

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 16, 2023**

CASE No. 23205

ROMEO FEDERAL COM #311H WELL

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23205

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23205	APPLICANT'S RESPONSE
Date	February 16, 2023
Applicant	Centennial Resource Production, LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production, LLC (372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Tap Rock Operating, LLC Novo Oil & Gas Northern Delaware LLC COG Operating LLC
Well Family	Romeo
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Red Hills, Bone Spring, North (Pool Code 96434)
Well Location Setback Rules:	Statewide setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acre, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit A-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	Romeo Federal Com #311H (API: 30-025-50263) SHL: 2,338' FNL, 505' FWL (Unit E) of Section 27 FTP: 2,538' FNL, 337' FWL (Unit E) of Section 27 LTP: 100' FNL, 344' FWL (Unit D) of Section 22 BHL: 100' FNL, 344' FWL (Unit D) of Section 22 Completion Target: Bone Spring formation Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4; D-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4

Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-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):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	2/14/2023

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

**APPLICATION OF CENTENNIAL RESOURCE
PRODUCTION, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23205

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 (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. 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 seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Romeo Federal Com #311H well**, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.
3. This 240-acre horizontal well spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 22, Township 24 South, Range 34 East, dedicated to the Romeo Federal Com #1H well (API: 30-025-42999).

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

5. The approval of this overlapping spacing unit and pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 1, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant operator of this spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- 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% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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Adam G. Rankin
Julia Broggi
Paula M. Vance
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Santa Fe, NM 87504
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ATTORNEYS FOR CENTENNIAL RESOURCE
PRODUCTION, LLC

Application of Centennial Resource Production, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Romeo Federal Com #311H well**, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. This 240-acre horizontal spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 22, Township 24 South, Range 34 East, dedicated to the Romeo Federal Com #1H well (API: 30-025-42999).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 24 miles southwest of Eunice, New Mexico.

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

APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 23205

SELF-AFFIRMED STATEMENT OF CHRIS ASTWOOD

1. My name is Chris Astwood. I work for Centennial Resource Production, LLC (“Centennial”) as a Senior Landman.

2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. I have included a copy of my resume as **Exhibit A-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and that I be tendered as an expert in land matters.

3. I am familiar with the application filed by Centennial in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case has indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. In **Case No. 23205**, Centennial seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Centennial seeks to pool and dedicate this Bone Spring spacing unit to the drilled and producing **Romeo Federal Com #311H** well, horizontally

drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22.

6. **Exhibit A-2** contains a draft Form C-102 for the well in this standard spacing unit. The exhibit shows that the well is assigned to the Red Hills, Bone Spring, North (Pool Code 96434).

7. **Exhibit A-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of federal and fee lands.

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

9. **Exhibit A-4** contains a sample of the well proposal letter and AFE sent to owners with a working interest. The costs reflected in the AFE are consistent with what Centennial and other operators have incurred for drilling similar horizontal wells in the area in this formation. Centennial also included notice letters to overriding royalty interest owners.

10. Centennial requests that the overhead and administrative costs for drilling and producing the proposed well 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.

11. **Exhibit A-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Centennial has made a good faith effort to locate and has had communications with the all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Centennial has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. 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. Centennial has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

13. **Exhibit A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Chris Astwood

2/14/2023

Date

Chris Astwood, CPL

Education: Bachelor of Business Administration, Energy Commerce – Minor in Psychology
December 2012, Texas Tech University, Lubbock, TX Magna Cum Laude

Professional Experience:

Permian Resources, Midland, TX

September 2022 - Present

Senior Landman

- Prepared drilling units in Lea County, NM with a 7-rig drilling program. Transitioned responsibilities for Texas assets to co-workers and advised leadership on best routes moving forward with outstanding projects. Worked to integrate and implement land systems and processes that would best fit the larger acreage and PDP position.
- Negotiate Joint Operating Agreements with non-operators to ensure timely and full development of units. Work closely with land team to propose trades or acquisitions when non-operators don't plan to participate.
- Work with regulatory, land, geology and outside counsel to ensure compliance with NMOCD, BLM and other agencies.
- Formed spacing units for wells that require notice of overlapping spacing units, compulsory pooling hearings, and non-standard locations.

Centennial Resource Development, Inc., Midland, TX

June 2018 – September 2022

Landman/Senior Landman

- Negotiated, spearheaded, and closed multiple trades, acquisitions and divestitures of developed and undeveloped leasehold in Reeves County, TX. Worked with the technical and legal team to evaluate upside potential in various zones along with existing PDP to high grade our inventory while balancing production targets.
- Mentored interns and other landmen in various areas pertaining to chaining title, curing title, clearing wells, navigating negotiations with mineral owners, and understanding the bigger picture around processes.
- Created value without a leasing budget by initiating and negotiating cost-free extensions and trades via upgraded lease terms, future well commitments with CDC's and production payments.
- Prepared well locations for development by overseeing abstracts, title opinions, and curative work. Drafted and negotiated off-lease penetration point waivers, JOA's, leases, letter agreements and production sharing agreements in clearing locations for a multi-rig drilling program. Met with title attorneys to understand and evaluate title requirements and levels of curative needed to satisfy company thresholds.
- Drafted and negotiated contractual solutions when necessary to strategically maximize leasehold value. Worked closely with our team to ensure flexibility and efficiencies are fully utilized within the drill schedule by keeping an open dialogue for expirations, continuous development clauses, and depth severances.
- Engaged in acreage trades that high grade company acreage by adding reserves and extending lateral lengths. Worked with our team to analyze and negotiate deal terms that maximize value for Centennial by adding new drilling locations, consolidating acreage, and deferring expirations. Managed brokers throughout the due diligence process to identify liens, mortgages, and other burdens while ensuring we abide by CTA's, preferential rights to purchase, rights of first refusal, AMI's, and other binding terms related to the trade.
- Increased Centennial WI and NRI within existing and future wells through leasing. Managed several brokers in a robust leasing program focused on consolidating acreage, increasing unit interest, and creating trade opportunities. Negotiated several dozen leases with landowners, attorneys and families covering simple producer 88 type forms to cumbersome competitor producer forms from large cap companies.
- Worked closely with the operations team to ensure all lease requirements are satisfied, lease retention is maximized, and future well planning is optimized.
- Collaborated with Geology and Reservoir to identify PUD's and contingent locations for compliance and financing determination in both Texas and New Mexico. Researched and communicated with accounting to ensure reserves are accurately reflected. Worked with auditors to verify interest from various sources for each reserves location.
- Forecasted Spending for budgets on various lease projects, title expenditures, and curative work.

- Worked across disciplines to identify and evaluate creative solutions to drilling and lease obligations.
- Intentionally built relationships with local operators, non-op owners, landowners, attorneys, mineral groups and other interest owners. Worked with the team to evaluate potential deals initiated by these relationships.

