

State of New Mexico
Energy, Minerals and Natural Resources Department

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Heather Riley, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-880

December 27, 2018

Centennial Resource Production, LLC
Attention: Ms. Kanicia Castillo

Centennial Resource Production, LLC (OGRID 372165) is hereby authorized to surface commingle oil and gas production and off-lease measure oil and gas production from the Ojo Chiso; Bone Spring, South Pool (Pool code 97293) from the following diversely owned state leases located in Township 22 South, Range 34 East, Lea County, New Mexico:

Lease: Airstream 24 State Com Well No. 501H Communitization Agreement
Description: W/2 of Section 24
Well: Airstream 24 State Com Well No. 501H API 30-025-45155

Lease: Proposed Airstream 24 State Com Well No. 502H Communitization Agreement
Description: W/2 of Section 24 and W/2 of Section 25
Well: Airstream 24 State Com Well No. 502H API 30-025-45181

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Airstream 24 State Com Well Central Tank Battery (CTB), located in Unit N, Section 13, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with allocation meters.

The oil and gas production from each well will flow into a dedicated 3-phase separator. The production stream will be separated into 3 independent streams by the separator and each stream will be measured individually after it exits the separator, before commingling.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

It is also understood that you have given due notice of this application to all owners in the mineral interest estate ("affected parties") as defined in Rule 19.15.12.10.C (4) NMAC.

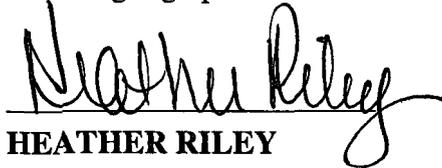
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

Subsequent wells within leases approved by this order may be added to this administrative surface commingle application with a Sundry notice to the Engineering Bureau.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This administrative order is subject to like approval from the New Mexico State Land Office.

The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.



HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals