District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV

1220 S. St Francis Dr, Santa Fe, NM 87505 State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

#### **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)						
OPERATOR NAME: Centennial Resource Production, LLC						
OPERATOR ADDRESS: 1001 17th Street, Suite 1800, Denver, CO 80202  APPLICATION TYPE:						
	g Pool and Lease Co	mmingling DOff-Lease	Storage and Measur	rement (Only if not Surface	Commingled)	
	State		Storage and ivicasu	ement (Only if not Surface	. Commingica)	
Is this an Amendment to existing Order			the appropriate (	order No. Pl C-810	)	
Have the Bureau of Land Management  Yes No						
		L COMMINGLIN s with the following in				
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled	Calculated Gravities / BTU of Commingled		Calculated Value of Commingled	Volumes	
Red Hills; Bone Spring 96434	Production	Production		Production		
Antelope Ridge; Wolfcamp 2220	*****					
		<u> </u>				
		1				
		1				
(2) Are any wells producing at top allowa	plac? TVas TVNs					
(3) Has all interest owners been notified b (4) Measurement type: Metering [ (5) Will commingling decrease the value of the commingling decrease	y certified mail of the pro  Other (Specify)		Yes No.	ing should be approved		
(b) with comminging decrease the value of	or production.	E-140 II yes , desert	oc why comming	ing should be approved		
	(D) LEA	CE COMMINCI IN	10			
:		SE COMMINGLINGS with the following in				
<ol> <li>Pool Name and Code.</li> <li>Is all production from same source of:</li> <li>Has all interest owners been notified by</li> <li>Measurement type:  Metering </li> </ol>	supply?	o	□Yes □N	0		
		LEASE COMMIN				
(1) Complete Sections A and E.	Please attach sheet	s with the following in	ntormation			
(1) Complete Sections 11 and 2.						
(I)		ORAGE and MEA		-		
		ets with the following	information			
<ul><li>(1) Is all production from same source of s</li><li>(2) Include proof of notice to all interest o</li></ul>		0				
(-)						
(E) ADDITIONAL INFORMATION (for all application types)  Please attach sheets with the following information						
(1) A schematic diagram of facility, including legal location.						
<ul> <li>(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.</li> <li>(3) Lease Names, Lease and Well Numbers, and API Numbers.</li> </ul>						
I hereby certify that the information above is	true and complete to the	best of my knowledge an	d belief.			
SIGNATURE: Catobies	ni to	TLE: Regulatory	Lead	DATE: 3/24	1/23	
TYPE OR PRINT NAME Katie Bier	smith		TEL	EPHONE NO.: <b>720-</b> 4	199-1522	
F-MAII ADDRESS: katie hiersmith@nermianres.com						

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:	9
	- Geolog	ABOVÉTHISTABLE FOR OC ICO OIL CONSER' gical & Engineerir Francis Drive, Sar	<b>VATION DIVISION</b> ng Bureau –	
	ADMINIS'	TRATIVE APPLICA	TION CHECKLIST	
THIS C	HECKLIST IS MANDATORY FOR REGULATIONS WHICH		CATIONS FOR EXCEPTIONS TO HE DIVISION LEVEL IN SANTA F	
Ammilia amb Contonni	al Pasauras Bradustian I	IC	000	D Novembra w 270165
	al Resource Production, I r Fed Com 502H, 701H ar	-		<b>Number:</b> 372165 025-46300, 30-025-46427, 30-025-48391
	ring, North & Antelope Ridge;			Code: 96434, 2220
SUBMIT ACCURA	ATE AND COMPLETE II	NFORMATION REQ INDICATED BEI		HE TYPE OF APPLICATION
•	CATION: Check those - Spacing Unit - Simul SL SP	ultaneous Dedicat	-	D
[1] Comr [1] Injec [1] Injec [1] Notific B. Royalt C. Applic D. Notific E. Notific F. Surfac G. For all	ne only for [1] or [1] or [1] mingling – Storage – DHC	Measurement PLC PC sure Increase – Enl SWD IPI  k those which appolders owners, revenue a hed notice rrent approval by s rrent approval by s	EOR PPR  ly. wners  SLO BLM	FOR OCD ONLY  Notice Complete  Application Content Complete
administrative understand the	: I hereby certify that approval is accurate at no action will be to be submitted to the D	e and <b>complete</b> to aken on this applic	the best of my know	• •
No	te: Statement must be comp	pleted by an individual w	th managerial and/or supe	ervisory capacity.
Sarah Ferreyros Print or Type Name			3/30/23 Date 720-499-1454 Phone Number	
Signature			sarah.ferreyros@ e-mail Address	permianres.com

### NEW MEXICO STATE LAND OFFICE

# APPLICATION FOR COMMINGLING AND OFF-LEASE STORAGE ON STATE TRUST LANDS



This application form is required for all commingling applications requiring approval by the Commissioner of Public Lands.

Applicant: Centennial Resource Production, LLC	OGRID	#: <u>372165</u>
Well Name: Raider Fed Com 502H, 701H, 302H (AMENDMENT)	API#:	30-025-46300, 30-025-46427,
Pool: Red Hills; Bone Spring, North & Antelope Ridge; Wolfcamp		30-025-48391
OPERATOR NAME: Centennial Resource Production, LLC		
OPERATOR ADDRESS: 1001 17th Street, Suite 1800, Denver, CO 8020	2	

#### **APPLICATION REQUIREMENTS - SUBMIT:**

- 1. New Mexico Oil Conservation Division (NMOCD) application packet (or equivalent information if no application is required by NMOCD),
- 2. Commingling application fee of \$150.

#### **CERTIFICATION:** To the best of my knowledge,

- All business leases and rights-of-way necessary for conducting the proposed operation on State Trust lands have been applied for or obtained,
- The information submitted with this application is accurate and complete, and
- No loss will accrue to the state of New Mexico as a result of the proposed operation.

I also understand that **no action** will be taken on this application until the required information and fee are submitted to the State Land Office.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Sarah Ferreyros	
Print or Type Name	
Signature	720-499-1454 Phone Number
_3/30/23 Date	<u>sarah.ferreyros@permianres.com</u>

Submit application to:

Commissioner of Public Lands Attn: Commingling Manager PO Box 1148 Santa Fe, NM 87504-1148 Questions?
Contact the Commingling Manager: 505.827.5791

Upon approval, the requesting organization will receive an acknowledgment letter from the Commissioner of Public Lands.

Rev. 2017\_10\_25

#### APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Centennial Resource Production, LLC ("CRP") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

	Δ	\PI	WELL NAME	WELL#	LOCATION	POOL CODE/NAME	STATUS
					T24S-R34E		
1	3	30-025-46300	Raider Federal Com	502H	Sec 21	[96464] Red Hills; Bone Spring, North	PRODUCING
					T24S-R34E		
2		30-025-46427	Raider Federal Com	701H	Sec 21	[2220] Antelope Ridge; Wolfcamp	PRODUCING
					T24S-R34E		
3	1	30-025-48391	Raider Federal Com	302H	Sec 21	[96464] Red Hills; Bone Spring, North	PRODUCING
					T24S-R34E		FUTURE
4	F	UTURE WELL	Raider Federal Com	102H	Sec 21	[96464] Red Hills; Bone Spring, North	WELL
ſ					T24S-R34E		FUTURE
5	F	UTURE WELL	Raider Federal Com	103H	Sec 21	[96464] Red Hills; Bone Spring, North	WELL

#### **GENERAL INFORMATION:**

Spacing Unit for Raider Fed Com #502H - Pool: Red Hills; Bone Spring, North (96434) [API: 30-025-46300]

W/2 E/2 Section 16, T24S R34E W/2 E/2 Section 21, T24S R34E Total of 320.00 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-11793	Oil and Gas	20%	320 acres being E/2 Section 16, T24S R34E, Lea County, NM	50.00%	160.00
					240 acres, being NE4, W2SE Section 21 T24S R34E, Lea		
2	Federal	NM-126971	Oil and Gas	12.5%	County, NM	50.00%	160.00
		Total				100.00%	320.00

<sup>\*</sup>The Communitization Agreement for the Raider Fed Com #502H has been submitted to the BLM for approval.

Spacing Unit for Raider Fed Com #701H - Pool: Antelope Ridge Wolfcamp (2220) [API: 30-025-42700]

W/2 E/2 Section 16, T24S R34E W/2 E/2 Section 21, T24S R34E Total of 320.00 acres, all in Lea County, NM

	Lease	Lease	Type of			% of	Acres in
	Type	Number	Production	Royalty	Description	Comm	Comm
					320 acres being E/2 Section 16,		
1	State	VB-11793	Oil and Gas	20%	T24S R34E, Lea County, NM	50.00%	160.00
					240 acres, being NE4, W2SE		
					Section 21 T24S R34E, Lea		
2	Federal	NM-126971	Oil and Gas	12.5%	County, NM	50.00%	160.00
		Total					
2		Total				100.000/	220.00
3						100.00%	320.00

<sup>\*</sup>The Communitization Agreement for the Raider Fed Com #701H has been submitted to the BLM for approval.

#### Spacing Unit for Raider Fed Com #302H - Pool: Red Hills; Bone Spring, North [96434] [API: 30-025-48391]

E/2 E/2 Section 21, T24S R34E

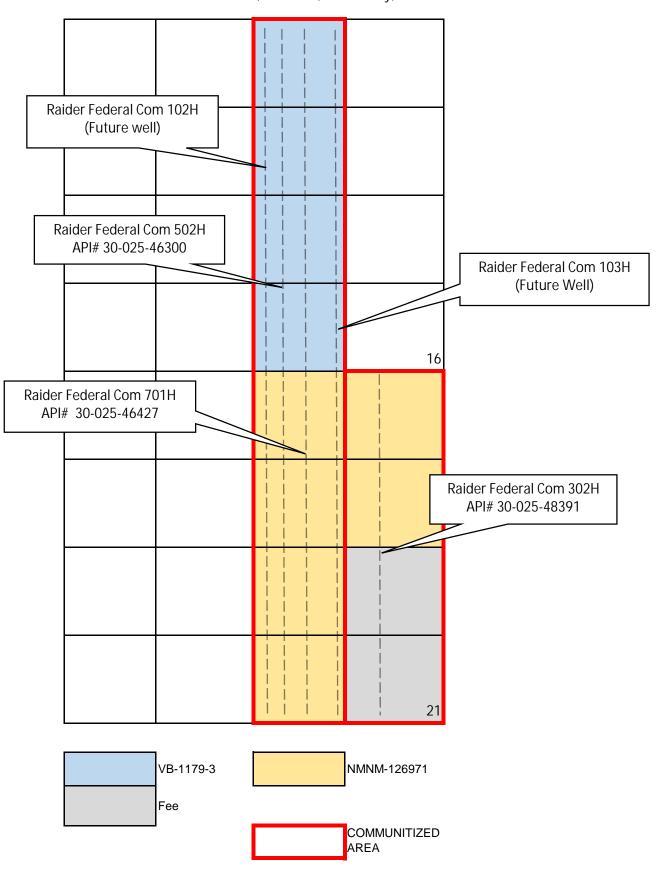
Total of 160.00 acres, all in Lea County, NM

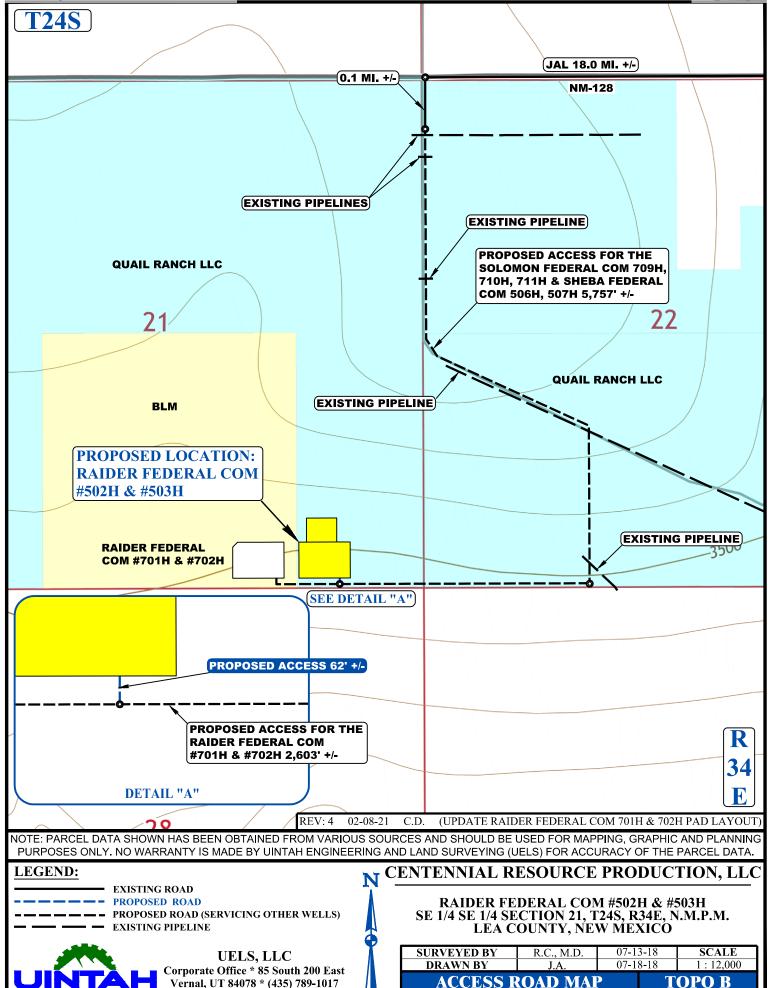
	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
	турс	Number	Troduction	Royalty	240 acres, being NE4, W2SE	Oomin	COMMI
					Section 21 T24S R34E, Lea		
1	Federal	NM-126971	Oil and Gas	12.5%	County, NM	50.00%	80.00
					40 acres, being NE4SE4		
					Section 21 T24S R34E, Lea		
2	Fee	Fee	Oil and Gas	Various	County, NM	25.00%	40.00
					40 acres, being SE4SE4		
					Section 21 T24S R34E, Lea		
3	Fee	Fee	Oil and Gas	Various	County, NM	25.00%	40.00
		Total					
		Total				100.00%	160.00

<sup>\*</sup>The Communitization Agreement for the Raider Fed Com #302H has been submitted to the BLM for approval.

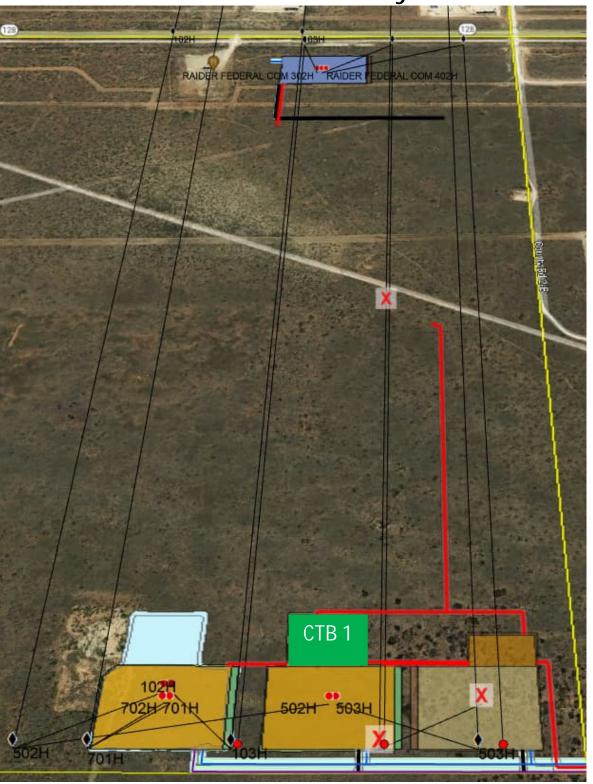
- This application will fall under 43 CFR 3173.14(a)(1) iii (Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution.)
- The central tank battery to service the subject wells is located off-lease, on Lot P of Section 21-24S-34E on fee surface. Storing and measuring from this off-lease facility reduces the amount of trucking or pipelines since it is on the 502H drill pad. So, although it is off lease, it reduces our environmental impact by producing on the drill pad.
- There is no new surface disturbance included as part of the proposed CAA.
- All leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities.
- All non-FMP gas meters will meet API Standard 14.3/AGA Report No 3 and all non-FMP oil meters will meet API/MPMS Chapter 5.6
- Federal ownership in the overlapping spacing units is identical.
- Enclosed herewith is 1) a map that displays the leases and the location of the subject wells, 2) a map that displays the location of the proposed CTB, (3) a process flow diagram, (4) allocation methodology and example, (5) the C-102 plat for each of the wells and (6) the serial register page for NMNM-126971.
- The approval of this commingling application will not negatively affect the royalty revenue of the federal government due to the allocation methodology described in the application. The interest owned by the federal government in each of these wells is identical.
- Gas analysis is not required for this application as Centennial is applying for a CAA under 3173.14(a)(1).
- Centennial requests approval to add additional wells within the spacing units identified and approved in this application by filing a Subsequent Report Sundry to the Bureau of Land Management and filing a C103Z and C102 with the NMOCD. Notice to owners shall not be required when amending the application to add wells contained within spacing units previously approved for commingling authority.

To Commingling Agreement embracing W/2E/2 of Section 16 and the E/2 Section 21 Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico





### Raider CTB 1 Pad Layouts



The Raider 502H, 701H and 302H will flow to the facility marked CTB 1



9/23/2022

#### COMMINGLED CENTRAL TANK BATTERY - PRORATED ALLOCATION

#### **DAILY GAS ALLOCATION**

Each well has a gas production meter (wellhead meter) on a dedicated test vessel that is used as an allocation meter.

There is a single VRU meter installed at the facility that measures tank vapors evolved from oil in the atmospheric tanks and heater treater. Gas metered by the VRU meter is allocated to each well based off the Oil Allocation meters mentioned in the Oil Allocation section below.

There is a high-pressure flare gas meter at the facility that measures gas sent to the emergency flare. Metered high-pressure flare gas is allocated to each well based off the gas production meters detailed below.

There is a medium-pressure flare gas meter at the facility that measures gas sent to flare. Metered medium-pressure gas is allocated to each well based off the oil production meters detailed below.

There is a low-pressure flare gas meter at the facility that measures gas sent to flare from tanks if the VRU shuts down. Metered low-pressure flare gas is allocated to each well based off the oil production meters detailed below.

Finally, there is a single CTB Facility Check Meter (FMP) before the gas enters the gas gathering pipeline leaving the pad.

- 1. The Well's Net Gas Production is the volume of gas produced by the well less any volume used for gas lift. The Well's Net Gas Production also includes the Well's VRU Allocation Volume. It is calculated by:
  - Well's Net Gas Production = Well's Wellhead Meter Readings Well's Gas Lift Meter Readings + Well's VRU Allocation Volume
  - b. Well's VRU Allocation Volume = VRU Meter \* Well's Theoretical % of Oil Production
  - c. Well's Theoretical % of Oil Production = Well's Oil Meter/ (sum of all Well's Oil Meters at the CTB)
- 2. HP Flare Volume is the volume of gas flared from the CTB, allocated to wells by:
  - a. Well's HP Flare Volume = HP Flare Meter \* Well's Theoretical Net Gas Production %
  - b. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
- 3. MP Flare Volume is the volume of gas flared from Heater Treaters at the CTB, allocated to wells by:
  - a. Well's MP Flare Volume = MP Flare Meter \* Well's Theoretical % of Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter / (sum of all Well's Oil Meters at CTB)
- 4. LP Flare Volume is the volume of gas flared from Tank Vapors, allocated to wells by:
  - a. Well's LP Flare Volume = LP Flare Meter \* Well's Theoretical % of Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter / (sum of all Well's Oil Meters at CTB)

- 5. The VRU Meter measures the gas that evolves from the oil in the oil tanks and the heater treater. The VRU gas volumes are allocated based on allocated oil production for each well. The VRU Meter is an allocation meter.
  - a. Well's VRU Allocation Volume = VRU Meter \* Well's Theoretical % of Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter / (Sum of all Well's Oil Meters at CTB)
- 6. Allocated Lease Use Gas Volume is the volume of gas used by the equipment on the CTB allocated to the wells by:
  - a. Well's Allocated Lease Use Gas Volume = Lease Use Equipment\* (Well's Hours On / (sum of all Well's Hours On)
- 7. Well's Theoretical Net Gas Production % used for the allocation of production/sales is calculated by:
  - a. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
- 8. CTBs FC Meter (FMP) measures the volume of gas for royalty purposes. This volume of gas is the total that is sold from the CTB. The CTBs FC Meter (FMP) volumes are allocated to each well by:
  - a. Well's CTB FC Meter (FMP) Allocation = CTBs FC Meter (FMP) \* Well's Theoretical Net Gas Production %
  - b. Well's Theoretical Net Gas Production % = Well's Net Gas Production / (sum of all Well's Net Gas Production)
- 9. Each Well's Allocated Gas Production at the CTB is calculated by:
  - a. Well's Allocated Gas Production = Well's CTBs FC Meter (FMP) Allocation + Well's HP Flare Volume + Well's MP Flare Volume + Well's LP Flare Volume + Well's Allocated Lease Use Gas Volume

#### **DAILY OIL ALLOCATION**

Each well has an oil meter measuring the volume of oil produced by the well. This volume is used as the allocation point to prorate Well's Allocated Oil Production Volume and Well's Allocated Oil Sales Volume (FMP) back to each well.

- 1. Well's Allocated Oil Production Volume is the volume of oil produced by each well and is calculated by:
  - a. Well's Allocated Oil Production Volume = Well's Theoretical % of Oil Production \* CTB Allocated Oil Production
  - b. Well's Theoretical % of Oil Production = Well's Oil Meter/ (sum of all Well's Oil Meters at the CTB)
  - c. CTB Allocated Oil Production = Total CTB Sales Volume (FPM) + Ending Tank Inventory Beginning Tank Inventory
- 2. CTB Available Oil for Sale is calculated by:
  - a. CTB Available Oil for Sale = CTB Allocated Oil Production + Beginning Tank Inventory
- 3. Each Well's Available Oil for Sale is calculated by:
  - a. Each Well's Available Oil for Sale = Well's Allocated Oil Production Volume + Well's Beginning Tank Inventory

- 4. Well's Theoretical % of Oil Available for Sale is calculated by:
  - a. Well's Theoretical % of Oil Available for Sale = Well's Available Oil for Sale / (sum of all Well's Available Oil for Sale)
- 5. Well's Allocated Sales Volume (FMP) is the total oil volume allocated to each well and is calculated by:
  - a. Well's Allocated Sale Volume (FMP) = Total CTB Sales Volume (FMP) \* Well's Theoretical % of Oil Available for Sale
- 6. Total CTB Sales Volume (FMP) is the volume of oil sold through the LACT Unit (FMP meter)
- 7. Beginning Tank Inventory comes from previous accounting period's Ending Tank Inventory for each well
- 8. Ending Oil Tank Inventory for each well is calculated by:
  - a. Well's Ending Tank Inventory = Well's Beginning Oil Tank Inventory + Well's Allocated Oil Production Volume Well's Allocated Sales Volume

#### **DAILY WATER ALLOCATION**

Each well has a water meter measuring the volume of water produced by the well. This volume is used as the allocation point to prorate Well's Allocated Water Production and Well's Allocated Water Transfer Volume back to each well.

- 1. Well's Allocated Water Production is volume of water allocated to each well at the CTB and is calculated by:
  - a. Well's Allocated Water Production = CTB Allocated Water Production \* Well's Theoretical % of Water Production
  - b. CTB Allocated Water Production = Total of CTBs Water Transfer Meters + Ending Tank Inventory Beginning Tank Inventory
  - c. Well's Theoretical % of Water Production = Well's Water Meter / (sum of Well's Water Meters at CTB)
- 2. CTBs Available Water to Transfer is calculated by:
  - a. CTBS available Water to Transfer = CTBs Allocated Well Production + Beginning Tank Inventory
- 3. Each Well's Available Water to Transfer is calculated by:
  - a. Well's Available Water to Transfer = Well's Allocated Well Production + Well's Beginning Tank Inventory
- 4. Each Well's Theoretical % of Water Available to Transfer is calculated by:
  - a. Well's Theoretical % of Water Available to Transfer = Well's Available Water to Transfer / (sum of Well's Available Water to Transfer)
- 5. Each Well's Allocated Water Transfer Volume is total water transfer volume allocated to each well and is calculated by:
  - a. Well's Allocated Water Transfer Volume = Well's Theoretical % of Water Available to Transfer \* Total of CTBs Water Transfer Meters

- 6. Total of CTBs Water Transfer Meters is the volume of water transferred and metered by the individual Water Transfer Meters at the CTB.
- 7. Beginning Tank Inventory comes from previous accounting period's allocated Ending Inventory for each well.
- 8. Ending Water Tank Inventory for each well is calculated by:
  - a. Well's Ending Tank Inventory = Well's Beginning Water Tank Inventory +Well's Allocated Water Production Well's Allocated Water Transfer Volume

	Allocation Methodology Used to Determine Allocated Production and Sales to Each Well											
Well Name	Wellhead Meter Readings (MSCF)	Well's Gas Lift Meter Readings (MSCF)	Well's Net Gas Production (MSCF)		Well's Theoretical Net Gas Production %	Well's CTB FC Meter (FMP) Allocation (MSCF)	Well's HP Flare Volume (MSCF)	Well's MP Flare Volume (MSCF)	Well's LP Flare Volume (MSCF)	Well's Allocated Lease Use Gas Volume (MSCF)	Well's VRU Allocation Volume (MSCF)	Well's Allocated Gas Production (MSCF)
Raider Federal Com 502H	942.00	486.00	465.05	24.00	0.17	742.01	23.93	1.51	3.39	4.00	9.05	774.84
Raider Federal Com 701H	901.00	474.00	436.47	24.00	0.16	696.42	22.46	1.58	3.55	4.00	9.47	728.00
Raider Federal Com 302H	1,023.00	491.00	568.81	24.00	0.21	907.58	29.27	6.14	13.81	4.00	36.81	960.79
Raider Federal Com 102H (future	1,113.00	502.00	640.13	24.00	0.24	1,021.37	32.94	4.86	10.93	4.00	29.13	1,074.09
Raider Federal Com 103H (future	1,013.00	501.00	547.53	24.00	0.21	873.62	28.17	5.92	13.33	4.00	35.53	925.04
Facility Totals	4,992.00	2,454.00	2,658.00	120.00	1.00	4,241.00	136.76	20.00	45.00	20.00	120.00	4,462.76

CTB Meter Name	Meter Readings
CTBs FC Meter (FMP) (MSCF)	4,241.00
HP Flare Meter (MSCF)	136.76
MP Flare Meter (MSCF)	20.00
LP Flare Meter (MSCF)	45.00
VRU Meter (MSCF)	120.00
Lease Use Equipment (MSCF)	20.00
GL Compressor (MSCF)	2,454.00
Allocated Production (MSCF)	4,462.76