Encana Oil & Gas (USA) Inc., Midland, TX**December 2015 – June 2018****Land Negotiator**

- Analyzed, negotiated, and prepared various agreements both for acreage trades and a multi-rig drilling program from a sub-surface perspective. Managed brokers and attorneys to obtain the necessary abstracts, title, and curative to execute our drilling objectives while maintaining capital spending discipline. Worked with legal, development, and operations to understand and mitigate risks identified in title opinions.
- Networked with operators in the Permian Basin to initiate negotiations for potential mineral acreage trades. Managed an acreage trade for ~400 net acres involving title discrepancies, PDP, and unleased minerals.
- Supported operations by analyzing and managing mineral lease issues as it pertains to cessation of production, continuous development clauses, retained acreage, and assignment of wells. Strategized with development to prepare an amendment on the Guitar Ranch in Howard County that would increase operational flexibility and preserve value for any future zones we would develop and produce.
- Negotiated all surface rights necessary to support drilling, midstream and production operations in Glasscock and Howard Counties. Managed well clearance process for a multi-rig drilling program on the surface land team. Worked with construction to reduce capital expenditures with well and road locations while ensuring we abide by all terms agreed upon in easements, ROW's and SUA's.
- Supported EH&S to mitigate impact of spills and leaks. Attended monthly safety meetings and participated in JSA's prior to entering surface locations where work/remediation was being performed. Completed driving, first aid, and CPR training along with other annual OSHA training requirements.

Encana Oil & Gas (USA) Inc., Denver, CO**January 2013 – December 2015****Land Negotiator**

- Prepared and reviewed various agreements, including but not limited to Unit and Unit Operating Agreements, Ratification and Joinders, Joint Operating Agreements, Leases (Federal, State, and Fee), Letter Agreements, Purchase and Sale Agreements, ROW and Easement Agreements, and Surface Use and Damage Agreements.
- Pulled books and indexed records in Martin County, TX after acquiring Athlon's Permian assets.
- Assisted in the divestiture of Encana's Wind River and Jonah assets. Reviewed material contracts and lease/well files to ensure the exhibits and PSA were accurate and contained all necessary contracts.
- Utilized a multi-disciplinary approach to engage and work closely with individuals, municipalities, counties, State governments, and the BLM to maintain our social license to operate. Fostered a positive work environment by having a perpetually positive attitude and building relationships with people inside and out of our company.
- Completed a new-grad rotation of various land functions including lease analyst, division order analyst, land coordinator, and surface land management.

Encana Oil & Gas (USA) Inc., Denver, CO**May 2012 – August 2012****Land Negotiator Internship**

- Worked with interdisciplinary team to create federal exploratory units covering over 60,000 acres. Monitored federal lease auctions and evaluated with the technical team to acreage acquisition opportunities and competitor movement. Worked closely with WI partners to ensure drilling and development timelines were met. Presented Summer project to senior management team with recommendations going forward.

Organizations:

- American Association of Professional Landmen
 - Certified Professional Landman
- Permian Basin Landman Association

August 2010 – Present**October 2020 – Present****May 2015 – Present****Community Activities:**

- West Texas Foodbank
- Run for a Reason benefitting Safe Place, Mission AGAPE, True-Lite Day Care, and The Life Center
- Legends Dove Hunt to benefit Children's Health Care

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 30-025-50263	² Pool Code 96434	³ Pool Name Red Hills, Bone Spring, North
⁴ Property Code	⁵ Property Name ROMEO FEDERAL COM	⁶ Well Number 311H
⁷ OGRID No. 372165	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	⁹ Elevation 3464.0'

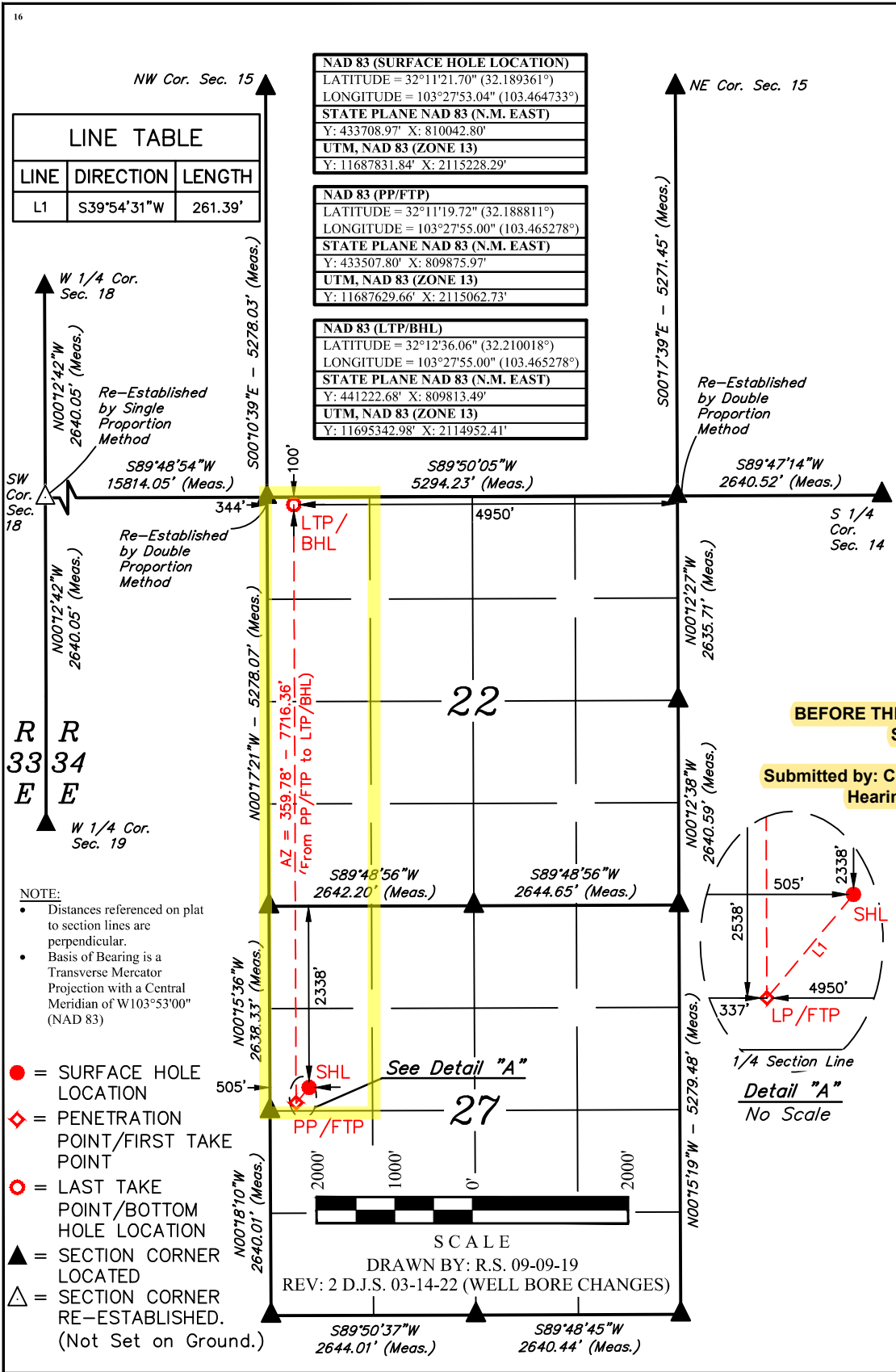
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	24S	34E		2338	NORTH	505	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	22	24S	34E		100	NORTH	344	WEST	LEA
¹² Dedicated Acres 240	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 _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-2
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 16, 2023
Case No. 23205

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.

