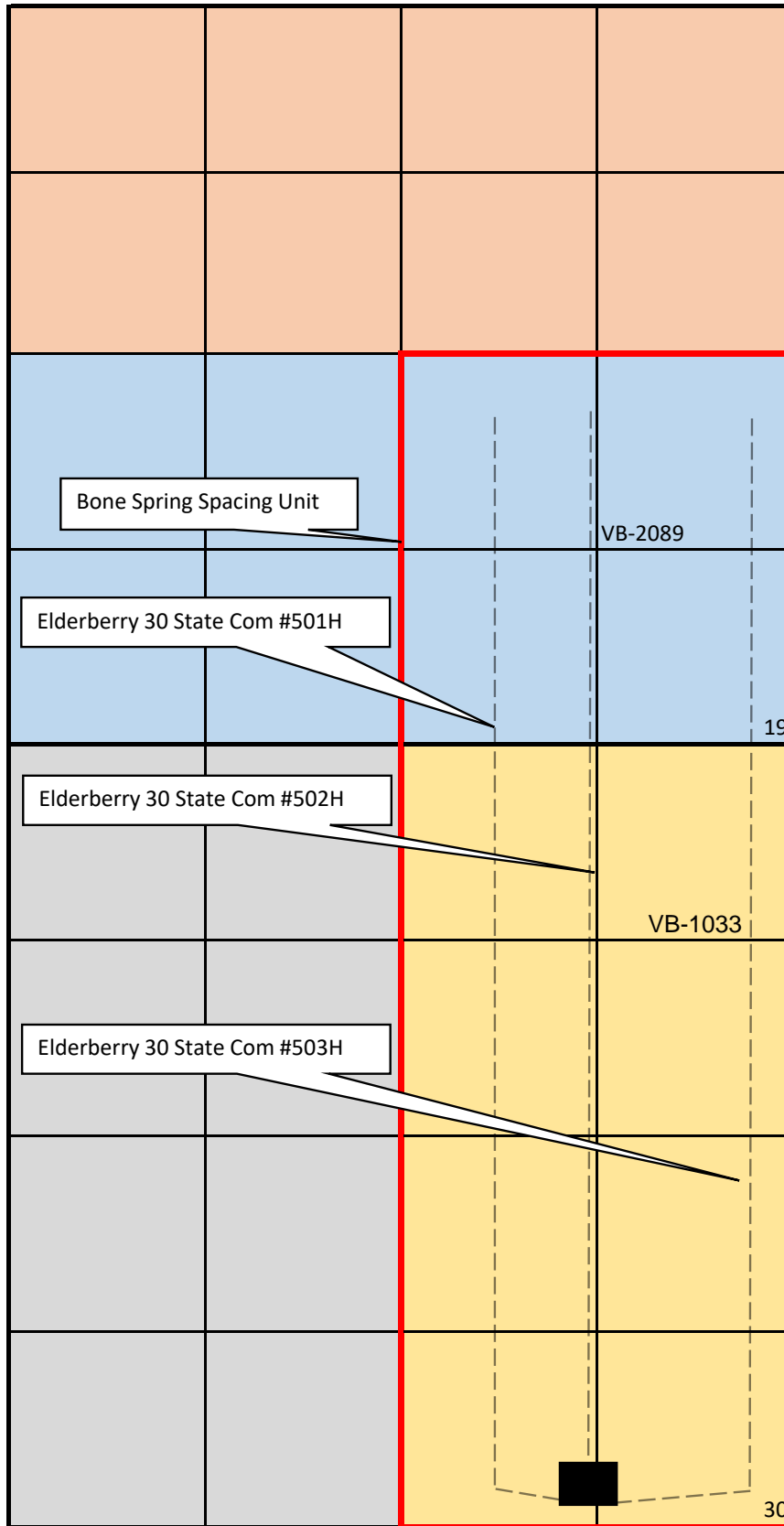
MAY 08, 2021

Date of Survey _____
 Signature and Seal of Professional Surveyor: _____



Certificate Number: _____

Exhibit C-2
Ownership Map
Township 21 South, Range 34 East, Lea County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Centennial Resource
Production, LLC
Hearing Date: January 20, 2022
Case No. 22251

Exhibit C-3
Elderberry 30 State Com #501H-#503H
Ownership Schedule

Name	Interest Type	Working Interest
Tract 1 - SE/4 Section 19, T21S R34E - 160 acres		
GMT New Mexico Royalty Company, LLC	ORRI	N/A
The Allar Company	Working Interest	0.08306254
MRC Permian Company	Working Interest	0.38161044
Centennial Resource Production, LLC	Working Interest	0.53532702
Total		1.00000000
Tract 2 - E/2 Section 30, T21S R34E - 320 acres		
GMT New Mexico Royalty Company, LLC	ORRI	N/A
The Allar Company	Working Interest	0.07500000
VF Petroleum, Inc.	Working Interest	0.01000000
Fuel Products, Inc.	Working Interest	0.05750000
Gahr Energy Company	Working Interest	0.05750000
Sharbro Energy	Working Interest	0.00750000
Centennial Resource Production, LLC	Working Interest	0.79250000
		1.00000000
Owners to be Pooled in 480 acre spacing unit		
GMT New Mexico Royalty Company, LLC	ORRI	N/A
The Allar Company	Working Interest	0.07768751
MRC Permian Company	Working Interest	0.12720348
Sharbro Energy	Working Interest	0.00500000
V-F Petroleum, Inc.	Working Interest	0.00666667
Fuel Products, Inc.	Working Interest	0.03833333
Gahr Energy Company	Working Interest	0.03833333
Total:		0.29322433
Owners NOT being Pooled		
Centennial Resource Production, LLC	Working Interest	0.70677567
Total:		0.70677567
Total Working Interest:		1.00000000

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: Centennial Resource
Production, LLC
Hearing Date: January 20, 2022
Case No. 22251



August 27, 2021

RE: Elderberry 19 State Com #501H
SHL: 2,165' FSL Sec. 19 & 1,440' FEL Sec. 19 T21S R34E
BHL: 100' FSL Sec. 30 & 2,130' FEL Sec. 30 T21S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Elderberry 19 State Com #501H as a horizontal well to test the Bone Spring Formation at a TVD of 10,600 feet. The E/2 of the referenced Section 30 and SE/4 of Section 19 will be dedicated to the well as the proration unit being a total of 480.00 acres. Please see the enclosed AFE in the amount of \$6,665,232.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of August 1, 2021. The JOA contains a proposed overhead rate of \$8,000 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 a copy to gavin.smith@cdevinc.com. Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in black ink that reads 'Gavin Smith'.

Gavin Smith, CPL
Senior Landman

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Centennial Resource Production, LLC
Hearing Date: January 20, 2022
Case No. 22251



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED ELDERBERRY 19 STATE COM #501H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: _____

By: -----

Title:-----

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED ELDERBERRY 19 STATE COM #501H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: _____

By: _____

Title:-----



AFE Number	401827	Original
Drilling Total (\$)	\$2,698,065	
Completion Total (\$)	\$2,507,046	
Facilities Total (\$)	\$889,217	
Flowback Total (\$)	\$570,905	
AFE Total (\$)	\$6,665,232	

Authorization for Expenditure

AFE Description

Property Name	Well: Elderberry 19 State Com 501H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - NM
Scheduled Spud Date	Feb 13, 2023	Estimated TVD (ft)	
Target Zone	SBSG SAND	Estimated MD (ft)	

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$10,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$15,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$60,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$55,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$18,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$294,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$182,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00	8015.2300	IDC - FUEL / POWER	\$75,500.00
8015.2400	IDC - RIG WATER	\$16,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$144,000.00
8015.2600	IDC - MUD LOGGING	\$.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$35,000.00
8015.2800	IDC - CORE ANALYSIS	\$.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,000.00	8015.3100	IDC - CASING CREW & TOOLS	\$53,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$25,500.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$51,250.00
8015.3700	IDC - DISPOSAL	\$100,000.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$.00	8015.4100	IDC - RENTAL EQUIPMENT	\$43,000.00
8015.4200	IDC - MANCAMP	\$26,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$83,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$12,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,400.00
8015.4800	IDC - OVERHEAD	\$.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$11,067.31
8015.5200	IDC - CONTINGENCY	\$147,497.38	8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1950	IDC - LOST IN HOLE	\$.00	8015.2150	IDC - DRILL BIT	\$76,000.00
8015.2350	IDC - FUEL/MUD	\$75,000.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$.00	8020.1100	TDC - CASING - SURFACE	\$60,562.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$166,600.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$.00
8020.1400	TDC - CASING - PRODUCTION	\$353,812.50	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$70,000.00	8020.1800	TDC - CONTINGENCY	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00

8025.1200	ICC - COMPLETION RIG	\$.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$193,820.00	8025.1600	ICC - COILED TUBING	\$71,000.00
8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$15,435.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$192,933.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,276,688.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$105,655.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$184,600.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
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	\$232,440.00	8025.4400	ICC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00

Account	Description	Total (\$)
8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00

Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$20,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$71,833.33
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$61,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,833.33
8035.3600	FAC - ELECTRICAL	\$13,333.33
8035.3800	FAC - FLARE/COMBUSTER	\$16,250.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$5,000.00
8035.4300	FAC - INSURANCE	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2900	FAC - TANK BATTERY	\$113,833.33
8035.3200	FAC - VALVES FITTINGS & PIPE	\$207,333.33
8035.3400	FAC - METER & LACT	\$82,500.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.4500	FAC - CONTINGENCY	\$42,343.65
8035.1500	FAC - MATERIALS & SUPPLIES	\$5,000.00
8035.1800	FAC - FUEL / POWER	\$.00
8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2600	FAC - INJECTION PUMP	\$.00
8035.3500	FAC - COMPRESSOR	\$6,666.67
8035.4100	FAC - OVERHEAD	\$.00
8035.1310	FAC - PERMANENT EASEMENT	\$.00

Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00
8036.1310	PLN - PERMANENT EASEMENT	\$6,767.68
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00
8036.2400	PLN - SUPERVISION	\$.00
8036.2700	PLN - PIPELINE	\$120,320.00
8036.2900	PLN - TANK BATTERY	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00
8036.3300	PLN - PUMP	\$.00
8036.3500	PLN - COMPRESSOR	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,101.01
8036.3700	PLN - AUTOMATION	\$.00
8036.4300	PLN - INSURANCE	\$.00
8036.4500	PLN - CONTINGENCY	\$.00

Account	Description	Total (\$)
8036.1100	PLN - STAKING & SURVEYING	\$.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2800	PLN - FLOWLINE	\$.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3400	PLN - METER	\$.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,101.01
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4400	PLN - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00
8040.1600	IFC - COILED TUBING	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$181,905.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$6,000.00
8040.2300	IFC - COMPLETION FLUID	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$120,000.00

Account	Description	Total (\$)
8040.1200	IFC - COMPLETION RIG	\$13,500.00
8040.1500	IFC - FUEL / POWER	\$.00
8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.3100	IFC - WELLHEAD/FRACTURE TREE REPAIR	\$.00

8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$60,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$7,000.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$10,000.00
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	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$20,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$20,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00



August 27, 2021

RE: Elderberry 19 State Com #502H
SHL: 2,165 FSL Sec. 19 & 1,410' FEL Sec. 19 T21S R34E
BHL: 100' FSL Sec. 30 & 1,290' FEL Sec. 30 T21S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Elderberry 19 State Com #502H as a horizontal well to test the Bone Spring Formation at a TVD of 10,600 feet. The E/2 of the referenced Section 30 and SE/4 of Section 19 will be dedicated to the well as the proration unit being a total of 480.00 acres. Please see the enclosed AFE in the amount of \$6,665,232.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of August 1, 2021. The JOA contains a proposed overhead rate of \$8,000 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 a copy to gavin.smith@cdevinc.com. Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in black ink that reads 'Gavin Smith'.