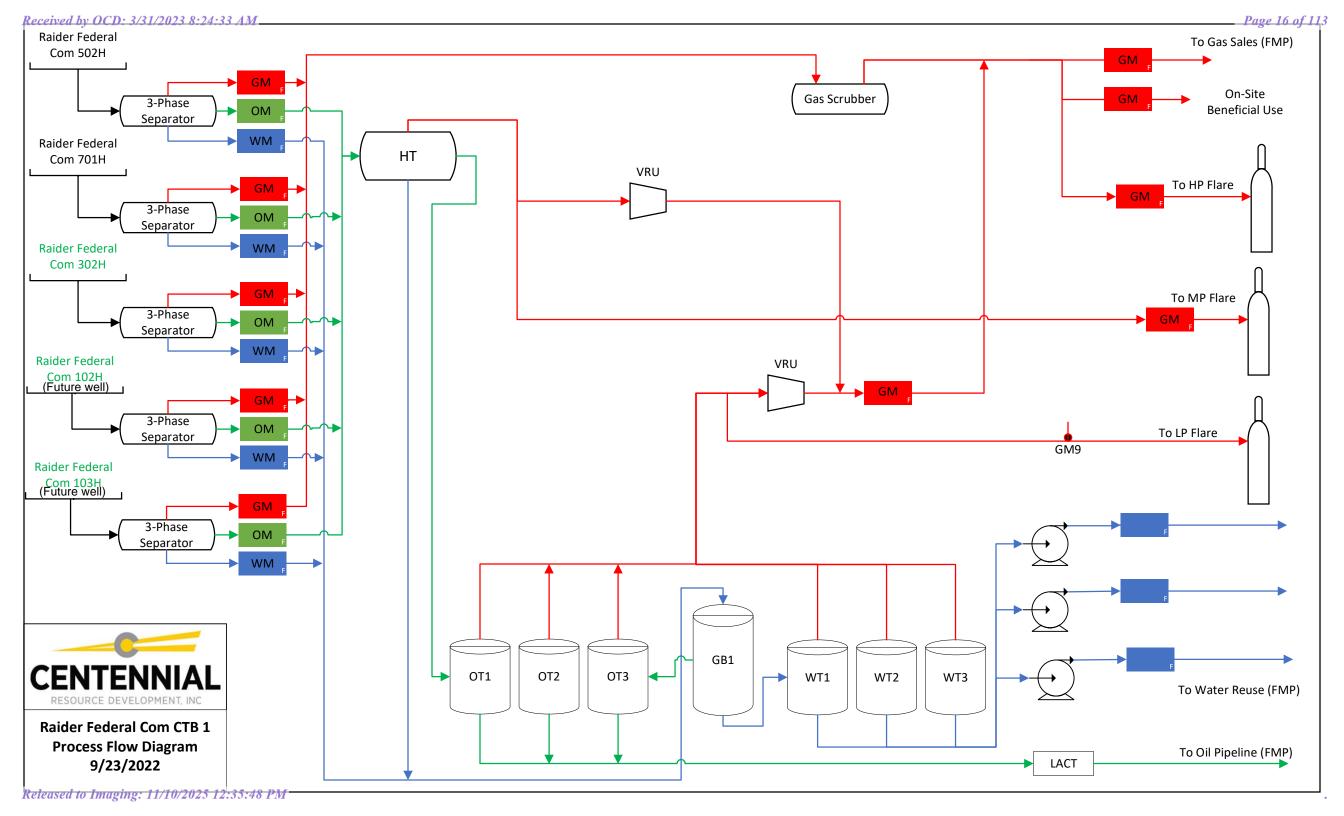
	Allocation Methodology Used to Determine Allocated Production and Sales to Each Well								
Well Name	Well's Oil Meter (BBL)	Well's Theoretical % of Oil Production	Well's Allocated Oil Production Volume (BBL)	Well's Available Oil for Sale (BBL)	Well's Theoretical % of Oil Available for Sale	Well's Allocated Sales Volume (FMP) (BBL)	Well's Beginning Tank Inventory (BBL)	Well's Ending Tank Inventory (BBL)	
Raider Federal Com 502H	671.29	0.08	669.53	970.18	0.10	783.42	300.65	186.75	
Raider Federal Com 701H	702.89	0.08	701.04	933.04	0.09	753.44	232.00	179.61	
Raider Federal Com 302H	2,732.00	0.31	2,724.82	2,956.82	0.29	2,387.65	232.00	569.17	
Raider Federal Com 102H (future)	2,162.00	0.24	2,156.32	2,388.32	0.24	1,928.58	232.00	459.74	
Raider Federal Com 103H (future)	2,637.00	0.30	2,630.07	2,798.63	0.28	2,259.91	168.56	538.72	
Facility Totals	8,905.18	1.00	8,881.79	10,047.00	1.00	8,113.00	1,165.21	1,934.00	

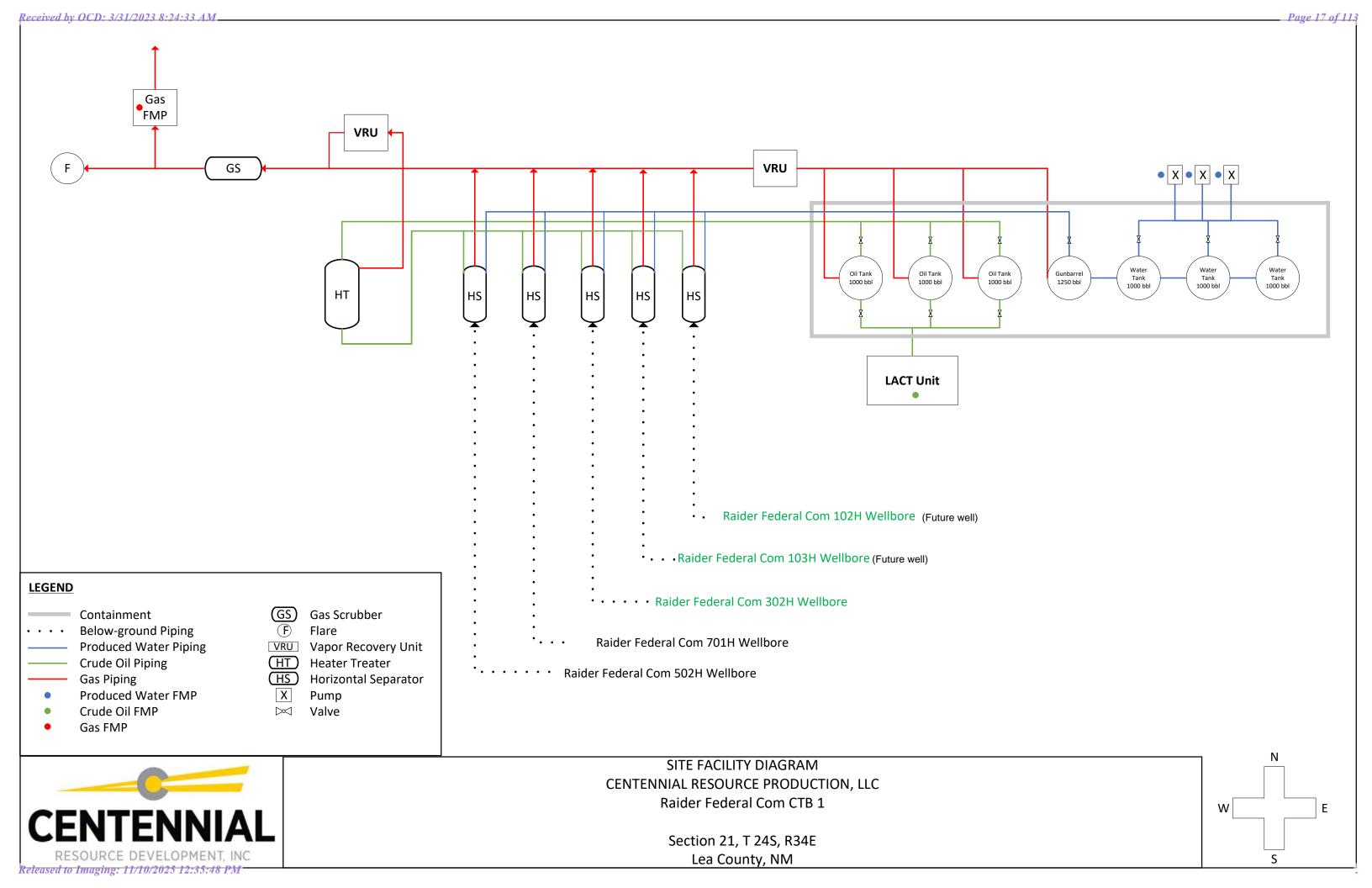
CTB Allocated Oil Production (BBL)	8,881.79	
CTB Available Oil for Sale (BBL)	10,047.00	
Total CTB Sales Volume (FMP) (BBL)	8,113.00	<pipeline lact<="" td=""></pipeline>
CTB's Beginning Oil Tank Inventory (BBL)	1,165.21	-
CTB's Ending Tank Inventory (BBL)	1,934.00	

Allocation Methodology Used to Determine Allocated Production and Sales to Each Wel
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Well Name	Well's Water Meter (BBL)	Well's Theoretical % of Water Production	Well's Allocated Water Production (BBL)	Well's Available Water to Transfer (BBL)	Well's Theoretical % of Water Available to Transfer	Well's Allocated Water Transfer Volume (BBL)	Well's Beginning Tank Inventory (BBL)	Well's Ending Tank Inventory (BBL)
Raider Federal Com 502H	643.00	0.0707	841.08	926.04	0.0747	618.01	84.96	308.03
Raider Federal Com 701H	747.00	0.0821	977.12	1,074.68	0.0867	717.21	97.56	357.48
Raider Federal Com 302H	2,374.00	0.2611	3,105.34	3,211.00	0.2591	2,142.91	105.66	1,068.09
Raider Federal Com 102H (future)	2,817.00	0.3098	3,684.81	3,790.47	0.3058	2,529.63	105.66	1,260.84
Raider Federal Com 103H (future)	2,513.00	0.2763	3,287.16	3,392.82	0.2737	2,264.25	105.66	1,128.57
Facility Totals:	9,094.00	1.0000	11,895.50	12,395.00	1.0000	8,272.00	499.50	4,123.00

CTBs Allocated Water Production (BBL)	11,895.50
CTBs Available Water to Transfer (BBL)	12,395.00
Total of CTBs Water Transfer Meters (BBL)	8,272.00
CTB's Beginning Water Tank Inventory (BBL)	499.50
CTB's Ending Water Tank Inventory (BBL)	4,123.00





<u>District I</u> 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

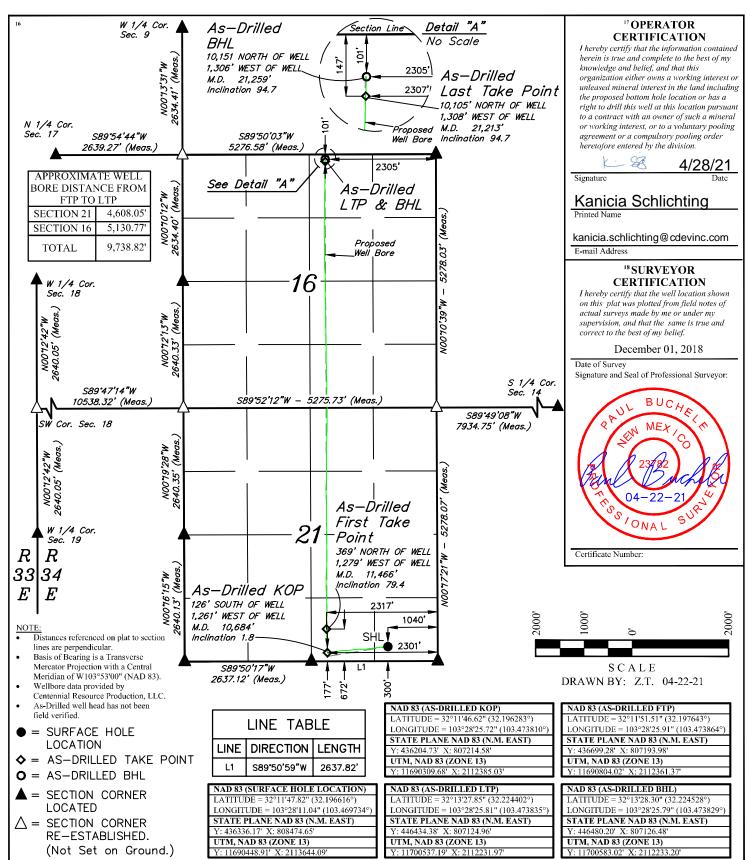
30-025-46	<sup>2</sup> Pool Code 96434	Red Hills; Bone Spring, I	North
4 Property Code		operty Name	6 Well Number
318010	RAIDER	#502H	
7 OGRID No.		perator Name	9 Elevation
372165	CENTENNIAL RESC	DURCE PRODUCTION, LLC	3497.5'

#### <sup>10</sup> Surface Location

	UL or lot no. P	Section 21	Township 24S	Range 34E	Lot Idn	Feet from the 300	North/South line SOUTH	Feet from the 1040	East/West line EAST	County LEA		
	"Bottom Hole Location If Different From Surface											
г	TTT 1 .	G .:	m 1:	D	T / T 1	T (f (l	N 41 /C 41 P	T . C	T3 4/T37 4 11	6 1		

#### UL or lo B 2305 st/West 1 EAST Range 34E 16 24S 101 NORTH LEA 12 Dedicated Acres

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.



<u>District I</u> 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

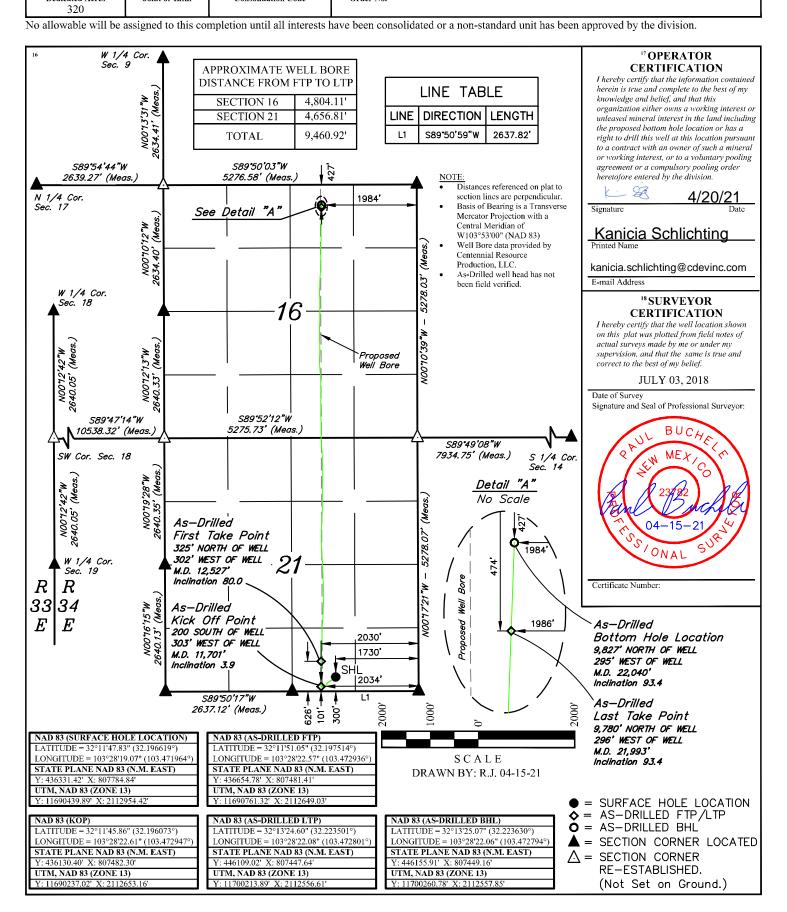
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

■ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46427	<sup>2</sup> Pool Code 2220	Antelope Ridge; WC	
<sup>4</sup> Property Code		roperty Name	6 Well Number
318010		FEDERAL COM	#701H
372165		perator Name OURCE PRODUCTION, LLC	9 Elevation 3498.4'
072100		erfoga Lagatian	3 13 6.1

					2011 1010 0				
UL or lot no. O	Section 21	Township 24S	Range 34E	Lot Idn	Feet from the 300	North/South line SOUTH	Feet from the 1730	East/West line EAST	County LEA
"Bottom Hole Location If Different From Surface									
UL or lot no. B	Section 16	Township 24S	Range 34E	Lot Idn	Feet from the 427	North/South line NORTH	Feet from the 1984	East/West line EAST	County LEA
12 Dedicated Acre	es 13 Je	oint or Infill	14 Conse	lidation Code	15 Order No.				