JULY 01, 2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

Ownership Map
Township 24 South - Range 34 East, Lea County, New Mexico

NMNM-077090 PR - 76.149% Oxy - 23.851%		Romeo Federal Com #311H	
	22		
Fee Tract PR - 50.0% MRC - 50.0%			
Fee Tract PR - 66.667% MRC - 33.333%			
Fee Tract PR - 100.0%			
Fee Tract BC Op - 3.125% Novo - 16.667% Marathon - 16.667% Tap RK II - 0.694% COG - 7.037% MRC - 2.431% Chief - 20.139% PR - 33.271%	27		

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-3
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 16, 2023
Case No. 23205

Tract 1: W/2 of NW/4, Section 22, T24S-R34E				
Interest Owner	Type of Interest	Tract MI/NPRI/ORI	Tract WI	Lease NRI
CrownRock Minerals, LP	ORI	0.03000000		
Robert E. Landreth and wife, Donna P. Landreth	ORI	0.01974098		
JM Cox Resources, LP	ORI	0.03000000		
Oxy USA, Inc.	ORI	0.00046540		
Aquinnah Resources, LLC	ORI	0.03333333		
Centennial Resource Production, LLC	WI		0.85990985	0.75000000
MRC Permian Company	WI		0.02083331	0.75000000
Oxy USA, Inc.	WI		0.11925684	0.80000000
Total			1.00000000	

Tract 2: NW/4 of SW/4, Section 22, T24S-R34E				
Interest Owner	Type of Interest	Tract MI/NPRI/ORI	Tract WI	Lease NRI
Centennial Resource Production, LLC	WI		0.85990985	0.75000000
OXY USA, Inc.	WI		0.11925684	0.75000000
MRC Permian Company	WI		0.02083331	0.75000000
Total			1.00000000	

Tract 3: SW/4 of SW/4, Section 22, T24S-R34E				
Interest Owner	Type of Interest	Tract MI/NPRI/ORI	Tract WI	Lease NRI
Centennial Resource Production, LLC	WI		0.85990985	0.75000000
OXY USA, Inc.	WI		0.11925684	0.75000000
MRC Permian Company	WI		0.02083331	0.75000000
Total			1.00000000	

Tract 4: NW/4 of NW/4, Section 27, T24S-R34E				
Interest Owner	Type of Interest	Tract MI/NPRI/ORI	Tract WI	Lease NRI
Centennial Resource Production, LLC	WI		1.00000000	0.75000000
Total			1.00000000	

Tract 5: SW/4 of NW/4, Section 27, T24S-R34E				
Interest Owner	Type of Interest	Tract MI/NPRI/ORI	Tract WI	Lease NRI
Novo Oil and Gas Northern Delaware, LLC	WI		0.16666667	0.75000000
Marathon Oil Permian, LLC	WI		0.16666667	0.75000000
Tap Rock	WI		0.00694444	0.80000000
COG Operating, LLC	WI		0.07037037	0.75000000
MRC Permian Company	WI		0.02430555	0.75000000
Chief Oil & Gas	WI		0.11579861	0.80000000
Centennial Resource Production, LLC	WI		0.44924769	0.75000000
Total			1.00000000	

Parties Centennial is seeking to Pool



August 9, 2022

RE: Romeo Federal Com 311H
SHL: 2338' FNL Sec. 27 & 505' FWL Sec. 27 T24S R34E
BHL: 100' FNL Sec. 22 & 344' FWL Sec. 22 T24S R34E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Romeo Federal Com #311H as a horizontal well to test the Bone Spring Formation at a TVD of 10,370 feet. The W/2W/2 of the referenced Section 22 and the W/2NW/4 of the referenced Section 27 will be dedicated to the well as the proration unit being a total of 240.00 acres. Please see the enclosed AFE in the amount of \$8,609,690.14.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of August 1, 2022. The JOA contains a proposed overhead rate of \$8000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at Frances.Ivers@cdevinc.com. Should you have any questions, please call me at (720) 499-1505.

Best Regards

A handwritten signature in blue ink, appearing to read "Frances Ivers".

Frances Ivers
Land Coordinator

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-4
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 16, 2023
Case No. 23205

Centennial Resource Production, LLC | 1001 Seventeenth Street, Suite 1800, Denver, Colorado 80202



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED ROMEO FEDERAL COM #311H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this ____ day of _____, 2022.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED ROMEO FEDERAL COM #311H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2022.

Owner Name: _____

Signature: _____

By: _____

Title: _____



COST ESTIMATE

Printed Date: 08/09/2022

AFE Number:	500116	UWI:	30025502630000
Description:	Romeo Federal Com 311H	AFE Type:	
Area:		Initiated Date:	08/02/2022
Operator:	Centennial Resource Production, LLC	Start Date:	
Operator AFE#:		End Date:	
Well Name			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Flowback Intangible		
8040.3500	IFC - WELLSITE SUPERVISION	\$30,000.00
8040.2300	IFC - COMPLETION FLUID	\$5,000.00
8040.1900	IFC - INSPECTION & TESTING	\$3,000.00
8040.1200	IFC - COMPLETION RIG	\$9,300.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$14,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$15,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$300,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$85,000.00
8040.4500	IFC - SWABBING	\$1,500.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$30,000.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$30,000.00
8040.1500	IFC - FUEL / POWER	\$3,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$140,000.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$0.00
8040.4400	IFC - COMPANY LABOR	\$0.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$0.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$0.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$0.00
8040.1600	IFC - COILED TUBING	\$0.00
8040.2500	IFC - WELL STIMULATION/FRACTURE	\$0.00
8040.2400	IFC - CASING CREW AND TOOLS	\$0.00
8040.4200	IFC - CONTINGENCY	\$0.00
8040.1700	IFC - CEMENTING & SERVICES	\$0.00
Sub-total		\$670,800.00
Completion Intangible		
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,580,074.00

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COST ESTIMATE

Printed Date: 08/09/2022

8025.1600	ICC - COILED TUBING	\$202,347.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$440,900.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3050	ICC - SOURCE WATER	\$227,010.00
8025.3000	ICC - WATER HANDLING	\$144,133.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$282,739.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$11,288.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$89,100.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$114,885.00
8025.3300	ICC - COMMUNICATIONS	\$0.00
8025.1200	ICC - COMPLETION RIG	\$0.00
8025.1900	ICC - INSPECTION & TESTING	\$0.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$0.00
8025.3200	ICC - FISHING TOOLS & SERVICES	\$0.00
8025.2400	ICC - CASING CREW AND TOOLS	\$0.00
8025.4200	ICC - CONTINGENCY	\$0.00
8025.1700	ICC - CEMENTING & SERVICES	\$0.00
8025.1000	ICC - STAKING & SURVEYING	\$0.00
8025.4400	ICC - COMPANY LABOR	\$0.00
Sub-total		\$3,252,351.00