Gavin Smith, CPL
Senior Landman



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED ELDERBERRY 19 STATE COM #502H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: -----

By: -----

Title:-----

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED ELDERBERRY 19 STATE COM #502H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: -----

By:-----

Title:-----



AFE Number	401825	Original
Drilling Total (\$)	\$2,698,065	
Completion Total (\$)	\$2,507,046	
Facilities Total (\$)	\$889,217	
Flowback Total (\$)	\$570,905	
AFE Total (\$)	\$6,665,232	

Authorization for Expenditure

AFE Description

Property Name	Well: Elderberry 19 State Com 502H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - NM
Scheduled Spud Date	Feb 26, 2023	Estimated TVD (ft)	
Target Zone	SBSG SAND	Estimated MD (ft)	

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$10,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$15,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$60,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$55,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$18,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$294,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$182,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00	8015.2300	IDC - FUEL / POWER	\$75,500.00
8015.2400	IDC - RIG WATER	\$16,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$144,000.00
8015.2600	IDC - MUD LOGGING	\$.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$35,000.00
8015.2800	IDC - CORE ANALYSIS	\$.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,000.00	8015.3100	IDC - CASING CREW & TOOLS	\$53,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$25,500.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$51,250.00
8015.3700	IDC - DISPOSAL	\$100,000.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$.00	8015.4100	IDC - RENTAL EQUIPMENT	\$43,000.00
8015.4200	IDC - MANCAMP	\$26,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$83,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$12,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,400.00
8015.4800	IDC - OVERHEAD	\$.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$11,067.31
8015.5200	IDC - CONTINGENCY	\$147,497.38	8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1950	IDC - LOST IN HOLE	\$.00	8015.2150	IDC - DRILL BIT	\$76,000.00
8015.2350	IDC - FUEL/MUD	\$75,000.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$.00	8020.1100	TDC - CASING - SURFACE	\$60,562.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$166,600.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$.00
8020.1400	TDC - CASING - PRODUCTION	\$353,812.50	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$70,000.00	8020.1800	TDC - CONTINGENCY	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00

8025.1200	ICC - COMPLETION RIG	\$.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$193,820.00	8025.1600	ICC - COILED TUBING	\$71,000.00
8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$15,435.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$192,933.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,276,688.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$105,655.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$184,600.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
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	\$232,440.00	8025.4400	ICC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00

Account	Description	Total (\$)
8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00

Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$20,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$71,833.33
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$61,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,833.33
8035.3600	FAC - ELECTRICAL	\$13,333.33
8035.3800	FAC - FLARE/COMBUSTER	\$16,250.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$5,000.00
8035.4300	FAC - INSURANCE	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2900	FAC - TANK BATTERY	\$113,833.33
8035.3200	FAC - VALVES FITTINGS & PIPE	\$207,333.33
8035.3400	FAC - METER & LACT	\$82,500.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.4500	FAC - CONTINGENCY	\$42,343.65
8035.1500	FAC - MATERIALS & SUPPLIES	\$5,000.00
8035.1800	FAC - FUEL / POWER	\$.00
8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2600	FAC - INJECTION PUMP	\$.00
8035.3500	FAC - COMPRESSOR	\$6,666.67
8035.4100	FAC - OVERHEAD	\$.00
8035.1310	FAC - PERMANENT EASEMENT	\$.00

Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00
8036.1310	PLN - PERMANENT EASEMENT	\$6,767.67
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00
8036.2400	PLN - SUPERVISION	\$.00
8036.2700	PLN - PIPELINE	\$120,320.00
8036.2900	PLN - TANK BATTERY	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00
8036.3300	PLN - PUMP	\$.00
8036.3500	PLN - COMPRESSOR	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,101.01
8036.3700	PLN - AUTOMATION	\$.00
8036.4300	PLN - INSURANCE	\$.00
8036.4500	PLN - CONTINGENCY	\$.00

Account	Description	Total (\$)
8036.1100	PLN - STAKING & SURVEYING	\$.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2800	PLN - FLOWLINE	\$.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3400	PLN - METER	\$.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,101.10
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4400	PLN - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00
8040.1600	IFC - COILED TUBING	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$181,905.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$6,000.00
8040.2300	IFC - COMPLETION FLUID	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$120,000.00

Account	Description	Total (\$)
8040.1200	IFC - COMPLETION RIG	\$13,500.00
8040.1500	IFC - FUEL / POWER	\$.00
8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$.00

8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$60,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$7,000.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$10,000.00
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	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$20,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$20,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00



August 27, 2021

RE: Elderberry 19 State Com #503H
SHL: 2,165 FSL Sec. 19 & 1,380' FEL Sec. 19 T21S R34E
BHL: 100' FSL Sec. 30 & 450' FEL Sec. 30 T21S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Elderberry 19 State Com #503H as a horizontal well to test the Bone Spring Formation at a TVD of 10,600 feet. The E/2 of the referenced Section 30 and SE/4 of Section 19 will be dedicated to the well as the proration unit being a total of 480.00 acres. Please see the enclosed AFE in the amount of \$6,665,232.00

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of August 1, 2021. The JOA contains a proposed overhead rate of \$8,000 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 a copy to gavin.smith@cdevinc.com. Should you have any questions, please call me at (720) 499-1474.

Best Regards

A handwritten signature in black ink that reads "Gavin Smith".

Gavin Smith, CPL
Senior Landman



THE UNDERSIGNED HEREBY ELECTS TO PARTICIPATE IN THE CAPTIONED ELDERBERRY 19 STATE COM #503H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: -----

By: -----

Title: -----

THE UNDERSIGNED HEREBY ELECTS NOT TO PARTICIPATE IN THE CAPTIONED ELDERBERRY 19 STATE COM #503H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this __ day of _____, 2021.