<u>District I</u> 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 <u>District III</u> 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

21

A

24S

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

LEA

East/West line

**EAST** 

Feet from the

1272

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	<sup>1</sup> API Number		<sup>2</sup> Pool Code				
	30-025-48391		96434	y, North			
ſ	4 Property Code		5 Pr		6 Well Number		
	318010		RAIDER		302H		
ľ	<sup>7</sup> OGRID N₀.		8 OI	oerator Name			9 Elevation
	372165		CENTENNIAL RESC	3530.8'			
•			<u> </u>				_

#### <sup>10</sup> Surface Location

	"Bottom Hole Location If Different From Surface										
I	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
L	Р	21	24S	34E		87	SOUTH	809	EAST	LEA	
ı	12 Dadicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.										

NORTH

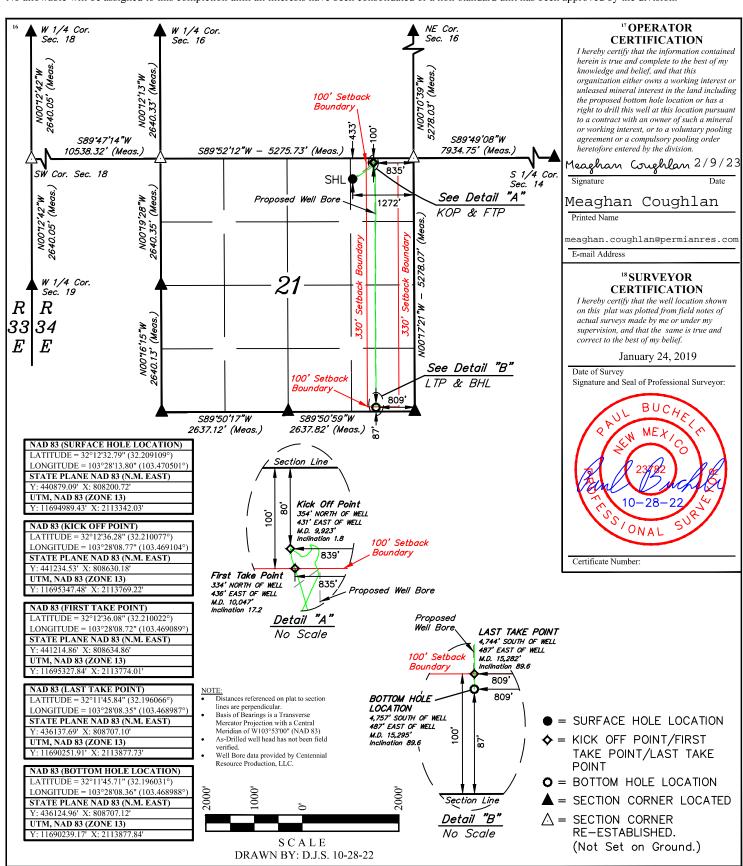
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

Feet from the

433

Range

34F



### POOL COMMINGLING

Well Name	Pool Name and Code	Gravities/BTU of Non-Commingled Production	Calculated Gravities/BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
RAIDER FEDERAL COM 502H	[96434] Red Hills; Bone	42°				280 bopd
RAIDER FEDERAL COM 502H	Spring, North	987 BTU/CF			1	465 mcfd
RAIDER FEDERAL COM 701H	[2220] Antelope Ridge;	42°				260 bopd
RAIDER FEDERAL COM 701H	Wolfcamp	987 BTU/CF				500 mcfd
RAIDER FEDERAL COM 302H	[96434] Red Hills; Bone	42°	42° / 987 BTU/CF		Monthly value of	1800 bopd
RAIDER FEDERAL COM 30211	Spring, North	987BTU/CF	42 / 90/ BTO/OF		\$17,361M @ \$80/\$7	2160 mcfd
RAIDER FEDERAL COM 102H	[96434] Red Hills; Bone	42°				2000 bopd
RAIDER FEDERAL COM 10211	Spring, North	987 BTU/CF				3000 mcfd
RAIDER FEDERAL COM 103H	[96434] Red Hills; Bone	42°				2000 bopd
NAIDEN I EDENAL COM 10311	Spring, North	987 BTU/CF				3000 mcfd

Production Summary Report API: 30-025-46300 RAIDER FEDERAL COM #502H Printed On: Friday, March 24 2023

		Printed On: Friday, March 24 2023						
			0.11/0.01.01	Production				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Apr	625	734	3815	1		
2021	[96434] RED HILLS;BONE SPRING, NORTH	May	33005	43700	92605	31		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Jun	23656	30336	52733	30		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Jul	21415	28936	45854	27		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Aug	20737	29004	39423	31		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Sep	17389	29813	42586	30		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Oct	16183	27528	27276	31		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Nov	14347	21908	25618	30		
2021	[96434] RED HILLS;BONE SPRING, NORTH	Dec	13263	19668	21618	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Jan	12294	17261	20588	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Feb	9836	13927	16301	28		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Mar	11634	17118	17713	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Apr	11308	19565	17025	30		
2022	[96434] RED HILLS;BONE SPRING, NORTH	May	10686	19476	16624	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Jun	9879	18571	15271	30		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Jul	9279	14621	14503	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Aug	9585	15707	15598	31		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Sep	8720	17357	16349	30		
2022	[96434] RED HILLS;BONE SPRING, NORTH	Oct	8758	16637	15570	31		

2022	[96434] RED HILLS;BONE SPRING, NORTH	Nov	7936	13748	13626	30
2022	[96434] RED HILLS;BONE SPRING, NORTH	Dec	7316	10110	13793	31

Production Summary Report API: 30-025-46427 RAIDER FEDERAL COM #701H Printed On: Friday, March 24 2023

			Production			
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Apr	13599	25719	63027	11
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	May	37643	55068	79353	31
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Jun	26734	37568	43959	30
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	Jul	21518	38276	36035	31
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Aug	18529	32589	24547	31
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Sep	15758	35241	27355	30
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Oct	14812	32495	23253	31
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Nov	13391	24864	24669	30
2021	[2220] ANTELOPE RIDGE; WOLFCAMP	Dec	13924	21857	23593	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Jan	12100	20764	21752	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Feb	9938	17259	17935	28
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Mar	11731	19199	18514	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Apr	11380	19444	18138	30
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	May	10714	20066	17956	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Jun	9421	17598	15818	30
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Jul	9139	15838	15147	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Aug	9256	15444	15722	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Sep	7916	15640	15471	30
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Oct	8391	16148	14966	31
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Nov	7833	14048	13497	30
2022	[2220] ANTELOPE RIDGE; WOLFCAMP	Dec	7288	13200	13915	31



#### **Serial Register Page**

Feb 11, 2021

01 12-22-1987;101STAT1330;30USC181 ET SE

Case Type: O&g Ise comp pd -1987 Serial Number: NMNM 126971

Commodity: Oil & gas Acres: 240.000 Disposition: Authorized

Lessee

<u>Owner Name</u> <u>Street</u> <u>City</u> <u>State</u> <u>Zip</u> <u>Net Acres</u> <u>%Int</u>

CENTENNIAL RESOURCES 1001 17TH ST STE 1800 DENVER CO 80202-2058 240.000 100.00

PRODUCTION LLC

Meridian: New Mex State: NM County: Lea

Township: 24 S Range: 34 E Admin Agency

Section: 21 NE,W2SE; BUREAU OF LAND MGMT

<u>Code</u>	<u>Action</u>	<u>Date</u>	<u>Remarks</u>
387	Case established	7/19/2011	201107010;
143	Bonus bid payment recd	7/20/2011	\$480.00;
191	Sale held	7/20/2011	
267	Bid received	7/20/2011	\$816000.00;
143	Bonus bid payment recd	8/2/2011	\$815520.00;
237	Lease issued	8/18/2011	
974	Automated record verif	8/18/2011	MV
496	Fund code	9/1/2011	05;145003
530	Rlty rate - 12 1/2%	9/1/2011	
868	Effective date	9/1/2011	
140	Asgn filed	11/7/2011	MILES RON/GMT EXPLO;1
139	Asgn approved	12/22/2011	EFF 12/01/11;
974	Automated record verif	12/22/2011	MJD
899	Trf of orr filed	4/7/2015	1
140	Asgn filed	7/13/2017	GMT EXPLO/CENTENNIA;1
139	Asgn approved	10/18/2017	EFF 8/1/2017
974	Automated record verif	10/18/2017	KM
246	Lease committed to ca	9/17/2018	NMNM139580;
650	Held by prod - actual	11/8/2018	M
658	Memo of 1st prod-actual	11/8/2018	/1/NMNM139580;#101H

<u>Code</u> <u>Action</u> 643

Production determination

**Date Remarks** 

/1/

**Remarks** 

4/5/2019

STIPULATIONS ATTACHED TO LEASE:

NM-11-LN SPECIAL CULTURAL RESOURCE

SENM-S-16 RAPTOR NESTS AND HERONRIES

SENM-S-22 PRAIRIE CHICKENS

RENTAL PAID 09/01/2011

RENTAL PAID PER ONRR 9/1/2017

## DECEIVED I JAN 2 8 2019

#### 3160-9 - COMMUNITIZATION

### Model Form of a Federal Communitization Agreement Contract No. 97771 139580

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 34 East, Lea County, New Mexico Section 21: E/2 E/2

Containing 160.00 acres, being further described on Exhibit A attached hereto, and this agreement shall include only the **Bone Springs** Formation(s) underlying said lands and the oil, natural gas, and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation(s).

- Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized areas.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by

C3078

- the owners of the working interest in the communitized area, and four executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement. All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be

subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

- 10. The date of this agreement is September 17, 2018 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor
  - production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7)

inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

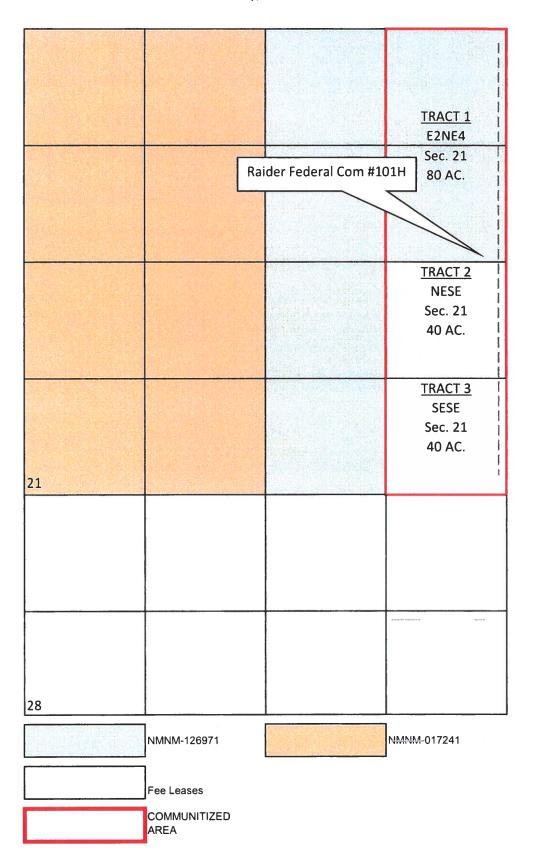
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator & Working Interest Owner: Centennial Resource Production, LLC  By:
Name: Sean W. Marshall
Title: Vice President of Land
Date: January 7th, 2019
THE STATE OF TEXAS§
COUNTY OF MIDLAND§
This instrument was acknowledged before me on this 7th day of January , 2018, by Sean W. Marshall, as Vice President of Land of Centennial Resource Production, LLC, a Delaware corporation.
CII Min T
CARL J MESSINA III Notary Public State of Colorado Notary ID # 20174047486 My Commission Expires 11-16-2021
Record Title Owner: EOG Resources, Inc.
By: New 2018
Name: Wady Dalton
Title: Agent ! Attorney- in-fact
Date: December 19, 2018

THE STATE OF TEXAS §	
COUNTY OF Midland \$	
This instrument was acknowledged by Waly Dalton	before me on this 19 day of <u>December</u> , 2018, , as <u>Assat Mtarry Intract</u> of , a <u>Delawcre</u> corporation.
CARY ANN VAN DEGNA Notary ID # 125126923 My Commission Expires Nevember 24, 2020	Notary Public in and for the State of Texas

#### Exhibit A

# To Communitization Agreement dated August 30, 2018 embracing the E/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico



#### Exhibit B

To Communitization Agreement dated August 30, 2018 embracing E/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M,
Lea County, New Mexico

#### Operator of Communitized Area: Centennial Resource Production, LLC

Tract No. 1

Lease Serial No.:

NMNM-126971

Description of Lands Committed:

Insofar as lease covers E/2 NE/4 Section 21, T24S, R34E,

Lea County, NM

Number of Acres:

80.00

Lessee of Record:

Bureau of Land Management

Name and Percent WI Owners:

Centennial Resource Production, LLC \_\_\_\_ 100.00000%

Tract No. 2

Lease Type

Fee Leases

Description of Lands Committed:

Insofar as leases cover NESE, Section 21, T24S, R34E,

Lea County, NM

Number of Acres:

40.00

Lessee of Record:

Kirby D Schenck and Rita D Schenck Trusts

Beulah H. Simmons Trust, et al

Name and Percent WI Owners:

Centennial Resource Production, LLC 100.00000%

Pooling Provision:

Lease contains a provision authorizing pooling

Tract No. 3

Lease Type

Fee Leases

Description of Lands Committed:

Insofar as leases cover SESE, Section 21, T24S, R34E,

Lea County, NM

Number of Acres:

40.00

Lessee of Record:

Realeza Del Spears LP

Ryan Moore Trustee, et al

#### Michael Harrison Moore

Name and Percent WI Owners:

Centennial Resource Production, LLC \_\_\_\_100.00000%

Pooling Provision: Lease contains a provision authorizing pooling

CMD :

**ONGARD** 

02/07/22 13:46:49

OG5COMM

MAINTAIN COMMUNITIZATION AGREEMENT

OGSBLL -PROD

Page No:

Comm Agr Name : RAIDER FEDERAL COM #502H

COM NUM: 204174

Comm Location : Sec: 21 Twp: 245 Rng: 34E STR-Location: W2E2

Orig Operator : CENTENNIAL RESOURCE PRODUCTION, LLC

Curr Operator : CENTENNIAL RESOURCE PRODUCTION, LLC

Effective Date: 03-01-2021

Apprvl Date : 05-06-2021 Status : APP

Rej/Termn Date :

Rej/Termn Reason :

County

: LEA

Inst : CS

OCD Order# :

Remarks

: ALSO IN E2 SECT 16; BONE SPRING FORMATION

Total Acreage : \*

Federal Acreage : \*

St Acreage : \*

Fee Acreage

Indian Acreage : \*

Leases in Comm : VB1179 0003\*

M0015: Table update is successful.