Drilling Intangible

8015.3700	IDC - DISPOSAL	\$119,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$32,500.00
8015.4100	IDC - RENTAL EQUIPMENT	\$65,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$264,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$205,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$83,333.33
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.5200	IDC - CONTINGENCY	\$194,742.66
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,560.96

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COST ESTIMATE

Printed Date: 08/09/2022

8015.4300	IDC - WELLSITE SUPERVISION	\$105,250.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$152,000.00
8015.2400	IDC - RIG WATER	\$10,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$12,400.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$43,000.00
8015.2150	IDC - DRILL BIT	\$114,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$85,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$620,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.4200	IDC - MANCAMP	\$56,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$203,100.00
8015.2300	IDC - FUEL / POWER	\$125,250.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,400.00
8015.2350	IDC - FUEL/MUD	\$118,500.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.2600	IDC - MUD LOGGING	\$0.00
8015.4800	IDC - OVERHEAD	\$0.00
8015.2800	IDC - CORE ANALYSIS	\$0.00
8015.1950	IDC - LOST IN HOLE	\$0.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$0.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00

Sub-total \$2,980,036.95

Drilling Tangible

8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1400	TDC - CASING - PRODUCTION	\$479,513.22
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$255,031.88
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$35,000.00

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COST ESTIMATE

Printed Date: 08/09/2022

8020.1100	TDC - CASING - SURFACE	\$87,339.09
8020.1800	TDC - CONTINGENCY	\$0.00
8020.1000	TDC - CASING - CONDUCTOR	\$0.00
8020.1300	TDC - CASING - INTERMEDIATE 2	\$0.00

Sub-total \$922,759.19

Flowback Tangible

8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$45,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$20,000.00
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$15,000.00
8045.1100	TFC - TUBING	\$100,000.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$0.00
8045.4400	TFC - COMPANY LABOR	\$0.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$0.00
8045.3500	TFC - CONTINGENCY	\$0.00
8045.1500	TFC - SUBSURFACE PUMPS	\$0.00
8045.1200	TFC - SUCKER RODS & ACCESSORY	\$0.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$0.00
8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$0.00

Sub-total \$213,500.00

Completion Tangible

8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$0.00
8030.1600	TCC - PROD LINER & EQUIPMENT	\$0.00
8030.1000	TCC - CASING - PRODUCTION	\$0.00

Sub-total \$47,250.00

Facilities

8035.1300	FAC - SURFACE DAMAGE / ROW	\$833.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$6,667.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$3,333.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.2000	FAC - WASTE DISPOSAL	\$400.00
8035.2100	FAC - INSPECTION & TESTING	\$333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.2400	FAC - SUPERVISION	\$5,000.00

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COST ESTIMATE

Printed Date: 08/09/2022

8035.2500	FAC - CONSULTING SERVICES	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$132,997.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$33,333.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$4,000.00
8035.3400	FAC - METER & LACT	\$78,667.00
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$20,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.4400	FAC - COMPANY LABOR	\$1,667.00
8035.4500	FAC - CONTINGENCY	\$21,336.00
8035.4300	FAC - INSURANCE	\$0.00
8035.4100	FAC - OVERHEAD	\$0.00
8035.2300	FAC - FRAC TANK RENTAL	\$0.00
8035.1800	FAC - FUEL / POWER	\$0.00
8035.1310	FAC - PERMANENT EASEMENT	\$0.00
8035.3800	FAC - FLARE/COMBUSTER	\$0.00
8035.2900	FAC - TANK BATTERY	\$0.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$0.00
8035.2600	FAC - INJECTION PUMP	\$0.00
8035.3500	FAC - COMPRESSOR	\$0.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$0.00

Sub-total \$409,899.00

Pipeline

8036.1310	PLN - PERMANENT EASEMENT	\$3,535.00
8036.2800	PLN - FLOWLINE	\$74,193.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$26,591.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$8,775.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$0.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$0.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$0.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$0.00
8036.4500	PLN - CONTINGENCY	\$0.00
8036.2300	PLN - FRAC TANK RENTAL	\$0.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$0.00
8036.1100	PLN - STAKING & SURVEYING	\$0.00
8036.2100	PLN - INSPECTION & TESTING	\$0.00

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COST ESTIMATE

Printed Date: 08/09/2022

8036.3700	PLN - AUTOMATION	\$0.00
8036.2700	PLN - PIPELINE	\$0.00
8036.1700	PLN - RENTAL EQUIPMENT	\$0.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$0.00
8036.1000	PLN - PERMITS LICENSES ETC	\$0.00
8036.2900	PLN - TANK BATTERY	\$0.00
8036.3100	PLN - TREATING EQUIPMENT	\$0.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$0.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$0.00
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$0.00
8036.3500	PLN - COMPRESSOR	\$0.00
8036.3400	PLN - METER	\$0.00
8036.2200	PLN - CONTRACT LABOR	\$0.00
8036.3300	PLN - PUMP	\$0.00
8036.4300	PLN - INSURANCE	\$0.00
8036.2000	PLN - WASTE DISPOSAL	\$0.00
8036.4400	PLN - COMPANY LABOR	\$0.00
8036.2500	PLN - CONSULTING SERVICES	\$0.00
8036.2400	PLN - SUPERVISION	\$0.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$0.00
Sub-total		\$113,094.00
Grand Total		\$8,609,690.14



Romeo Fed Com 311H – Chronology of Communication/Events

August 10, 2022 – Well proposal sent to all parties

August 10, 2022 – Notice sent to all ORRI parties of intent to drill

August 12, 2022 – E-mailed with Novo Oil & Gas, LLC regarding specific questions they had for their subsurface team on the proposed Well

August 18, 2022 – Marathon Oil Permian, LLC requested a JOA via e-mail

August 24, 2022 – Federal Communitization Agreement mailed

August 30, 2022 – Federal Communitization Agreement was executed by ConocoPhillips Company

September 7, 2022 – E-mailed with Robert Landreth (ORRI owner) confirming intent to drill

September 9, 2022 – Responded to OXY USA Inc. to let them know scheduled spud date and completions timeline

September 12, 2022 – Received Tap Rock II Resources, LLC's election to participate

September 19, 2022 – E-mailed Tap Rock II Resources, LLC with requested Well plans. Discussed having them sign a new JOA for the First Bone Spring formation.

September 21, 2022 – DPU was sent to Matador Resources Company

October 6, 2022 – A proposed JOA was sent to Tap Rock II Resources, LLC and Marathon Oil Company

October 17, 2022 – Reached out to Novo Oil Gas, LLC, asking if they would prefer to sign a JOA covering the 1st Bone Spring or if they would prefer to amend their original JOA covering the Wolfcamp formation

October 18, 2022 – Followed up with OXY USA, Inc about needing their signature for the Federal Communitization Agreement

October 31, 2022 – Received MRC Permian Company's election to participate

November 9, 2022 – Reached out to OXY USA, Inc. again about needing their signature for the Federal Communitization Agreement and e-mailed another copy of it to them

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A-5
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 16, 2023
Case No. 23205

Centennial Resource Production, LLC | 1001 Seventeenth Street, Suite 1800, Denver, Colorado 80202



November 11, 2022 – DPU was sent out to all owners

November 23, 2022 – E-mails exchanged with ConocoPhillips Company regarding timeline of the Well and a JOA form.