Owner Name: -----

Signature: _____

By: _____

Title: -----



AFE Number	401826	Original
Drilling Total (\$)	\$2,698,065	
Completion Total (\$)	\$2,507,046	
Facilities Total (\$)	\$889,217	
Flowback Total (\$)	\$570,905	
AFE Total (\$)	\$6,665,232	

Authorization for Expenditure

AFE Description

Property Name	Well: Elderberry 19 State Com 503H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - NM
Scheduled Spud Date	Mar 11, 2023	Estimated TVD (ft)	
Target Zone	SBSG SAND	Estimated MD (ft)	

Non Operator Approval

Company _____

Approved By _____

Title _____

Date _____

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$10,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$15,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$60,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$55,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$18,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$294,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$182,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00	8015.2300	IDC - FUEL / POWER	\$75,500.00
8015.2400	IDC - RIG WATER	\$16,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$144,000.00
8015.2600	IDC - MUD LOGGING	\$.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$35,000.00
8015.2800	IDC - CORE ANALYSIS	\$.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$190,000.00	8015.3100	IDC - CASING CREW & TOOLS	\$53,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$25,500.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$51,250.00
8015.3700	IDC - DISPOSAL	\$100,000.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$.00	8015.4100	IDC - RENTAL EQUIPMENT	\$43,000.00
8015.4200	IDC - MANCAMP	\$26,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$83,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$12,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,400.00
8015.4800	IDC - OVERHEAD	\$.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$11,067.31
8015.5200	IDC - CONTINGENCY	\$147,497.38	8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1950	IDC - LOST IN HOLE	\$.00	8015.2150	IDC - DRILL BIT	\$76,000.00
8015.2350	IDC - FUEL/MUD	\$75,000.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$.00	8020.1100	TDC - CASING - SURFACE	\$60,562.50
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$166,600.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$.00
8020.1400	TDC - CASING - PRODUCTION	\$353,812.50	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$70,000.00	8020.1800	TDC - CONTINGENCY	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00

8025.1200	ICC - COMPLETION RIG	\$.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$193,820.00	8025.1600	ICC - COILED TUBING	\$71,000.00
8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$15,435.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$192,933.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,276,688.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$105,655.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$184,600.00
8025.3500	ICC - WELLSITE SUPERVISION	\$48,600.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
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	\$232,440.00	8025.4400	ICC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00

Account	Description	Total (\$)
8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00

Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$20,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$71,833.33
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$61,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$10,833.33
8035.3600	FAC - ELECTRICAL	\$13,333.33
8035.3800	FAC - FLARE/COMBUSTER	\$16,250.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$5,000.00
8035.4300	FAC - INSURANCE	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2900	FAC - TANK BATTERY	\$113,833.33
8035.3200	FAC - VALVES FITTINGS & PIPE	\$207,333.33
8035.3400	FAC - METER & LACT	\$82,500.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.4500	FAC - CONTINGENCY	\$42,343.65
8035.1500	FAC - MATERIALS & SUPPLIES	\$5,000.00
8035.1800	FAC - FUEL / POWER	\$.00
8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2600	FAC - INJECTION PUMP	\$.00
8035.3500	FAC - COMPRESSOR	\$6,666.67
8035.4100	FAC - OVERHEAD	\$.00
8035.1310	FAC - PERMANENT EASEMENT	\$.00

Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00
8036.1310	PLN - PERMANENT EASEMENT	\$6,767.68
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00
8036.2400	PLN - SUPERVISION	\$.00
8036.2700	PLN - PIPELINE	\$120,320.00
8036.2900	PLN - TANK BATTERY	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00
8036.3300	PLN - PUMP	\$.00
8036.3500	PLN - COMPRESSOR	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,101.01
8036.3700	PLN - AUTOMATION	\$.00
8036.4300	PLN - INSURANCE	\$.00
8036.4500	PLN - CONTINGENCY	\$.00

Account	Description	Total (\$)
8036.1100	PLN - STAKING & SURVEYING	\$.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2800	PLN - FLOWLINE	\$.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3400	PLN - METER	\$.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,101.01
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4400	PLN - COMPANY LABOR	\$.00

Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00
8040.1600	IFC - COILED TUBING	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$181,905.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$6,000.00
8040.2300	IFC - COMPLETION FLUID	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$120,000.00

Account	Description	Total (\$)
8040.1200	IFC - COMPLETION RIG	\$13,500.00
8040.1500	IFC - FUEL / POWER	\$.00
8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.3100	IFC - WELLHEAD/FRACTURE TREE REPAIR	\$.00

8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$60,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$7,000.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$10,000.00
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	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$20,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$20,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00

Exhibit C-5

Date	Action
June 1, 2021	Began researching title and updating ownership
August 24, 2021	Sent initial well proposals for the Elderberry 30 State Com #501H-#503H
September 15, 2021	Discussed Dragon Fruit proposals and JOA with David Johns at Matador
October 5, 2021	Filed for compulsory pooling hearing

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C5
Submitted by: Centennial Resource
Production, LLC
Hearing Date: January 20, 2022
Case No. 22251

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

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

CASE NO. 22251

AFFIDAVIT OF ISABEL HARPER

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 in this case.
5. **Centennial Exhibit D-1** is a locator map. It shows Centennial’s acreage in yellow and the paths of the proposed wellbores, with the surface hole and bottom hole locations, as well as the outline of the proposed spacing unit.
6. **Centennial Exhibit D-2** is a subsea structure map that I prepared off the top of the Third Bone Spring formation. The contour interval is 50 feet. The structure map shows the Bone Spring dipping gently to the southwest. The structure appears consistent across the proposed wellbore paths. Based on this subsea structure map, I do not observe

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: Centennial Resource Production, LLC

Hearing Date: January 20, 2022

Case No. 22251

any faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells in this area.

7. **Centennial Exhibit No. D-3** shows a line of cross-section 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 Second 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 develop the subject acreage efficiently and effectively.

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. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing units proposed in these cases.

11. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery,

and 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.

FURTHER AFFIANT SAYETH NOT.

Isabel Harper
Isabel Harper

STATE OF COLORADO)
)
COUNTY OF DENVER)

SUBSCRIBED and SWORN to before me this 3rd day of December 2021 by
Isabel Harper.