PF01 HELP

PF02

PF03 EXIT

PF04 GoTo

PF05 DELETE PF06 CONFIRM

PF**07** 

PF08

PF09

PF10 REINST PF11 TERMN

**PF12** 



#### NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Centennial Resource Production, LLC
Raider Federal Com #502H
Bone Spring
Township: 24 South, Range: 34 East, NMPM
Section 16: W2E2
Section 21: W2E2

Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **March 01, 2021**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

1N WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February, 2022.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

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Section 21

		Communiti	zation A	greeme	nt	•				OGSSAD
Comm Agrmt Name	: Raider Federal (	om #502H							ONGARD COM NUM:	204174
API	: 30-025-46300	SHL: Unit P c	of Sect 21		Poo	: RED HILLS	S;BONE S	SPRING, NO	DRTH	
Comm Lands	: Sec1	:16	Twp1:_	24	South	Rngl:	34	East	STR-Loc1:	W2E2
Comm Lands Ext.	: Sec2+	:	Twp2+:_	24	South	Rng2+:	34	East	STR-Loc2+: _	W2E2
Curr Operator	: Centennial Resource	Production	, LLC (OGR	XID = 37	2165)					
First Production	: 04/30/21	_		Spud:	02/28/21					
Effective Date	: 03/01/21	_	Apprvl	Date:	02/07/22		Statu	s: APP		
County	: Lea	<del>_</del>	Inst:	cs	_			OCD Orde:	r:	
Formations/Remarks	: Signed CA covers t	he Bone Sprin	g formation	n(s) or	depths.					
Total Acreage	:320		Federal A	Acreage	:160	State	Acreag	e: <u>160</u>		
Fee Acreage	:0	_	Indian A	Acreage	:0					
State Leases	: VB-1179-3									
State Acres	: 160									
Signed Comm Agreeme	nt						irrent CA Sta		2/7/2022	
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NM State Land Office Oil, Gas, & Minerals Division STATE/STATE OR STATE/FEE

Revised March 2017

### **COMMUNITIZATION AGREEMENT**

	ONLINE Version	Boidor Fod Co	.m E02L
KNOW ALL MEN BY THESE PRESEN	NTS: Well Name:	Raider Fed Co	)III 302H
STATE OF NEW MEXICO )		API #: 30 - <b>25</b> -	46300
county of <b>Lea</b> )			

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **March 1**, 20 **21**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version March, 2017

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NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions W/2 E/2

and under said lands, and would be in the public interest;

of Sect(s) **16,21** Twnshp **24S** Rng **34E** NMPM **Lea** County, NM containing **320** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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- 4. Centennial Resource Production, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Centennial Resource Production, LLC
- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

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State/State

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

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March, 2017

State/State

OPERATOR: Centennial Resource Produc	tion, LLC	
BY: Skylar Fast, Land Mar	nager	
7. Suh 7. + 48 Signature of Authorized Agent	<del></del>	
Acknowle	dgment in an Individual Capacity	
State of Colorado ) SS) County of Denver )	a i sath	r.: r.:
This instrument was acknowledged  By Skylar Fast, Land Manager for	before me on April パー, ルウル Centennial Resource Production, LLC	Date
Name(s) of Person(s)  CARL J MESSINA III Notice 10 10 10 10 10 10 10 10 10 10 10 10 10	My commission expires:	Signature of Notarial Officer
	ment in an Representative Capacity	CARL J MESSINA III Notary Public State of Colorado Notary ID # 20174047486 My Commission Expires 11-16-2021
State of ) SS) County of )		
This instrument was acknowledged by	before me on	Date
Namc(s) of Person(s)		
(Seal)		Signature of Notarial Officer
	My commission expires:	
ONLINE version	State/State	5

State/Fee

March, 2017

LEASE #:				
LESSEE OF RECORD:	<del></del>			
BY:Name & Title of Authorized Age				
Name & Title of Authorized Age	nt			
Signature of Authorized Agent	<del></del>			
Ac	knowledgment in an	Individual Capacity		
State of	)			
County of	SS)			
This instrument was acknow	ledged before me on		Date	
Ву				
Name(s) of Person(s)				
(Seal)			Signature of N	otarial Office
		My commission expires:		
Ackn	owledgment in an Re	epresentative Capacity		
State of	)			E-3 (-3
	SS)			: " · · · · · · · · · · · · · · · · · ·
County of	)			1
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Name(s) of Person(s)				ī.
(Seal)			Signature of N	otarial Officer
		My commission expires:		
ONLINE version	State/State			
March,2017	State/Fee			6

**EXHIBIT A** 

March 1, 2021 Attached to and made a part of that Communitization Agreement dated

company and Centennial Resource Production, LLC by and between Centennial Resource Production, LLC

Centennial Resource Production, LLC

the Subdivisions

W/2 E/2

Sect **16,21**, Twnshp

**24S** , Rnge 34E , NMPM Lea

County, NM

Limited in depth from 9,160 ft to 12,130 ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Centennial Resource Production, LLC

**DESCRIPTION OF LEASES COMMITTED:** 

TRACT NO. 1

Lessor:

**State of New Mexico** 

Lessee of Record: Centennial Resource Production, LLC

Serial No. of Lease:

**VB-1179-**3

Date of Lease:

6/1/2007

Description of Lands Committed:

Subdivisions:

W/2 E/2

Sect **16** Twnshp

Rng **24S** 

34E **NMPM**  Lea

County NM

No. of Acres:

160

**TRACT NO. 2** 

Lessor: United States of America

Lessee of Record: Centennial Resource Production, LLC

9/1/2011 Serial No. of Lease: NMNM-126971 Date of Lease:

Description of Lands Committed:

Subdivisions:

W/2 E/2

**24S** Sect 21 Twnshp

34E Rng **NMPM**  Lea

County NM

No. of Acres: 160

ONLINE version

March, 2017

State/State

TRACT NO. 3	TR	A	CT	'N	О.	3
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Lessor:

Lessee of Record:

Serial No. of Lease: Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect Twnshp Rng NMPM County NM

No. of Acres:

# **TRACT NO. 4**

Lessor:

Lessee of Record:

Serial No. of Lease: Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect Twnshp Rng NMPM County NM

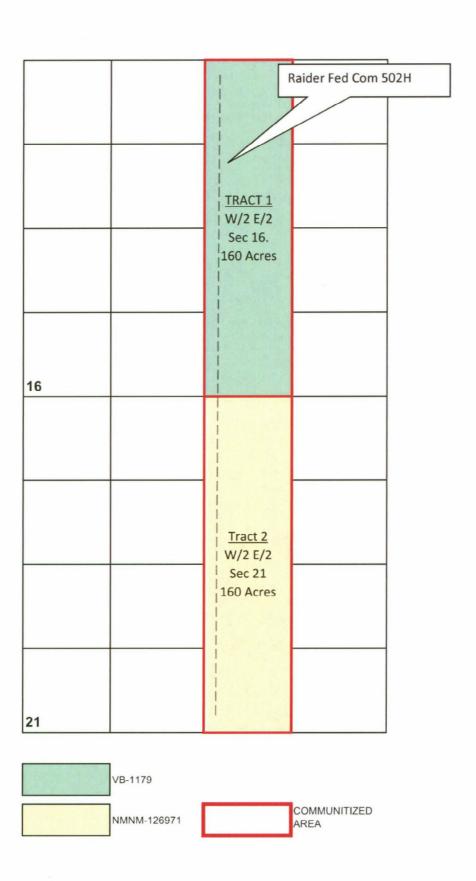
No. of Acres:

# **RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area
No. 1	160	50.000000%
No. 2	160	50.000000%
No. 3		
No. 4		
TOTAL	320	100%
ONLINE version	State/	State

March, 2017

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range 34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico





**COMMISSIONER** 

Stephanie Garcia Richard

# State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 **COMMISSIONER'S OFFICE** 

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

February 7th, 2022

Geoffrey Johnson Centennial Resource Production, LLC 1001 17<sup>th</sup> Street, Suite 1800 Denver, CO 80202

Re:

Communitization Agreement Approval

Raider Federal Com #502H Vertical Extent: Bone Spring

Township: 24 South, Range 34 East, NMPM

Section 16: W2E2 Section 21: W2E2

Lea County, New Mexico

Dear Mr. Johnson,

The Commissioner of Public Lands has this date approved the Raider Federal Com #502H Communitization Agreement for the Bone Spring formation effective 3-01-2021. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Baylen Lamkin at (505) 827-6628.

Sincerely,

Stephanie Garcia Richard Commissioner of Public Lands



1001 1 m Street, Suite 1800 Denver, CO 80202

Date:

April 22, 2021

To:

New Mexico State Land Office

Re:

Communitization Agreement – W/2 E/2 Section 16,21 Township

24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

API: 30-25-46300

Raider Fed Com 502H

# To whom it may concern:

Please find enclosed the referenced communitization agreement. This agreement has been drafted to cover the **Bone Springs** formation and is based on a 320 acre spacing. Should you have any questions please contact me at <a href="mailto:geoffrey.johnson@cdevinc.com">geoffrey.johnson@cdevinc.com</a> or 720-499-1513.

Centennial Resource Production, LLC

Rv

Geoffrey Johnson

Land Coordinator

#### 3160-9 - COMMUNITIZATION

<u>Model</u>	<u>Form</u>	of a	<u>Federal</u>	Communitization	<ul> <li>Agreement</li> </ul>
		Cor	ntract No	).	-

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 34 East, Lea County, New Mexico Section 16: W/2 E/2

Township 24 South, Range 34 East, Lea County, New Mexico Section 21: W/2 E/2 And

Containing 320 acres, being further described on Exhibit A attached hereto, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil, natural gas, and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation(s).

Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized

- area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized areas.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement. All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2021 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor
  - production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties

- who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination:</u> In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator & Working Interest Owne Centennial Resource Production, LL	
By: 7.8 left 3f M	
Name: Skylar Fast	
Title:Land Manager	
Date: 4-19-2021	ĩ
THE STATE OF SOLODADO	
THE STATE OF COLORADO	& & & & & & & & & & & & & & & & & & &
COUNTY OF DENVER	\$
This instrument was acknowledged by Skylar Fast, as Land Manage corporation.	pefore me on this 19th day of April , 2021 r of Centennial Resource Production, LLC, a Delaward
	Cal of hopes II
CARL J MESSINA III  Notary Public  State of Colorado  Notary ID # 20174047486	Notary Public in and for the State of Colorado

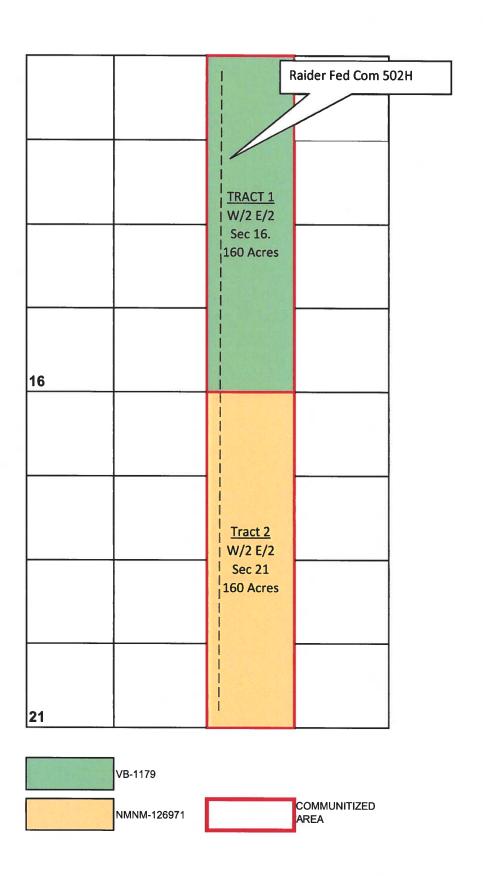
My Commission Expires 11-16-2021

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.0000%
2	160.00	50.0000%
Total	320.00	100.00000%

#### Exhibit A

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range 34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico



#### Exhibit B

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range 34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico

# Operator of Communitized Area: Centennial Resource Production, LLC

Tract No. 1

Lease Serial No.:

VB-1179

**Description of Lands Committed:** 

Insofar as lease covers W/2 E/2 Section 16, T24S, R34E,

Lea County, NM

Number of Acres:

160.00

Lessor of Record:

State of New Mexico

Name and Percent WI Owners:

Centennial Resource Production, LLC \_ \_ \_ 100.00000%

Tract No. 2

Lease Serial No.:

NMNM-126971

**Description of Lands Committed:** 

Insofar as lease covers W/2 E/2 Section 21, T24S, R34E,

Lea County, NM

Number of Acres:

160.00

Lessor of Record:

United States of America

Name and Percent WI Owners:

Centennial Resource Production, LLC \_ \_ \_ 100.00000%

- RAT

CMD: ONGARD 08/27/21 14:56:32

OG5COMM MAINTAIN COMMUNITIZATION AGREEMENT

OGSNKK -PROD

Page No: 1

Comm Agr Name : RAIDER FEDERAL COM #701H COM NUM: 204176

Comm Location : Sec: 21 Twp: 24S Rng: 34E STR-Location: W2E2

Orig Operator : CENTENNIAL RESOURCE PRODUCTION, LLC Curr Operator : CENTENNIAL RESOURCE PRODUCTION, LLC

Effective Date: 03-01-2021 Apprvl Date: 05-06-2021 Status: APP

Rej/Termn Date : Rej/Termn Reason :

County : LEA Inst : OCD Order# :

Remarks : ALSO IN W2E2 SECT 16; WOLFCAMP FORMATION

Total Acreage : 320.00 Federal Acreage : 160.00 St Acreage : 160.00

Fee Acreage : Indian Acreage :

Leases in Comm : VB1179 0003\*

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 DELETE PF06 CONFIRM

PF07 PF08 PF09 PF10 REINST PF11 TERMN PF12

CLR PA1 PA2 PA3

CMD : ONGARD
OGSSECT INQUIRE LAND BY SECTION

08/17/21 15:58:43 OGSNKK -PROD PAGE NO: 1

Sec : 16 Twp : 24S Rng : 34E Section Type : NORMAL

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Sect 21

#### NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

#### COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Centennial Resource Production LLC
Raider Federal Com #701H
Vertical Extent: Wolfcamp
Township: 24 South, Range: 34 East, NMPM
Section 16: W2E2
Section 21: W2E2
Lea County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Consolidation Agreement for the development and operation of acreage which is described within the referenced Agreement dated **March 1, 2021**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 16th day of August, 2021.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