November 30, 2022 – Followed up with OXY USA, Inc. again about needing their signature for the Federal Communitization Agreement.

December 5, 2022 – E-mailed back and forth with OXY USA, Inc. regarding schedule spud date and completions schedule.

December 6, 2022 – A proposed JOA was sent to ConocoPhillips Company and a JOA Amendment was sent to Novo Oil & Gas, LLC.

December 7, 2022 – Received Novo Oil & Gas, LLC's executed JOA Amendment.

December 12, 2022 – Sent ConocoPhillips JOA again, per the edits they requested via e-mail on December 8, 2022.

December 13, 2022 – Tap Rock Resources II, LLC and ConocoPhillips executed a JOA.

December 14, 2022 – E-mailed OXY USA, Inc. another copy of the Federal Communitization Agreement per their request.

January 4, 2023 – OXY USA, Inc. executed the Federal Communitization Agreement.

January 5, 2023 – Contacted Chief about the Well proposal they were sent in August. Sent a proposed JOA form to Chief and MRC Permian Company.

January 10, 2023 – Sent Marathon Oil Permian, LLC a proposed JOA form. E-mailed Chief another copy of the Well proposal that was mailed out in August, per their request.

January 11, 2023 – Received Chief Capital (O&G) II LLC's election to participate, executed DPU and e-mailed them a proposed JOA form.

January 13, 2023 – Followed up with MRC Permian Company and e-mailed another copy of the proposed JOA form.

January 26, 2023 – Contacted Marathon Oil Permian, LLC to touch base on their review of the JOA.

January 31, 2023 – E-mailed with Marathon Oil Permian, LLC on requested JOA edits.

February 6, 2023 – E-mailed with Marathon Oil Permian, LLC and agreed to JOA changes.

February 8, 2023 – Sent a copy of the proposed JOA form to another contact with MRC Permian



Company. Spoke on the phone with Chief Capital (O&G) II LLC and they let us know they would be signing the JOA within the next week. Marathon Oil Permian, LLC e-mailed us to let us know they would be sending the executed JOA on February 9, 2023.

February 9, 2023 – E-mailed with Novo Oil & Gas, LLC and sent them another Well proposal per their request. Contacted ConocoPhillips Company to confirm if they still planned on participating, and to request a signed election letter if so.

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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23205

SELF-AFFIRMED STATEMENT OF NICK DANIELE

1. My name is Nick Daniele. I work for Centennial Resource Production, LLC (“Centennial”) as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. 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 has targeted the Bone Spring formation in this case.

5. **Exhibit B-1** is a locator map. It shows Centennial’s acreage in yellow and the path of the wellbore, with the surface hole and bottom hole locations, as well as the outline of the spacing unit.

6. **Exhibit B-2** is a subsea structure map that I prepared for the interval within the Bone Spring formation, with a contour interval of 50 feet. The structure map shows the Bone Spring gently dipping to the southeast. The Bone Spring structure appears consistent across the wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments in the spacing unit.

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

**Submitted by: Centennial Resource Production, LLC
Hearing Date: February 16, 2023
Case No. 23205**

7. **Exhibit B-3** shows a line of cross-section in blue consisting of 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. **Exhibit B-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Bone Spring from 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 interval is labeled and marked. The logs in the cross-section demonstrate that the interval is continuous and consistent in thickness across the entire spacing unit.

9. In my opinion, standup orientation of the proposed well 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 wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

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 that approving Centennial's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-

affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

A handwritten signature in blue ink, appearing to read "Nick Daniele", written over a horizontal line.

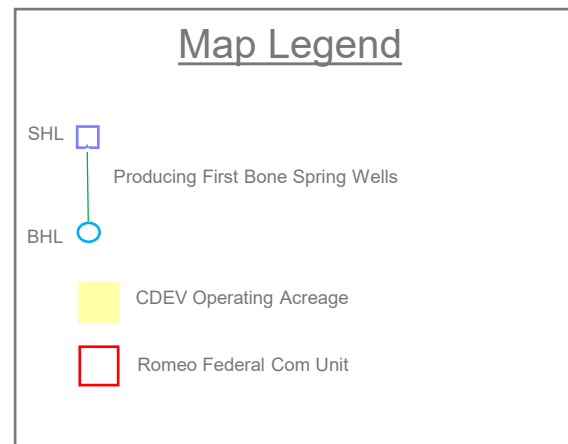
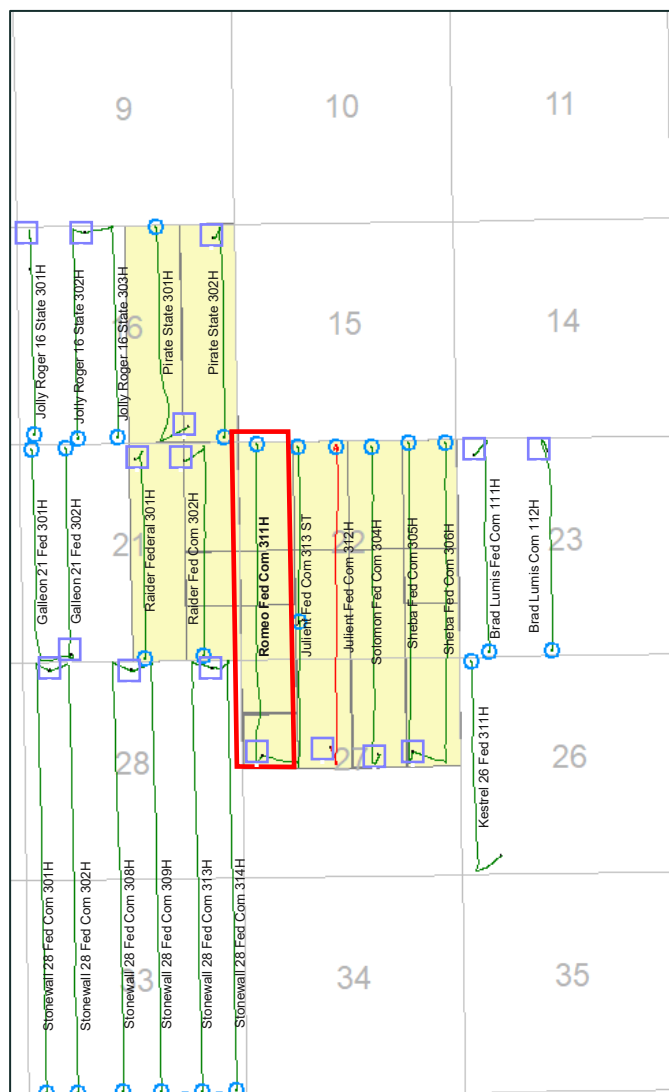
Nick Daniele