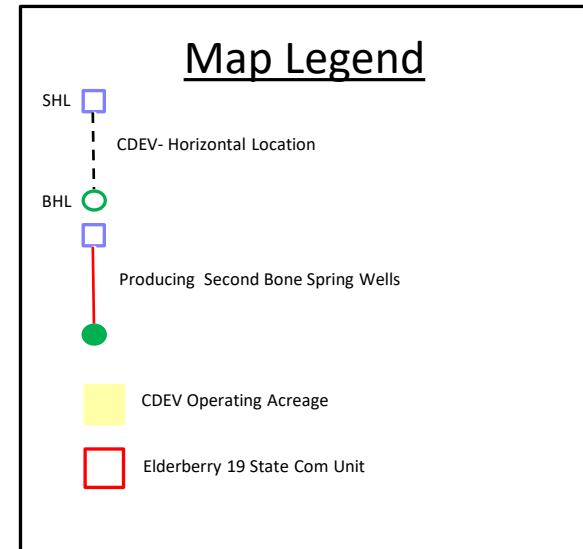
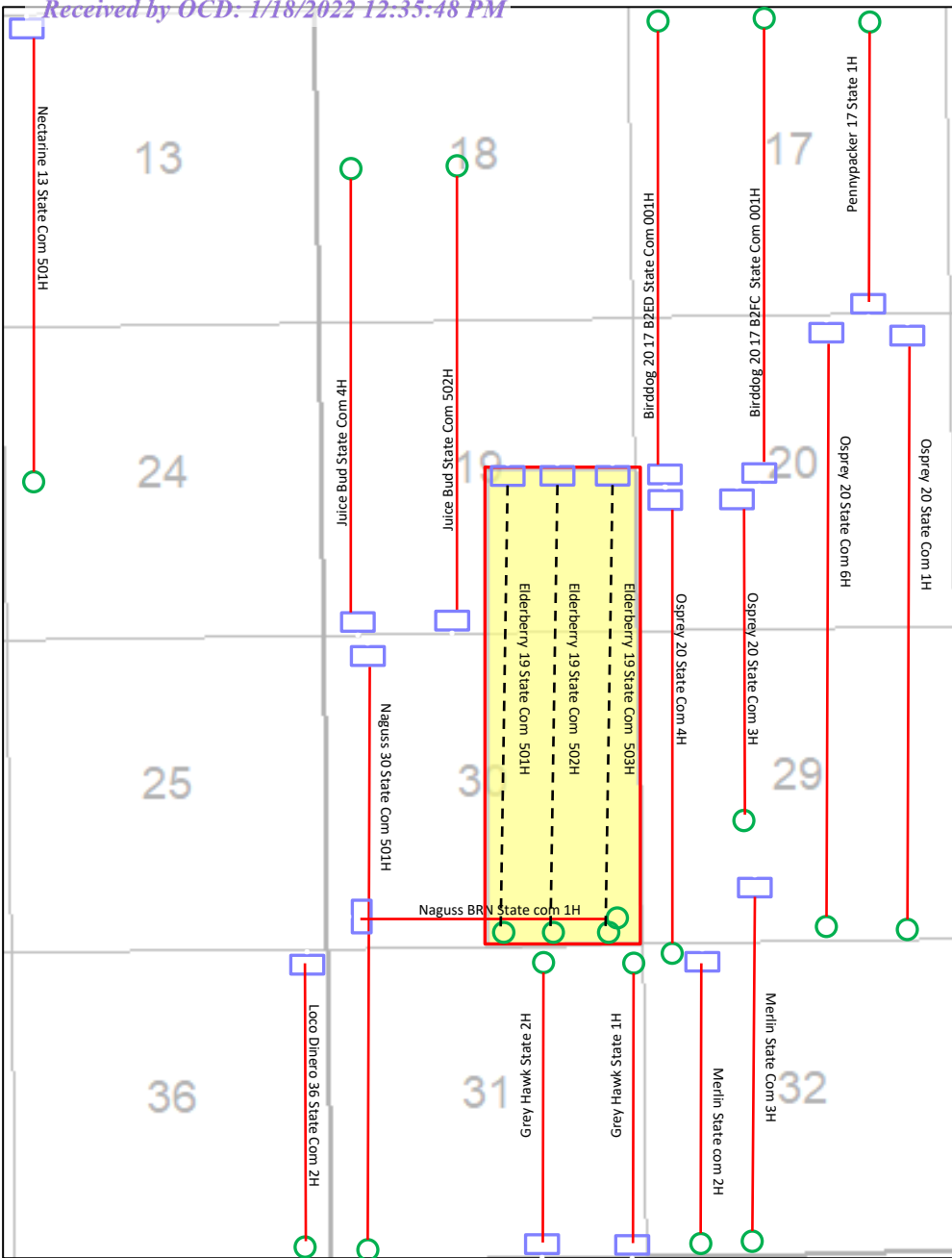
il

My Commission Expires:

10/07/25

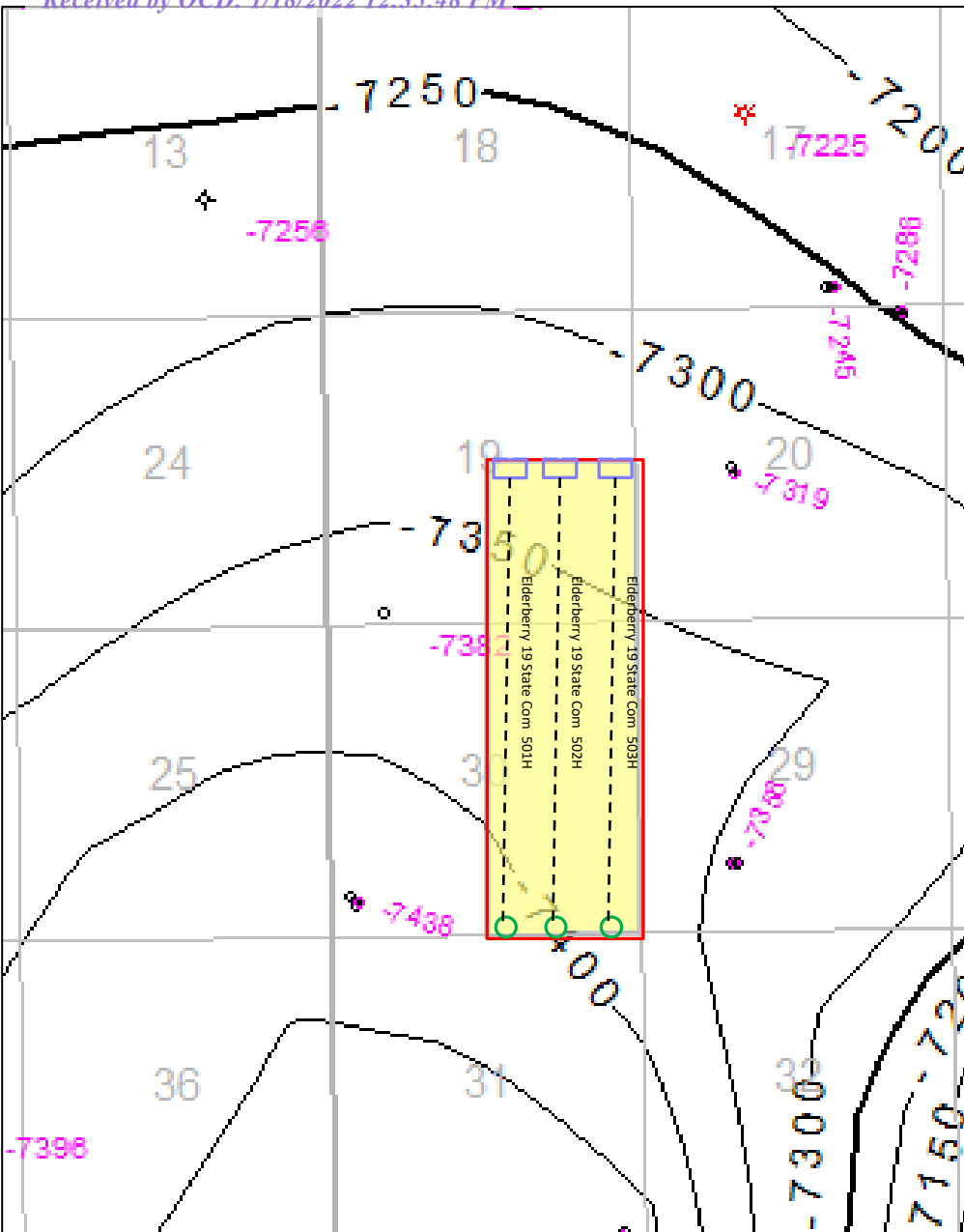
Frances M. Ivers
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20214039707
COMMISSION EXPIRES October 07, 2025

Elderberry 19 State Com 501H, 502H, 503H







BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D1
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: January 20, 2022
 Case No. 22251

TBSG Carb Structure Grid



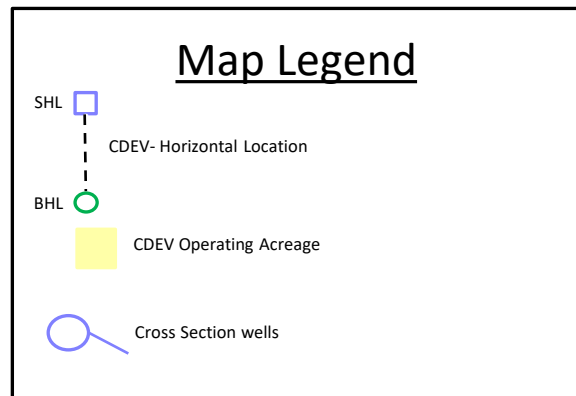
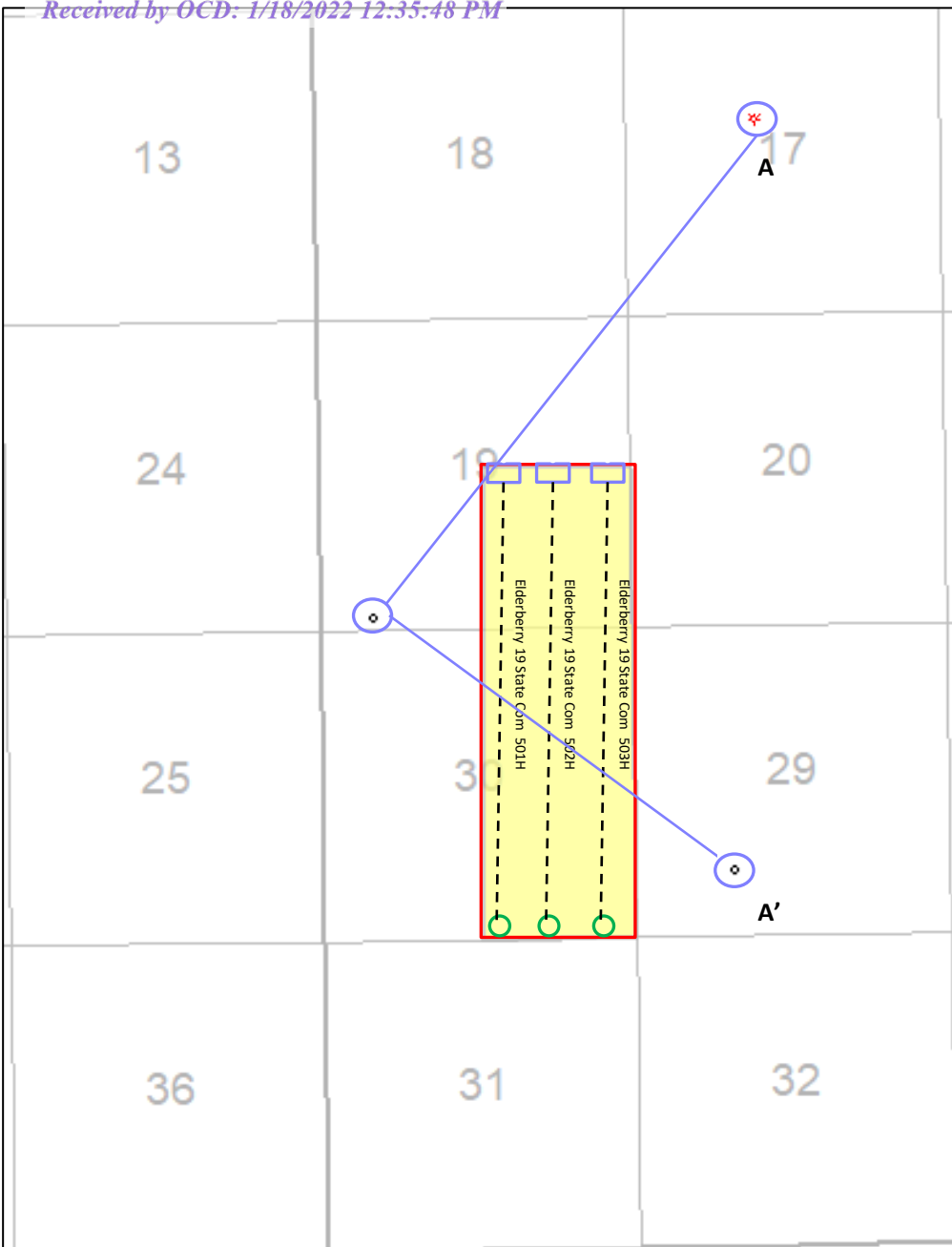
Map Legend