		Communitization Agreement	OGSNKK
Comm Agrmt Name	: Raider Federal	Com #701H ONGARD COM NUM:	
API	30-025-46427	SHL: Unit 0 of Sect 21 Pool: ANTELOPE RIDGE; WOLFCAMP	· · · · · · · · · · · · · · · · · · ·
Comm Lands	: Sec1:	16 Twpl: 24 South Rngl: 34 East STR-Loc1:	W2E2
Comm Lands Ext.	: Sec2+:	21 Twp2+: 24 South Rng2+: 34 East STR-Loc2+:	W2E2
Curr Operator	: Centennial Resource	e Production LLC (OGRID = 372165)	
First Production	: 04/20/21	Spud: 02/22/21	
Effective Date	: 03/01/21	Apprvl Date: 05/06/21 Status: APP	
County	: Lea	Inst: CS OCD Order :	_
Formations/Remarks	: Signed CA covers th	e Wolfcamp formation(s) or depths.	•
Total Acreage	:320	Federal Acreage: 160 State Acreage: 160	
Fee Acreage	:0	Indian Acreage: 0	
State Leases	:VB-1179-3		
State Acres	: 160		
Signed Comm Agreemen	t	Current CA Status as of: 8/17/2021	
		Signed - Awaiting Approval	

NM State Land Office Oil, Gas, & Minerals Division STATE/STATE OR STATE/FEE

Revised March 2017

### **COMMUNITIZATION AGREEMENT**

	ONLINE Version	Poidor End Com 7014
KNOW ALL MEN BY THESE PRESEN	NTS: Well Name:	Raider Fed Com 701H
STATE OF NEW MEXICO ) SS)		API #: 30 - <b>25</b> - <b>46427</b>
COUNTY OF Lea )		

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **March 1**, 20 **21**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version March, 2017

State/State
State/Fee

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions W/2 E/2

Of Sect(s) 16,21 Twnshp 24S Rng 34E NMPM Lea County, NM

containing **320** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

ONLINE version

March, 2017

State/State

- 4. Centennial Resource Production, LLC shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Centennial Resource Production, LLC
- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

ONLINE version

March, 2017

State/State

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

ONLINE version

State/State

March, 2017

OPERATOR:	Production, LLC			
BY: Skylar Fast, Land Name and Title of Authorized Agent Signature of Authorized Agent				
Ackn	owledgment in an	Individual Capacity		
State of Colorado  County of Denver  This instrument was acknowled	) SS) ) dged before me on	April 19th, 2021	Date	
By Skylar Fast, Land Manage				
Name(s) of Person(s)  CARL(SetV) ESSINA III  Notary Public  State of Colorado  Notary ID # 20174047486  My Commission Expires 11-18		My commission expires: 1	Signature of Not	arial Officer
Acknov	vledgment in an R	epresentative Capacity		€ € €
State of County of	) SS) )			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
This instrument was acknowled	dged before me on		Date	1.5
By Name(s) of Person(s)				et.
(Seal)			Signature of Not	arial Officer
		My commission expires:		

ONLINE version
March, 2017

State/State

State/Fee

5

LEASE #:				
LESSEE OF RECORD:				
BY:Name & Title of Authorized	Agent			
Signature of Authorized Agent	<del></del>			
	Acknowledgment in an	Individual Capacity		
State of	)			
County of	SS)			
This instrument was acknowledged	owledged before me on		Date	
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(Seal)			Signature of	Notarial Office
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Ac	knowledgment in an R	epresentative Capacity		
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County of	)			1
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Name(s) of Person(s)				ξī.•
(Seal)			Signature of	Notarial Officer
		My commission expires:		
ONLINE version	State/State	2		
March, 2017	State/Fee	<b>S</b>		6

**EXHIBIT A** 

Attached to and made a part of that Communitization Agreement dated March 1, 2021

by and between Centennial Resource Production, LLC company and Centennial Resource Production, LLC

Centennial Resource Production, LLC

the Subdivisions

W/2 E/2

Sect **16,21**, Twnshp

**24S** , Rnge

**34E** , NMPM

Lea

County, NM

Limited in depth from \_\_\_\_\_ ft to \_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Centennial Resource Production, LLC

**DESCRIPTION OF LEASES COMMITTED:** 

**TRACT NO. 1** 

Lessor:

State of New Mexico

Lessee of Record: Centennial Resource Production, LLC

Serial No. of Lease:

**VB-1179** 

Date of Lease:

6/1/2007

Description of Lands Committed:

Subdivisions:

W/2 E/2

Sect 16 Twnshp

**24S** Rng

34E

NMPM Lea

County NM

No. of Acres: **160** 

TRACT NO. 2

Lessor: United States of America

Lessee of Record: Centennial Resource Production, LLC

Serial No. of Lease: **NMNM-126971** Date of Lease: **9/1/2011** 

Description of Lands Committed:

Subdivisions:

W/2 E/2

Sect 21 Twnshp 24S Rng 34E NMPM Lea County NM

No. of Acres: 160

ONLINE version

State/State

March, 2017

State/Fee

7

# TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

**NMPM** 

County NM

No. of Acres:

## TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

## **RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area	
No. 1	160	50.000000%	+ 2 
No. 2	160	50.000000%	777 1. :
No. 3			f.p
No. 4			ega .
TOTAL	320	100%	

ONLINE version

State/State

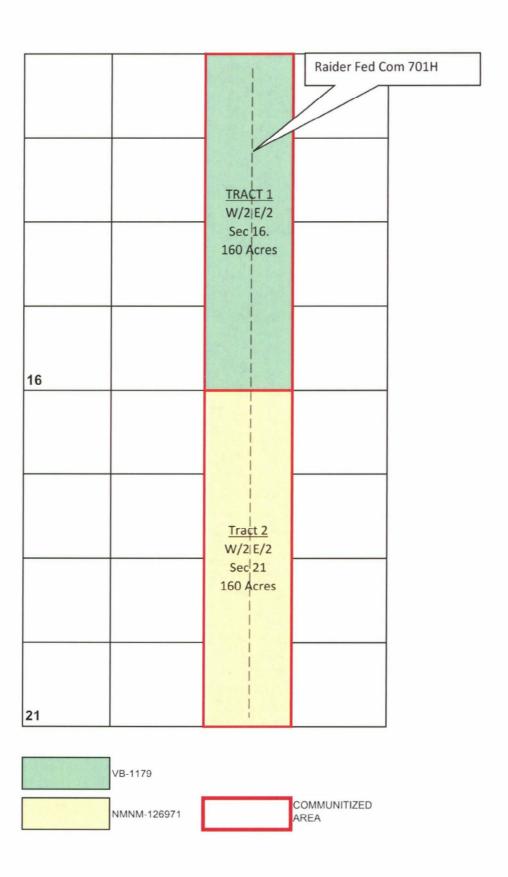
March, 2017

State/Fee

8

34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range





**COMMISSIONER** 

Stephanie Garcia Richard

# State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

August 16th, 2021

Geoffrey Johnson Centennial Resource Production LLC 1001 17th St., Suite 1800 Denver, CO, 80202

Re:

Communitization Agreement Approval

Raider Federal Com #701H Vertical Extent: Wolfcamp

Township: 24 South, Range 34 East, NMPM

Section 16: W2E2 Section 21: W2E2 Lea County, New Mexico

Dear Mr Johnson,

The Commissioner of Public Lands has this date approved the Raider Federal Com #701H Communitization Agreement for the Wolfcamp formation effective 3/1/2021. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

Approval of this agreement does not warrant or certify that the operator and/or other working interest owners hold legal or equitable title to the leases which are committed hereto, nor does the Commissioner's approval constitute adjudication of any federal or private interests, or warrant or certify that the information supplied by the operator regarding federal or private interests is accurate.

If we may be of further service, please contact Niranjan Khalsa at (505) 827-6628.

Sincerely,

Stephánie Garcia Richard

COMMISSIONER OF PUBLIC LANDS

Sythine Oricia Nichard /S



1001 1<sup>mh</sup> Street, Suite 1800 Denver, CO 80202

Date:

April 22, 2021

To:

New Mexico State Land Office

Ra.

Communitization Agreement - W/2 E/2 Section 16,21 Township

24 South, Range 34 East, N.M.P.M., Lea County, New Mexico

API: 30-25-46427

Raider Fed Com 701H

# To whom it may concern:

Please find enclosed the referenced communitization agreement. This agreement has been drafted to cover the **Wolfcamp** formation and is based on a 320 acre spacing. Should you have any questions please contact me at <a href="mailto:geoffrey.johnson@cdevinc.com">geoffrey.johnson@cdevinc.com</a> or 720-499-1513.

Centennial Resource Production, LLC

Βv

Geoffrey Johnson Land Coordinator

#### 3160-9 - COMMUNITIZATION

<u>Model</u>	Form	of a	<u>Federal</u>	Communitization	Agreement
	•	Cor	ntract No	).	

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 34 East, Lea County, New Mexico Section 16: W/2 E/2

Township 24 South, Range 34 East, Lea County, New Mexico Section 21: W/2 E/2 And

Containing 320 acres, being further described on Exhibit A attached hereto, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil, natural gas, and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation(s).

Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized

- area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized areas.
- 3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement. All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.
- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is March 1, 2021 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor
  - production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties

- who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator & Working Interest Owne Centennial Resource Production, LL	
By: 75 All Fort My	
Name: Skylar Fast	<u></u>
Title: Land Manager	
Date: 4-19-2021	
THE STATE OF COLORADO	§ § § §
COUNTY OF DENVER	\$ §
This instrument was acknowledged by Skylar Fast, as Land Manage corporation.	before me on this 11th day of April , 2021, or of Centennial Resource Production, LLC, a Delaware
	Cl & Mugas It
CARL J MESSINA III Notary Public	Notary Public in and for the State of Colorado
State of Colorado	

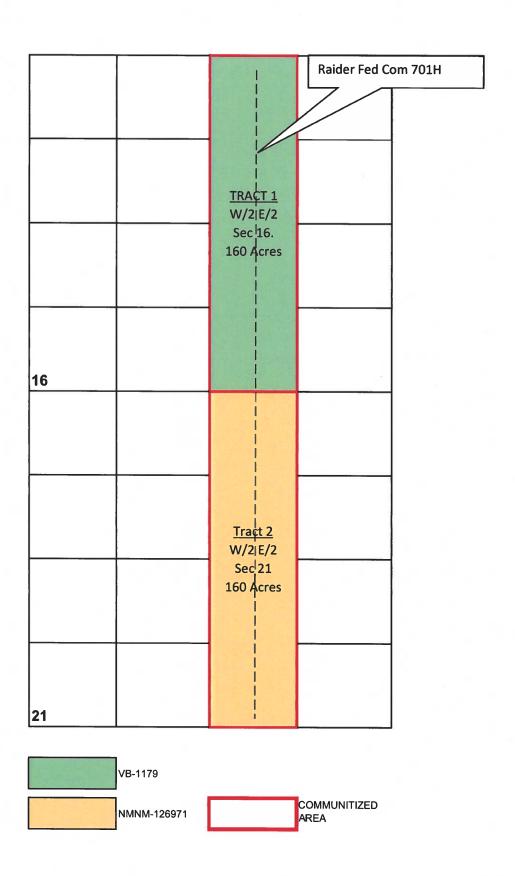
Notary ID # 20174047486 My Commission Expires 11-16-2021

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.0000%
2	160.00	50.0000%
Total	320.00	100.00000%

## Exhibit A

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range 34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico



#### Exhibit B

To Communitization Agreement dated March 1, 2021 embracing W/2 E/2 Section 16, Township 24 South, Range 34 East, N.M.P.M, and W/2 E/2 Section 21, Township 24 South, Range 34 East, N.M.P.M, Lea County, New Mexico

# Operator of Communitized Area: Centennial Resource Production, LLC

Tract No. 1

Lease Serial No.:

**VB-1179** 

**Description of Lands Committed:** 

Insofar as lease covers W/2 E/2 Section 16, T24S, R34E,

Lea County, NM

Number of Acres:

160.00

Lessor of Record:

State of New Mexico

Name and Percent WI Owners:

Centennial Resource Production, LLC \_ \_ \_ 100.00000%

Tract No. 2

Lease Serial No.:

NMNM-126971

**Description of Lands Committed:** 

Insofar as lease covers W/2 E/2 Section 21, T24S, R34E,

Lea County, NM

Number of Acres:

160.00

Lessor of Record:

**United States of America** 

Name and Percent WI Owners:

Centennial Resource Production, LLC \_ \_ \_ 100.00000%

# **Raider CTB 1 Notice List**

Name	Addresss	Certified Mail Number
	Bureau of Land Management	
	Carlsbad Field Office	
	620 E. Greene Street	
Bureau of Land Management	Carlsbad, NM 88220	Via AFMSS Sundry
GMT New Mexico Royalty Company	4949 S Niagara, Suite 250	
	Denver, CO 80237	7022 0410 0001 7989 5975
Centennial Resource Production, LLC/Permian	1001 17th Street, Suite 1800	
Resources Operating, LLC	Denver, CO 80202	Self
New Mexico Oil Conservation Division	1220 South St. Francis Drive	
Attn: Mr. Dean McClure	Santa Fe, NM 87505	Via OCD Online
	310 Old Santa Fe Trail	
New Mexico State Land Office	Santa Fe, NM 87504	7022 0410 0001 7989 5968
Sharbro Enorgy II C	505 W Main St	
Sharbro Energy LLC	Artesia, NM 88210	7022 0410 0001 7989 6149

# **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 January 22, 2023 and ending with the issue dated January 22, 2023.

Publisher

Sworn and subscribed to before me this 22nd day of January 2023.

