

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



December 9, 2019

CENTRAL TANK BATTERY

Administrative Order CTB-925

Centennial Resource Production, LLC
Attention: Kanicia Schlichting
1001 17th Street, Suite 1800, Denver, CO 80202

Pursuant to your application received on November 18, 2019, Centennial Resource Production, LLC ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the wells and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 1, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the wells shall be determined as follows:

The oil and gas production from each well shall flow into its own dedicated three phase separator. The production stream shall be separated into 3 independent streams and each stream shall be measured individually before commingling. Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured by a lease automatic custody transfer ("LACT") meter and sold at the respective central tank battery ("CTB") described in Exhibit A.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Operator may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

Operator shall notify the Hobbs District Office before commingling oil and gas production.

Operator shall comply with all Division Rules and Regulations.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Hobbs District Office
 New Mexico State Land Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **CTB-925**

Date: **12/09/19**

Operator: **Centennial Resource Production, LLC**

Central Tank Battery: **Duck Hunt 1 State Com CTB**

Central Tank Battery Location: **Section 1, Township 23 South, Range 34 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
ANTELOPE RIDGE; BONE SPRING, NORTH	2205		

Leases

E/2 SE Sec 1-T23S-R34E and E/2 E/2 Sec 12-T23S-R34E Communitized Area

W/2 SE Sec 1-T23S-R34E and W/2 E/2 Sec 12-T23S-R34E Communitized Area

Wells

Well API	Well Name	Pool Code	Location	Train
30-025-45562	Duck Hunt 1 State Com 301H	2205	Sec 1-T23S-R34E	
30-025-46344	Duck Hunt 1 State Com 302H	2205	Sec 1-T23S-R34E	
30-025-46345	Duck Hunt 1 State Com 401H	2205	Sec 1-T23S-R34E	
30-025-45265	Duck Hunt 1 State Com 501H	2205	Sec 1-T23S-R34E	
30-025-46346	Duck Hunt 1 State Com 502H	2205	Sec 1-T23S-R34E	
30-025-45566	Duck Hunt 1 State Com 601H	2205	Sec 1-T23S-R34E	
30-025-46347	Duck Hunt 1 State Com 602H	2205	Sec 1-T23S-R34E	