2/14/23

Date



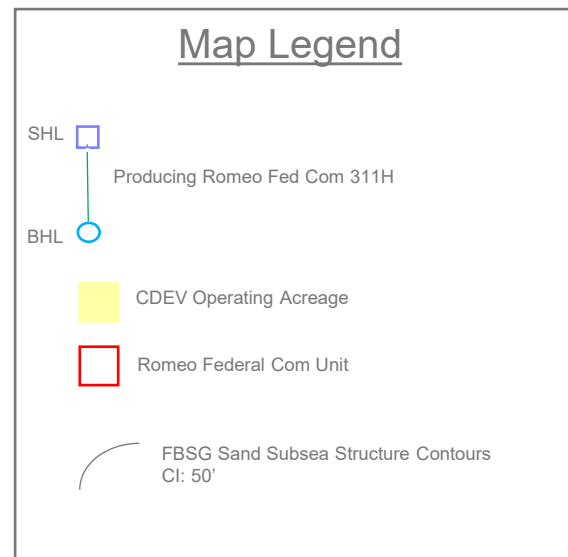
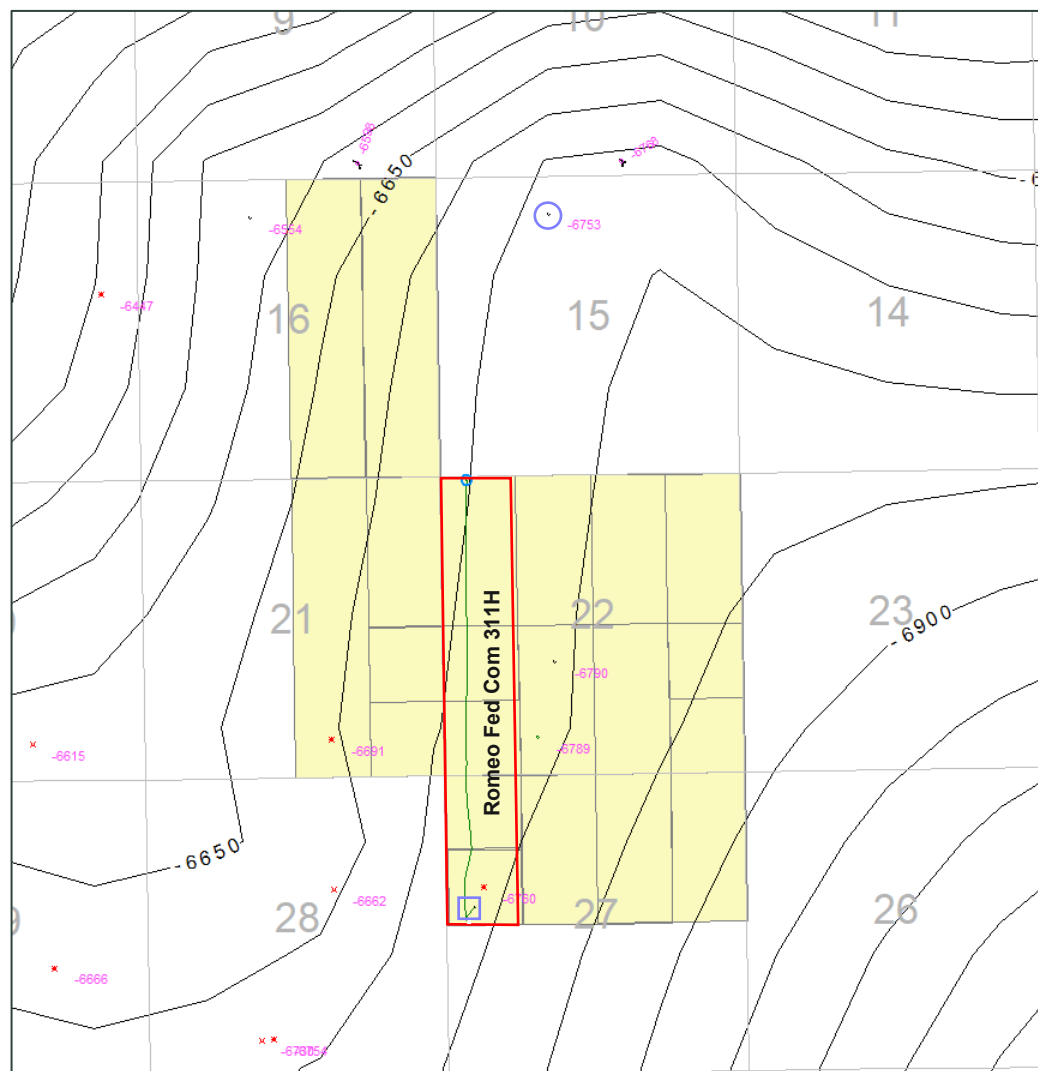
Bone Spring Pool – Romeo Fed Com 311H



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-1
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: February 16, 2023
 Case No. 23205