Business Manager

My commission expires

January 29, 2027

(Seal) STATE OF NEW MEXICO

NOTARY PUBLIC

GUSSIE RUTH BLACK

COMMISSION # 1087526

COMMISSION EXPIRES 01/29/2027

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 January 22, 2023

Centennial Resource Production, LLC is applying to surface and pool commingle five wells to a central tank battery in Lea County, New Mexico. The central tank battery will be located at the Raider Federal Com 502H well pad. The five wells, details and locations are the following:
Raider Fed Com 502H located in the southeast quarter of section 21, T24S, R34E, Unit P, 300 FSL & 1040 FEL, Red Hills; Bone Spring, North.
Raider Fed Com 701H located in the southeast quarter of section 21, T24S, R34E, Unit O, 300 FSL & 1730 FEL, Antelope Ridge; WC.
Raider Fed Com 302H located in the northeast quarter of section 21, T24S, R34E, Unit O, 355 FSL & 1730 FEL, Red Hills; Bone Spring, North.
Raider Fed Com 102H located in the southeast quarter of section 21, T24S, R34E, Unit O, 355 FSL & 1730 FEL, Red Hills; Bone Spring, North.
Raider Fed Com 103H located in the southeast quarter of section 21, T24S, R34E, Unit O, 355 FSL & 1700 FEL, Red Hills; Bone Spring, North.
Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days. Additional information can be obtained by contacting Sarah Ferreyros, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1454.

67117609

00275109

KATIE BIERSMITH
PERMIAN RESOURCES
1001 17th Street
Suite 1800
Denver, CO 80202



September 28, 2021

Oil Conservation Division Attn: Dean McClure 1220 South St. Francis Drive Santa Fe, NM 87505

RE: Application for Surface Commingle:

Raider Fed Com 502H Raider Fed Com 701H API# 30-025-46300 API# 30-025-46427

Sec 21, T24S, R34E, Unit P Sec 21, T24S, R34E, Unit O 300' FSL & 1040' FEL 300' FSL & 1730' FEL

Red Hills; Bone Spring Antelope Ridge; Wolfcamp Lea County, New Mexico Lea County, New Mexico

Dean McClure,

Centennial Resource Production, LLC respectfully requests approval to Surface commingle our Raider Fed Com 502H and 701H wells into a central tank battery and a Pool commingle. They both have their own separators. Please see the attached detailed description.

I have attached a facility diagram, C102's, Map, C107B, Admin checklist and notice info. If you need additional information, please give me a call at 720-499-1537.

Sincerely,

Kanicia Schlichting

Sr. Regulatory Analyst

Kanicia.schlichting@cdevinc.com

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

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD E	DIVISION USE ONLY	
	NEW MEXIC	O OIL CONSERV	ATION DIVISION	SATE OF NEW MEXICO
	- Geologia	al & Engineering	g Bureau –	( <del></del>
	1220 South St. Fro	ancis Drive, Sant	a Fe, NM 87505	9 CONSERVATION OF
		ATIVE APPLICATI		
THIS	CHECKLIST IS MANDATORY FOR AL REGULATIONS WHICH RE		ations for exceptions to Edivision Level in Santa	
Applicant: Centen	nial Resource Production, LLO	C	OGRI	D Number: 372165
Well Name: Raide				0-025-46300, 30-025-46427
	Spring, North & Antelope Ridge; Wo	lfcamp		Code: 96434, 2220
SUBMIT ACCUR	ATE AND COMPLETE INF	ORMATION REQUI		THE TYPE OF APPLICATION
1) TYPE OF APPL	ICATION: Object to the second			
•	ICATION: Check those varied in a Spacing Unit – Simult		-	
		OJECT AREA) $\square$ NS		SD
		,	, , ,	
	one only for [I] or [II]			
	nmingling – Storage – Ma DHC 🔳 CTB 🗆 PL		dls Dolm	
_	ction – Disposal – Pressu			rv
	□ WFX □PMX □SV		OR PPR	' /
				FOR OCD ONLY
•	N REQUIRED TO: Check to		<b>/.</b>	Notice Complete
<b>—</b>	t operators or lease hold Ity, overriding royalty ov		/nors	
<b>—</b>	cation requires publishe		VITEIS	Application
	cation and/or concurre		.0	☐ Content
<u> </u>	cation and/or concurre			Complete
	ce owner			
<u> </u>	ll of the above, proof of	notification or pu	ublication is attach	ned, and/or,
H. ☐ No no	otice required			
3) CERTIFICATIO	N: I hereby certify that t	he information su	bmitted with this c	application for
•	e approval is <b>accurate</b> d			• •
	nat <b>no action</b> will be tak	· ·	ation until the requ	uired information and
notifications o	are submitted to the Div	ision.		
N	lote: Statement must be complet	ted by an individual with	n managerial and/or sup	ervisory capacity.
			9/28/21	
Kanicia Schlichting			Date	
Print or Type Name			720 400 1527	
			720-499-1537 Phone Number	
V	. 50		i none nomber	
			kanicia.schlicht	ing@cdevinc.com
Signature			e-mail Address	

District IV

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 **District III** 1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

# **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

		COMMINGLING		OWNERSHIP)		
OPERATOR NAME: Center	nnial Resource	Production, LLC	)			
OPERATOR ADDRESS: 1001 1 APPLICATION TYPE:	7th Street, Suite	<u>e 1800, Denver</u>	, CO 80202			
Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)						
LEASE TYPE:  Fee  State  Federal						
Is this an Amendment to existing Order			he appropriate C	Order No.		
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  Yes XNo						
(A) POOL COMMINGLING Please attach sheets with the following information						
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes	
Red Hills; Bone Spring 96434	Production	Production		Production		
Antelope Ridge; Wolfcamp 2220		-				
		-				
		-				
		-				
<ul><li>(2) Are any wells producing at top allowa</li><li>(3) Has all interest owners been notified b</li></ul>		posed commingling?	ĭYes □No.			
	Other (Specify)	_				
(5) Will commingling decrease the value	of production?  \( \subseteq \text{Yes} \)	No If "yes", descri	be why commingli	ng should be approved		
		SE COMMINGLIN				
		s with the following in				
<ul><li>(1) Pool Name and Code. Red Hills; Bo</li><li>(2) Is all production from same source of</li></ul>			amp 2220			
<ul><li>(2) Is all production from same source of</li><li>(3) Has all interest owners been notified by</li></ul>			<b>∑</b> Yes □N	0		
(4) Measurement type: Metering		osea comminging.	Д100 Ш1	O		
(C) POOL and LEASE COMMINGLING  Please attach sheets with the following information						
(1) Complete Sections A and E.	1 lease attach sheet	s with the following h	noi mation			
(1) Complete Sections 11 and E.						
I)		ORAGE and MEA				
		ets with the following	information			
(1) Is all production from same source of		O				
(2) Include proof of notice to all interest of	whers.					
(E) AI	DITIONAL INFO	RMATION (for all	application ty	mes)		
(2) 12		s with the following in		pesy		
(1) A schematic diagram of facility, include						
(2) A plat with lease boundaries showing		ions. Include lease number	ers if Federal or Sta	ate lands are involved.		
(3) Lease Names, Lease and Well Numbe	rs, and API Numbers.					
I hereby certify that the information above is	true and complete to the	best of my knowledge an	d belief.			
SIGNATURE:	TI	TLE: Sr. Regulat	ory Analyst	DATE: <u>9/2</u>	7/21	
TYPE OR PRINT NAME Kanicia S	chlichting		TEL	EPHONE NO.: <u>720-</u> 4	<u> 199-1537</u>	
E-MAIL ADDRESS: kanicia.schlic	chting@cdevinc	c.com				

#### APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Centennial Resource Production, LLC ("CRP") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

## **GENERAL INFORMATION:**

	API	WELL NAME	WELL#	LOCATION	POOL CODE/NAME	LEASE/CA NUMBER	PRODCTIO N TYPE	FEDERAL ROYALTY RATE
1	30-025-46300	RAIDER FEDERAL COM	502H	21-24S-34E	[96434] Red Hills; Bone Spring, North	NMNM126971 CA Pending	Oil & Gas	12.5%
2	30-025-46427	RAIDER FEDERAL COM	701H	21-24S-34E	[2220] Antelope Ridge: Wolfcamp	NMNM126971 CA Pending	Oil & Gas	12.5%

This commingle will follow under the following section of 43 CFR 3173.14 (a)(1)(iii) they are applying for approval under:

- (1) The proposed commingling includes production from more than one:
  - (iii) Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution. (For example, the BLM could approve a commingling request under this paragraph where an operator proposes to commingle two Federal CAs of mixed ownership and both CAs are 50 percent Federal/50 percent private, so long as the Federal interests have the same royalty rates and royalty distributions.); or

In addition to the Sundry Notice (Form 3160-5), the operator must submit the following information with the sundry.

A statement that the CAA will not negatively affect the royalty revenue of the federal government: Centennial Resource Production, LLC statement: Application to commingle production from the Raider Federal Com #701H and the Raider Federal Com #502H. The approval of this commingling application will not negatively affect the royalty revenue of the federal government due to the allocation methodology described in the application. The interest owned by the federal government in each of these wells is identical. The approval of this application will also provide for reduced surface disturbance in this development area.

- 1. A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed Commingling and Allocation Approval (CAA). This list should include:
  - a. The specific type of production (oil, gas, or both)
  - b. The royalty rates of the individual leases, unit PAs, or Cas: Please see table at the top of this page, plus detailed page attached.
    - i. Please include a printout of the MASS Serial Register Page: Attached
- 2. A proposed allocation agreement (including allocation of produced water) that includes:
  - a. An allocation methodology: Attached
  - b. An example of how the methodology is applied (multiple examples may be included to ensure clarity):

    Attached
    - i. Include a step-by-step explanation for all data and calculations used in the applied methodology example (this can be a part of 3(a))
  - c. A statement that any allocation meters (non-FMPs) will meet either FMP regulations or API measurement standards: Centennial Resource Production, LLC statement: Our meters will meet API Standard 14.3/AGA Report No 3 or Onshore API standard 18.2.
    - i. Please include relevant regulation or standard numbers
  - d. A copy of the agreement signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA (if more than one operator is involved): **N/A**

3. A topographic map of appropriate scale (multiple maps may be included to ensure clarity) that includes:

#### Attached

- a. The boundaries of all the leases, unit PAs, or CAs that are proposed for the CAA
- b. The location of all existing or planned facilities
- c. The location of all wells (including API numbers) that are in the proposed CAA
- d. Any piping that will be included in the CAA
- e. The location of all existing or proposed FMPs
- 4. A statement that all leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities and documentation to prove the statement.
  - a. "Production in paying quantities" is defined as 1bbl/day of oil or 10 Mcf/day of gas
    - i. A three consecutive day well test can be used to prove production in paying quantities:
       Centennial Resource Production, LLC statement: The CAs in the proposed CAA are capable of production in paying quantities.
- 5. Gas analysis (not required if the operator is applying for a CAA under 3173.14(a)(1)) that includes: Attached
  - a. Btu content: Attached
  - b. All oil gravities: Attached
- 6. A statement on whether the location of the FMP is on lease or off lease. If the FMP is off lease, the operator must submit: Centennial Resource Production, LLC statement: Raider Fed Com 701H FMP is off lease.
  - a. A justification for off lease measurement (OLM): Centennial Resource Production, LLC statement: We are requesting OLM for our Raider Fed Com 701H because the FMP is off the 502H's CA. The facility is located at the Raider Federal Com 502H. There will be no additional surface disturbance.
- 7. A statement on whether any new surface disturbance is included as part of the proposed CAA (proposed FMP, associated facilities, etc.). If new surface disturbance is part of the proposal, a surface disturbance sundry must be submitted with a surface use plan of operations
- 8. Any additional documentation that would be required under 3174.15 (f—i) relating to surface use or right of way grant applications

If an operator submits a sundry that does not include any of the required information, the sundry will be returned. Due to system limitations, documentation cannot be added after the sundry has been submitted.

Any of the information in this guide is subject to change based on guidance from the BLM National Office, BLM New Mexico State Office, or other factors.

## APPLICATION FOR SURFACE POOL/LEASE COMMINGLING

Centennial Resource Production, LLC ("CRP") respectfully requests approval to surface pool/lease commingle oil & gas from the following wells:

#### **GENERAL INFORMATION:**

- Federal lease NMNM-126971 covers 240 acres, including the NE/4, W/2 SE/4 of Section 21, T24S-R34E, Lea County, New Mexico and has a base lease royalty of 12.5%.
- The W/2 E/2 from NMNM-126971 and the State of New Mexico lease VB-1179 in the W/2 E/2 of Section 16-24S-34E will be communitized for the Bone Spring formation for the Raider Federal Com #502H. A Fed form of communitization will be submitted to the Bureau of Land Management for approval.
- The W/2 E/2 from NMNM-126971 and the State of New Mexico lease VB-1179 in the W/2 E/2 of Section 16-24S-34E will be communitized for the Wolfcamp formation for the Raider Federal Com #701H. A Fed form of communitization will be submitted to the Bureau of Land Management for approval.
- The central tank battery to service the subject wells is located on Lot P of Section 21-24S-34E on fee surface.
- Federal ownership in the two overlapping spacing units is identical.
- Enclosed herewith is a map that displays the leases, the location of the subject wells, and the CTB, and the serial register page for NMNM-126971.

Allocation Methodology Used to Determine Allocated Production and Sales to Each Wel

Well Name	Oil Meter	Theoretical % of Production	Allocated Well Production	Available Sales	Theoretical % Available for Sale	Allocated Sales	Beginning Inventory	Endling Inventory
Raider Fed Com 502H	126.73	0.5589	127.848	428.498	0.727834	247.4637	300.65	149.52
Raider Fed Com 701H	100.00	0.4411	100.882	160.232	0.272166	92.53633	59.35	99.21
Facility Totals	226.73	1.00	229	588.730	1	340	360	248.73

CTB Allocated Production	228.73
CTB Available for Sale	588.73
Pipeline LACT (FMP)	340
Beginning Inventory	360
Ending Inventory	248.73

Oil Meter	Measures volume of oil from the separator on each individual well used as basis for prorating CTB Allocated Production and Ending Tank Inventory to each well
Theoretical % of Production	Theoretical % is calculated by dividing Oil Meter volume for each well into sum of oil meters from the CTB
Allocated Well Production	Volume of CTB Allocated Production to each well, Theoretical % * CTB Allocated Production
Available Sales	Volume of CTB Avialable for Sale oil allocated to each well, (Allocated Well Production + Beginning Tank Inventory)
Theoretical % Available for	
Sale	Allocation % of available sales for each well, Available Sales / CTB available for sale
Allocated Sales	Pipeline LACT (FMP) allocated to each well based on theoretical % of available for sale
Beginning Inventory	Inventory from previous accounting period's calculate ending inventories
Endling Inventory	Theoretical % of production multiplied by combined volume from the oil tanks at CTB for each well.