- SHL  CDEV- Horizontal Location
- BHL 
-  TBSG Carbonate Structure
CI: 50'
-  CDEV Operating Acreage

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D2
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: January 20, 2022
 Case No. 22251

Cross Section TBSG Pool

Elderberry 501H, 502H, 503H



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D3
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: January 20, 2022
 Case No. 22251

A

A'

WEST WILSON D UNT 17 I

JUICE BUD STATE COM 004H

MERLIN STATE COM 001H

Eog Y Resources INC
30025213420000

Yates Petroleum Corp
30025420070000

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D4

COG Operating LLC
30025415900000

Submitted by: Centennial Resource Production, LLC
Hearing Date: January 20, 2022
Case No. 22251

Offset: 0.

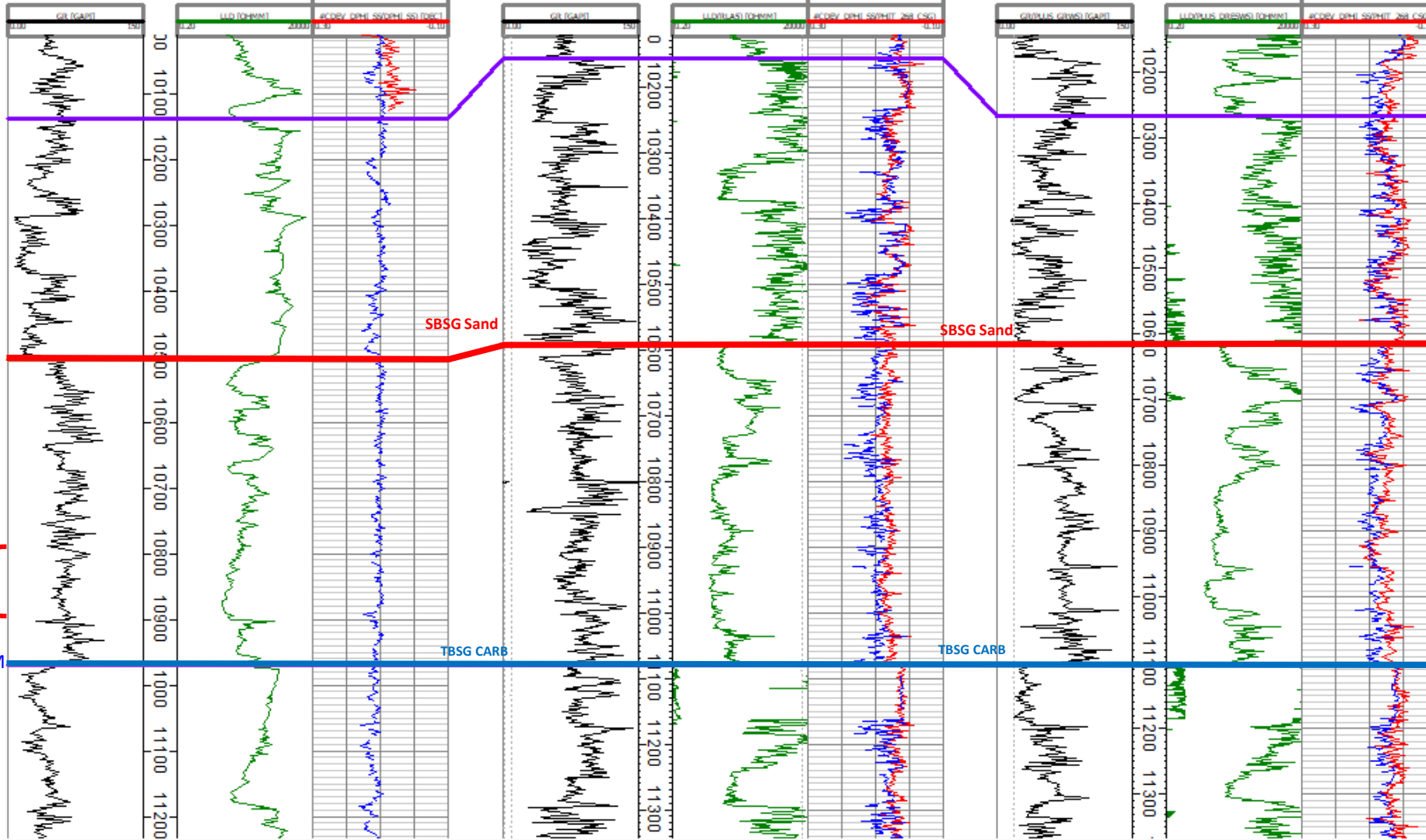
3.65

7.3

TWP: 21S - Range 34E- Sec. 17

TWP: 21S - Range 34E- Sec. 19

TWP: 21S - Range 34E- Sec. 29



TD= 14,300.00

TD= 12,158.00

TD= 12,199.00



Kaitlyn A. Luck
Associate
Phone (505) 988-4421
kaluck@hollandhart.com

October 15, 2021

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.
Elderberry 19 State Com #501H-#503H wells