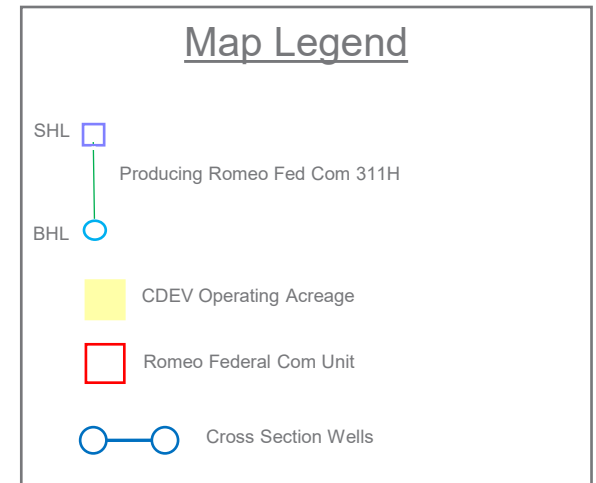
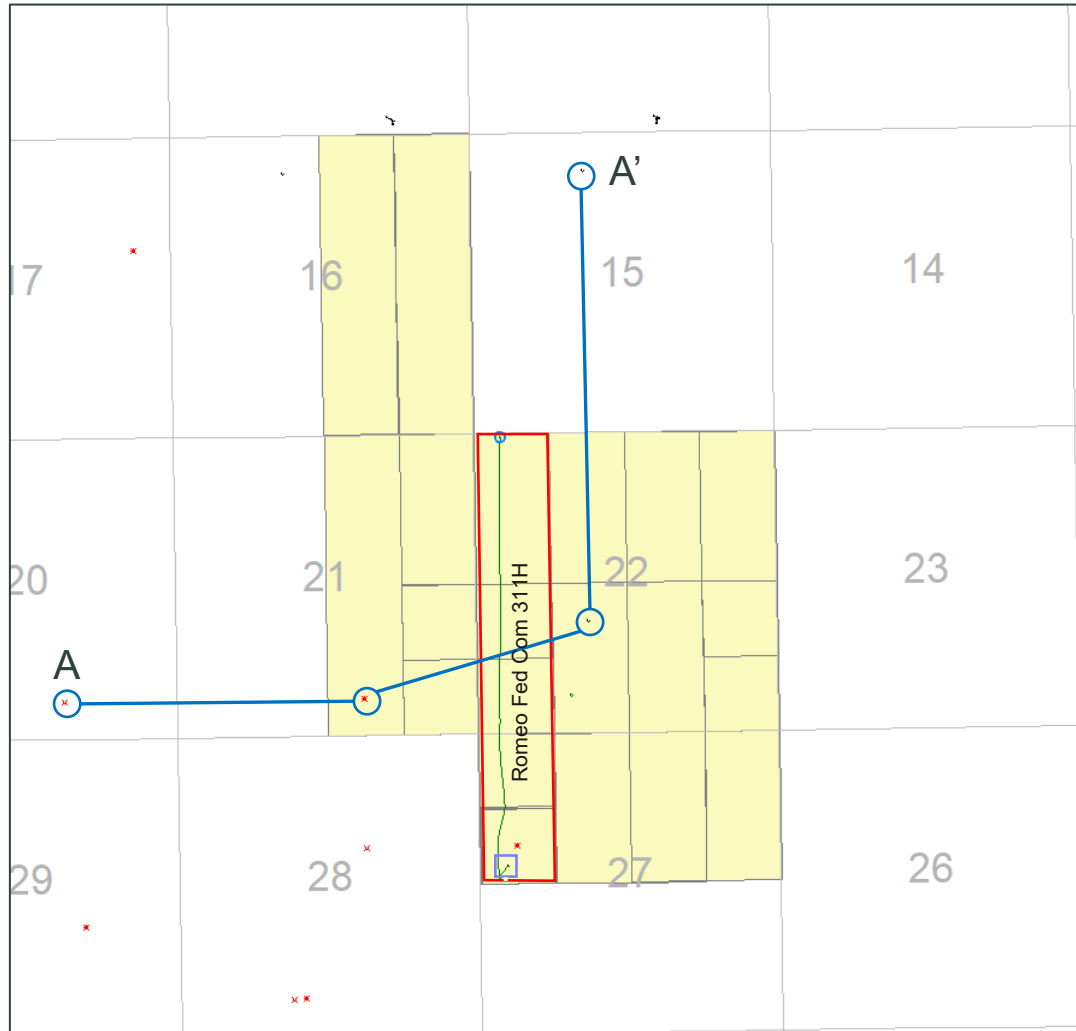
Bone Spring Pool – FBSG Sand Subsea Structure - Romeo 311H



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-2
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: February 16, 2023
 Case No. 23205



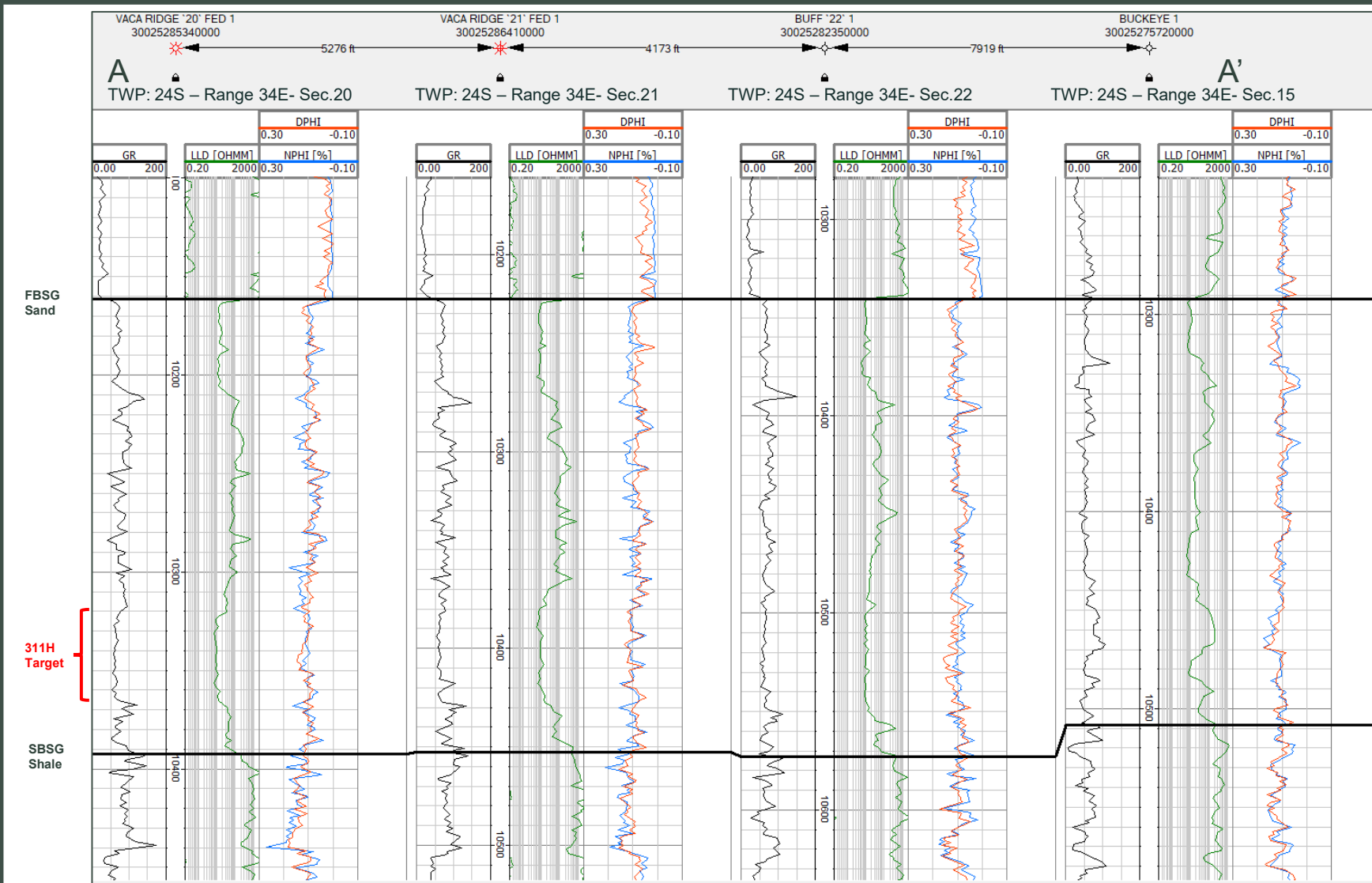
Cross Section – FBSG Pool – Romeo Fed Com 311H



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B-3
 Submitted by: Centennial Resource Production, LLC
 Hearing Date: February 16, 2023
 Case No. 23205



Romeo Fed Com 311H Cros section and Horizontal Target



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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT
AND FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23205

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Centennial Resource Production, LLC ("Centennial"), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.
2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.
3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.
4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of February 14, 2023.
5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached as Exhibit D.
6. I affirm under penalty of perjury under the laws of the State of New Mexico that

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Centennial Resource Production,
LLC Hearing Date: February 16, 2023
Case No. 23205**

the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Paula M. Vance _____

2/14/2023
Date _____



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

November 11, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL
WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED
OVERLAPPING SPACING UNIT**

**Re: Application of Centennial Resource Production, LLC for Approval of an Overlapping
Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.
Romeo Federal Com #311H well**

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on December 1, 2022, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. 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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Chris Astwood at (432) 315-0102 or Chris.Astwood@cdevinc.com.

