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

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

CASE NOS. 22815 & 22816

CENTENNIAL'S CONSOLIDATED PRE-HEARING STATEMENT

Centennial Resource Production, LLC ("Centennial" or "Applicant"), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In Case No. 22815, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of irregular Section 6, Township 22 South, Range 35 East, and the W/2 of irregular Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The spacing unit will be dedicated to the proposed initial (1) Eric Cartman 6 State Com #601H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 7) of irregular Section 6, to a bottom hole location in the NW/4 NW/4 (Lot 1) of irregular Section 31; (2) the Eric Cartman 6 State Com #602H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 7) of irregular Section 6, to a bottom hole location in the NE/4 NW/4 (Unit C) of irregular Section 31; and (3) the Eric Cartman 6 State Com #603H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 6, to a bottom hole location in the NE/4 NW/4 (Unit C) of irregular Section 31. The completed interval for the proposed Eric Cartman 6 State Com #602H well will remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

In Case No. 22816, Centennial seeks an order (1) approving a standard 640-acre, more or less, horizontal spacing unit in a portion of the Bone Spring formation from a depth of 10,388 feet to the base of the Bone Spring formation, comprised of the E/2 of irregular Section 6, Township 22 South, Range 35 East, and the E/2 of irregular Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests within such acreage. The proposed spacing unit will be dedicated to the initial (1) Eric Cartman 6 State Com #604H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 6, to a bottom hole location in the NW/4 NE/4 (Unit B) of irregular Section 31; and (2)

the Eric Cartman 6 State Com #605H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of irregular Section 6, to a bottom hole location in the NE/4 NE/4 (Unit A) of irregular Section 31. The completed interval for the proposed Eric Cartman 6 State Com #604H well will remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.

The Division has approved an administrative application for a non-standard location for the **Eric Cartman 6 State Com #603H well** (Administrative Order NSL-8342). The completed interval for all other proposed wells will comply with statewide setbacks for oil wells.

Centennial has sought and been unable to obtain voluntary agreement for the development of these lands from all working interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|----------------------------|----------------|-----------|
| Gavin Smith, Landman | Affidavit | Approx. 5 |
| Jayne Sloan, Geologist | Affidavit | Approx. 5 |

PROCEDURAL MATTERS

Centennial requests that these matters be consolidated for hearing and intends to present these cases by affidavit if there is no opposition at the time of hearing. Respectfully submitted,

HOLLAND & HART LLP

By:

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ATTORNEYS FOR CENTENNIAL RESOURCE PRODUCTION, LLC

CERTIFICATE OF SERVICE

I hereby certify that on May 26, 2022, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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QUESTIONS

Action 111344

QUESTIONS

| Operator: | OGRID: | |
|-------------------------------------|--|--|
| CENTENNIAL RESOURCE PRODUCTION, LLC | 372165 | |
| 1001 17th Street, Suite 1800 | Action Number: | |
| Denver, CO 80202 | 111344 | |
| | Action Type: | |
| | [HEAR] Prehearing Statement (PREHEARING) | |

QUESTIONS

| Testimony | | |
|---|----|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witnesses | 2 | |
| Testimony time (in minutes) | 10 | |