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.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on November 4, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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 online or in person at the Division’s Santa Fe office 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 Gavin Smith, at (720) 499-1474, or Gavin.Smith@cdevinc.com.

Sincerely,

Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Centennial_Elderberry 501H-503H
Case No. 22251 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765850504986	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Your item was delivered to the front desk, reception area, or mail room at 11:07 am on October 18, 2021 in DALLAS, TX 75240.
9414811898765850504931	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:10 am on October 18, 2021 in GRAHAM, TX 76450.
9414811898765850504979	Fuel Products, Inc.	PO Box 3098	Midland	TX	79702-3098	Your item was delivered at 12:05 pm on October 21, 2021 in MIDLAND, TX 79701.
9414811898765850504610	Gahr Energy Company	PO Box 1889	Midland	TX	79702-1889	Your item was picked up at a postal facility at 1:22 pm on October 20, 2021 in MIDLAND, TX 79701.
9414811898765850504665	V-F Petroleum, Inc.	500 W Texas Ave	Midland	TX	79701-4230	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765850504627	Sharbro Energy	327 W Main St	Artesia	NM	88210-2160	Your item was delivered to the front desk, reception area, or mail room at 10:14 am on October 21, 2021 in ARTESIA, NM 88210.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

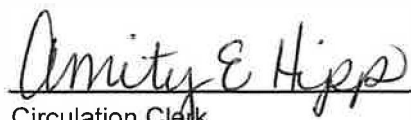
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
October 22, 2021
and ending with the issue dated
October 22, 2021.



Publisher

Sworn and subscribed to before me this
22nd day of October 2021.



Circulation Clerk

My commission expires
October 29, 2022

(S 1 -----)



OFFICIAL SEAL
Amity E Hipp
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires: 10/29/22

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

LEGAL NOTICE
October 22, 2021

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 ("DMsion") hereby give s notice that the Division will hold pUblic hearings before a hearing examiner on the following case, llluring the OI:ID-19 P.I.I)lic Health Emergency, state buildings are closed to the public and Division hearings will be cond-1,cted r)otely. The public hearing for the following case will be electronic and conducted remotely. The hearing will ee gon duced on Thursday, **November 4, 2021, beginning at 8:15 a.m.** To pollicpa1 in the etestronic hejring, see the I nstructo,ns pe *cl eelow. The docket may i...vied a https://w.ww. nmemrad.j1m.9.0Zoc".cl.hearing-Inf/ ot obtalnep frnm Marlene Salvidrez at Marlene.Sa.Jvid.re.z(9).state.nm.us. Q,oom.ents filed in the case. n;ay be vlew.ed at http://e.c/l:im.ige.erruird.ste:er.nm.u ofri.aging/e -aseF S Griterta.aspx. If you are an Individ(ual with a disability who needs a reader, amplifier, qualified Interpreter, or other form of auxiliary aid tlf service te attend or participate in a hearing, c ontact Marlerie Salvidrez at MarJene.Salvidrez@state.nm.us, or the New Mexko Relay Netw.0fk at 1-800-659-1779, no later than **October 24, 2021.**

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e12bd776b32e14edf7deee3425ea99347>
Event number: 2497 665 1056
Event password: JYvf8wjp55w

Join by video: 24976651056@nmemnrd.webex.com
Numeric Password: 256526
You can also dial 173.243.2.68 and enter your meeting number

Jain by audio: 1-844-992:4726 United States Toll Free
Access code: 2497 665 1056

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.

(NOT E 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: MRC Permian Company; The Allar Company; Fuel Products, Inc.; Gahr Energy Company; V-F Petroleum, Inc.; and Sharbro Energy.

Case No. 22251: Appllca,ion of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico. Appleeant in the,ab0ve-sfyh:ld cause seeks an order pooling all uncommitted interests in the Bone Sp)lling fa mation underlying a standard 480-acre, more or less, horizontal spacing uilit Ge,mprisea of the SE/4 of Section 19 and the E/2 of Section 30, Township 21 South, Range 34 East, NMPM, Lea County, New Mexi0o. Said hqzizontal spaeing unit is te de,dicated to the propos d wells: (1) the **Elderberry 19 State Com #501H well**, to be horizontalllly drilled to m a surface locat'ion in the NW/4 SE/4 (Unit J) of Section 19, to a bottom hole logr'ation in the SW/4- SE/4 (Unit Q) of section 30; and (2) the **Elderberry 19 State Com #502H well**, and (3) the **Elderberry 19 State Com #503H well**, 610 are to be horizontally drilled from a surface locat'ion in the NW/4-SE/4 (Unit J) of Section 19, to a bottom hole locat'ion in the SE/4 SE/4 (Unit P) of Section 30. The sbrpleted interval of the **Elderberry 19 StateCom #502H well** will remain within 330 e(M: of the quarter-quarter line separating the E/2 Sl:/4 from the W/2 of the SE/4 of Section 19 and the E/2 E/2 from the W/2 E/2 of Section 30, to allow in elusion of this acreage into a standard horizontal well spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, the actual O'l)strating costs and charges for supervision, the designation of applicant as operator et the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 14 miles west of Eunice, New Mexico #36952

67100754

00259755

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: January 20, 2022

Case No. 22251