Sincerely,

A handwritten signature in blue ink that appears to read "Paula M. Vance".

Paula M. Vance
**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
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

November 23, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND ALL
WORKING INTEREST OWNERS AFFECTED BY THE PROPOSED
OVERLAPPING SPACING UNIT**

**Re: Application of Centennial Resource Production, LLC for Approval of an Overlapping
Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.
Romeo Federal Com #311H well**

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on December 15, 2022, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

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Sincerely,

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Paula M. Vance
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

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Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

Centennial _Romeo 311H
Case No. 23205 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765816751645	Oxy USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-052	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765816751683	USA Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-156	Your item was delivered to an individual at the address at 2:04 pm on November 15, 2022 in SANTA FE, NM 87508.
9414811898765816751638	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-101	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765816751676	COG Operating, LLC	1400 Smith St	Houston	TX	77002-732	Your item was picked up at a postal facility at 2:55 pm on November 17, 2022 in HOUSTON, TX 77002.
9414811898765816751119	Tap Rock Resources II, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-938	Your item has been delivered to an agent for final delivery in GOLDEN, CO 80401 on November 14, 2022 at 3:13 pm.
9414811898765816751164	Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-221	Your item was delivered to an individual at the address at 12:29 pm on November 15, 2022 in HOUSTON, TX 77024.
9414811898765816751126	Novo Oil and Gas Northern Delaware, LLC	1001 W Wilshire Blvd Ste 206	Oklahoma	OK	73116-705	Your item was delivered to an individual at the address at 9:43 am on November 16, 2022 in OKLAHOMA CITY, OK 73116.
9414811898765816751102	Chief Capital O&G II, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-614	Your item was delivered to the front desk, reception area, or mail room at 10:53 am on November 15, 2022 in DALLAS, TX 75225.
9414811898765816751195	COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-488	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

Centennial Romeo 311H
Case No 23205 addn'l notice list 11-23-23

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765811498309	JM Cox Resources, LP	PO Box 2217	Midland	TX	79702-2217	This is a reminder to pick up your item before December 12, 2022 or your item will be returned on December 13, 2022. Please pick up the item at the MIDLAND, TX 79702 Post Office.
9414811898765811498392	JM Cox Resources, LP	1802 Cloverdale Rd	Midland	TX	79701-1403	Your item was returned to the sender on December 29, 2022 at 2:13 pm in SANTA FE, NM 87501 because it could not be delivered as addressed.
9414811898765811498347	CrownRock Minerals, LP	18 Desta Dr	Midland	TX	79705-4507	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765811498385	CrownRock Minerals, LP	PO Box 519333	Midland	TX	79710	Your item was delivered to an individual at the address at 11:08 am on November 29, 2022 in MIDLAND, TX 79705.
9414811898765811498019	Robert E. Landreth, et ux	110 W Louisiana Ave Ste 404	Midland	TX	79701-3486	Your item was delivered to the front desk, reception area, or mail room at 9:15 am on November 28, 2022 in MIDLAND, TX 79701.
9414811898765811498057	Oxy USA, Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on November 28, 2022 at 11:44 am.
9414811898765811498064	Aquinnah Resources, LLC	110 W Louisiana Ave Ste 404	Midland	TX	79701-3486	Your item was delivered to the front desk, reception area, or mail room at 9:14 am on November 28, 2022 in MIDLAND, TX 79701.

Affidavit of PublicationSTATE 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
November 13, 2022
and ending with the issue dated
November 13, 2022.


Publisher

Sworn and subscribed to before me this
13th day of November 2022.


Business Manager

My commission expires
January 29, 2023

(Seal) GUSSIE BLACK
Notary Public - State of New Mexico
Commission # 1087526
My Comm. Expires Jan 29, 2023

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
November 13, 2022**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO**

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, December 1, 2022, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.org. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.org, or the New Mexico Relay Network at 1-800-659-1779, no later than **November 21, 2022**.

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

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m5be2d8594df145217ab2d12e1eacbe95>

Webinar number: : 2486 863 8751

Panelist password: : KJg4GNPTg25 (55444678 from phones and video systems)

Join by video: 24868638751@nmemnrd.webex.com

You can also dial 173.243.2.68 and enter your webinar number

Join by audio: 1-844-992-4726 United States Toll Free

or 408-418-9388 United States Toll

Access code: 2486 863 8751

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

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

To: All interest owners subject to pooling proceedings and all working interest owners affected by the proposed overlapping spacing unit, including: Oxy

USA, Inc.; United States of America Bureau of Land Management; MRC Permian Company; COG Operating, LLC; Tap Rock Resources II, LLC; Marathon Oil Permian, LLC; Novo Oil and Gas Northern Delaware, LLC; and Chief Capital (O&G) II, LLC.

Case No. 23205: Application of Centennial Resource Production, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Romeo Federal Com #311H well**, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. This 240-acre horizontal spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

- 160-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Section 22, Township 24 South, Range 34 East, dedicated to the Romeo Federal Com #1H well (API: 30-025-42999).

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 24 miles southwest of Eunice, New Mexico.

#00273083

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00273083

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

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico**

Exhibit No. D

**Submitted by: Centennial Resource Production,
LLC Hearing Date: February 16, 2023
Case No. 23205**

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
November 25, 2022
and ending with the issue dated
November 25, 2022.



Publisher

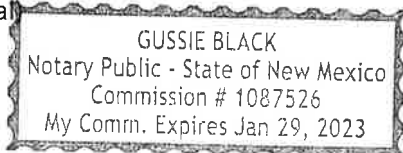
Sworn and subscribed to before me this
25th day of November 2022.



Business Manager

My commission expires
January 29, 2023

(Seal)



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

LEGAL NOTICE
November 25, 2022

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, December 15, 2022, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.org. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.org, or the New Mexico Relay Network at 1-800-659-1779, no later than **December 5, 2022**.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

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

To: All interest owners subject to pooling proceedings and all working interest owners affected by the proposed overlapping spacing unit, including: JM Cox Resources, LP; CrownRock Minerals, LP; Robert E. Landreth, et ux, his heirs and devisees; Oxy USA, Inc.; and Aquinnah Resources, LLC.

Case No. 23205: Application of Centennial Resource Production, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 240-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Said unit will be initially dedicated to the proposed **Romeo Federal Com #311H** well, to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 27, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. This 240-acre horizontal spacing unit will overlap the following existing horizontal well spacing units covering portions of the subject acreage:

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#00273402

67100754

00273402

HOLLAND & HART LLC
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SANTA FE, NM 87504-2208