#### Allocation Methodology Used to Determine Allocated Production and Sales to Each Well

Well Name	WH Meter ID	Wellhead Meter Readings	Gas Lift Meter ID	Gas Lift Meter Readings	Net Well Production	Hours On	Theoretical %	CTB FC Meter (Royalty FMP)	HP Flare	Lease Use	VRU	Allocated Production	Total Net FMP Volumes
Raider Fed Com 502H	XXXXXXXX	614.44	XXXXXXXX	486.00	128.440	24	0.331	306.65	3.31	0.50	5.59	316.054201	
Raider Fed Com 701H	XXXXXXXX	259.12	XXXXXXXX	0.00	259.120	24	0.669	618.65	6.69	0.50	4.41	630.245799	
Facility Totals		873.56		486.00	387.560	48	1.000	925.30	10.00	1.00	10.00	946.3	935.30

CTB Meter Name	Meter ID	Meter Readings
FC Meter (FMP)	XXXXXXX	925.3
BB Meter (FMP)	XXXXXXX	(
HP Flare Meter	XXXXXXX	10
VRU	XXXXXXX	10
Lease Use Equipment	XXXXXXX	1.0
GL Compressor	XXXXXXX	486.00
Allocated Production		946.3
Total Net FMP Volumes		935.3

WH Meter ID	Unique number assigned to each meter used in measurement of gas from CTB
Wellhead Meter Readings	Measure the gas from the seapartor on each indiviudal well
Gas Lift Meter ID	Unique number assigned to each meter used in measurement of gas from CTB
Gas Lift Meter Readings	Measures the volume of gas that was injected into the well for gas lift
Net Well Production	Formula to calculate the volume of native gas the well produced (WH-GL)
Hours On	Number of hours well is producing, used in the allocation of Lease Use volume
Theoretical %	Allocation % calculated by Net Well Production for each well/total Net Well Production for CTB
CTB FC Meter (Royalty FMP)	Facility check meter, term used for meter that measures the volume of gas that leaves the CTB, considered the FMP of the CTB
HP Flare	Measures the high pressure flare volumes from CTB
Lease Use	Volume of gas used by the equipment on the CTB allocated to the wells by Lease Use volume/total hours produced by all wells on CTB * each well's Hours On
VRU	Measures the gas from the oil tanks, allocation based on allocated oil production for each well, VRU meter is an FMP, volume is part of royalty
Allocated Production	Total production from CTB calculated by Net CTB gas + HP Flare + Lease Use + VRU
Total Net FMP Volumes	Total volume sold by CTB calculated by Net CTB Gas + VRU

#### ${\bf Allocation\ Methodology\ Used\ to\ Determine\ Allocated\ Production\ and\ Sales\ to\ Each\ Well}$

Well Name	Water Meter	Theoretical % of	Allocated Well	Available to	Theoretical %	Allocated Water	Beginning Inventory	Endling Inventory
Well Ivallie	Water Meter	Production	Production	Transfer	Available for Sale	Transfers	beginning inventory	Linding inventory
Raider Fed Com 502H	216.00	0.1776	216.00	222.50	0.1805	215.10	6.50	4.32
Raider Fed Com 701H	1,000.00	0.8224	1,000.00	1,010.20	0.8195	976.58	10.20	20.00
Facility Totals:	1,216.00	1.0000	1,216.00	1,232.70	1.0000	1,191.68	16.70	24.32

CTB Allocated Production	1,199.30
CTB Available for Transfer	1,182.60
Water Transfer Meter	1,191.68
Beginning Tank Inventory	16.70
Ending Tank Inventory	24.32

Water Meter	Measures volume of water from the separator on each individual well used as basis for prorating CTB Allocated Production and Ending Tank Inventory to each well
Theoretical % of Production	Theoretical % is calculated by dividing Water Meter volume for each well into sum of water meters from CTB
Allocated Well Production	Volume of CTB Allocated Production to each well, Theoretical % * CTB Allocated Production
Available to Transfer	Volume of CTB Available for Transfer, water allocated to each well (Allocated Well Production + Beginning Inventory)
Theoretical % Available for	
Sale	Allocation % of available transfer for each well, Available to Transfer / CTB Available for Transfer
Allocated Water Transfers	Water Transfer Meter allocated to each well based on theoretical % of available for transfer
Beginning Inventory	Inventory from previous accounting period's calculate ending inventories
Endling Inventory	Theoretical % of production multiplied by combined volume from the oil tanks at CTB for each well.

eceived by OCD: 9/28/2021 6:25:40

<u>District I</u> 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

10

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

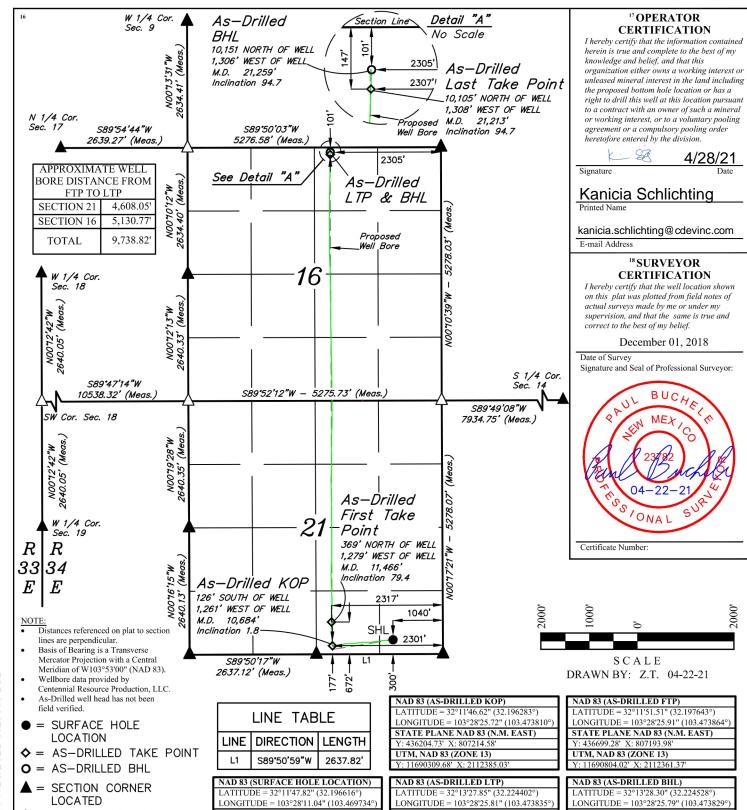
<sup>1</sup> API Number 30-025-46300		<sup>2</sup> Pool Code 96434	North	
<sup>4</sup> Property Code 318010			roperty Name FEDERAL COM	<sup>6</sup> Well Number #502H
<sup>7</sup> OGRID No. 372165		- 1	perator Name OURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3497.5'

## <sup>10</sup> Surface Location

UL or lot no. P	Section 21	Township 24S	Range 34E	Lot Idn	Feet from the 300			East/West line EAST	County LEA
			11	Bottom H	ole Location I	f Different From	Surface		
III on lot no	Castian	Taranakin	D	T at Td.,	Frat from 4h a	Nouth/Couth line	Frat from the	E4/W/4 1!	C

34E LEA В 24S 101 2305 EAST NORTH 16 Dedicated Acres 640

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.



STATE PLANE NAD 83 (N.M. EAST)

UTM, NAD 83 (ZONE 13)

STATE PLANE NAD 83 (N.M. EAST)

UTM, NAD 83 (ZONE 13)

. Released to Imaging: 4/15/2022 12:22:25 PM

STATE PLANE NAD 83 (N.M. EAST)

UTM, NAD 83 (ZONE 13)

LOCATED

SECTION CORNER RE-ESTABLISHED.

(Not Set on Ground.)

UL or lot no. Section Township Range

0

eceived by OCD: 9/28/2021 6:25:40

<u>District I</u> 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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Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

East/West line

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-464	27 2Pool Code 2220	Antelope Ridge; WC	<b>,</b>
4 Property Code	RAII	<sup>5</sup> Property Name	<sup>6</sup> Well Number
318010		DER FEDERAL COM	#701H
<sup>7</sup> OGRID No.	CENTENNIAL I	8 Operator Name	<sup>9</sup> Elevation
372165		RESOURCE PRODUCTION, LLC	3498.4'

## <sup>10</sup> Surface Location

O	21	24S	34E		300	SOUTH	1730	EAST	LEA					
"Rottom Hole Location If Different From Surface														
"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					

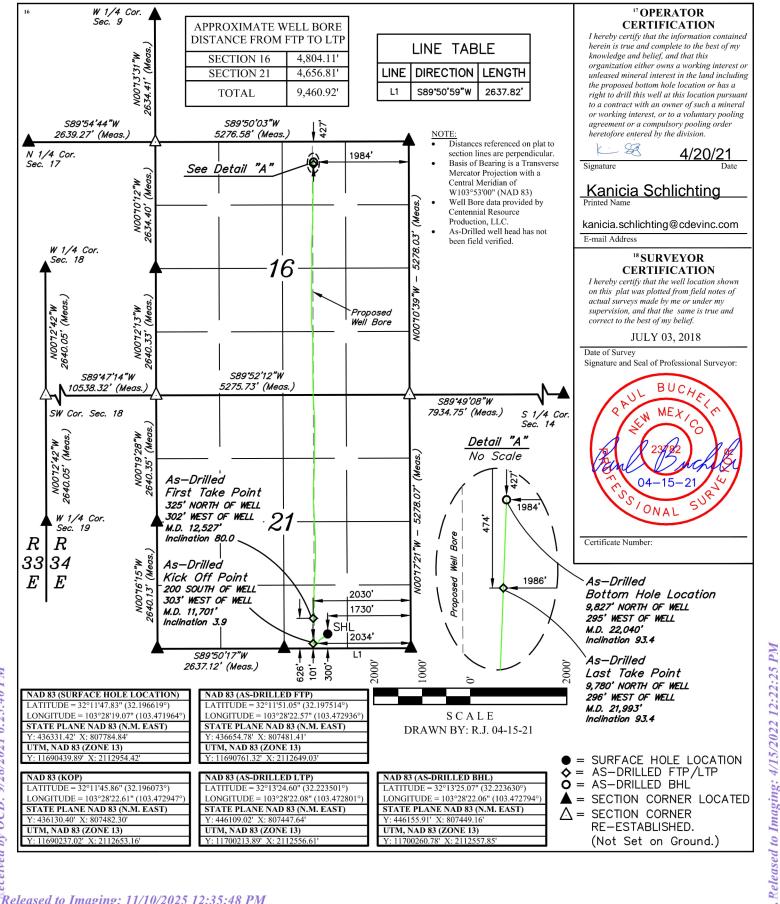
North/South line

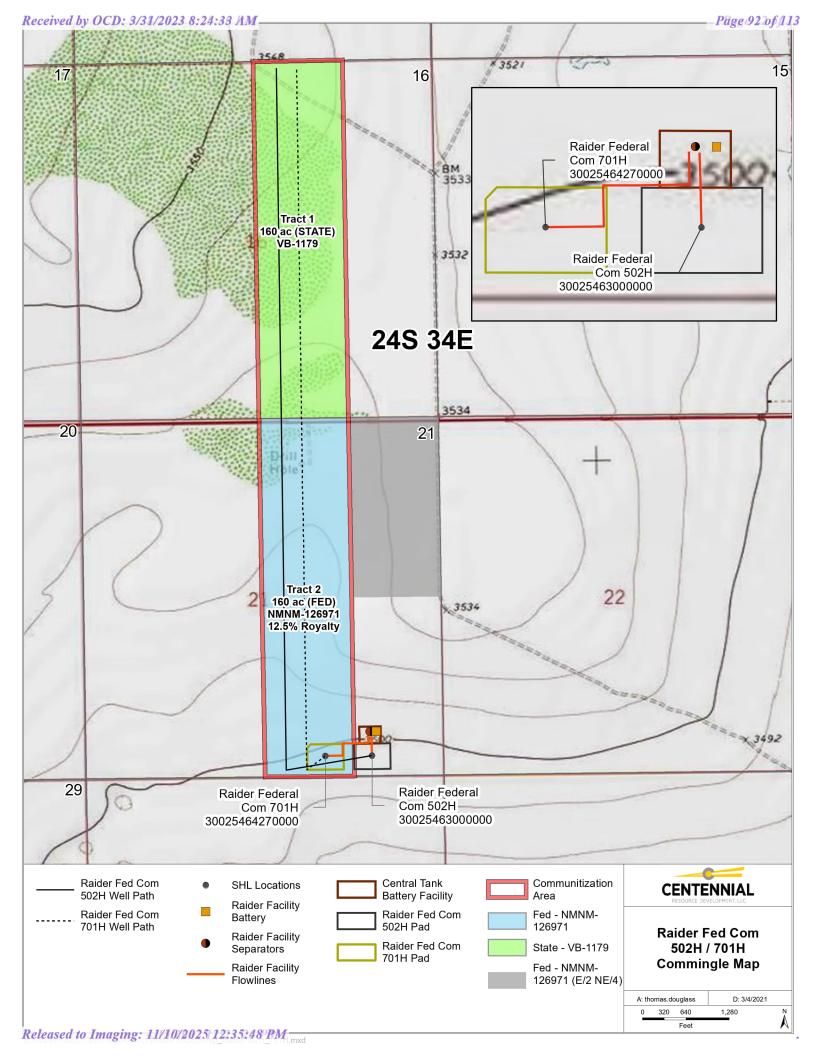
Feet from the

34Ē NORTH 24S 427 1984 **EAST** LEA

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.

Lot Idn







# **Serial Register Page**

Feb 11, 2021

01 12-22-1987;101STAT1330;30USC181 ET SE

Case Type: O&g Ise comp pd -1987 Serial Number: NMNM 126971

Commodity: Oil & gas Acres: 240.000 Disposition: Authorized

<u>Lessee</u>

<u>Owner Name</u> <u>Street</u> <u>City</u> <u>State</u> <u>Zip</u> <u>Net Acres</u> <u>%Int</u>

CENTENNIAL RESOURCES 1001 17TH ST STE 1800 DENVER CO 80202-2058 240.000 100.00

PRODUCTION LLC

Meridian: New Mex State: NM County: Lea

Township: 24 S Range: 34 E Admin Agency

Section: 21 NE,W2SE; BUREAU OF LAND MGMT

<u>Code</u>	Action	<u>Date</u>	<u>Remarks</u>
387	Case established	7/19/2011	201107010;
143	Bonus bid payment recd	7/20/2011	\$480.00;
191	Sale held	7/20/2011	
267	Bid received	7/20/2011	\$816000.00;
143	Bonus bid payment recd	8/2/2011	\$815520.00;
237	Lease issued	8/18/2011	
974	Automated record verif	8/18/2011	MV
496	Fund code	9/1/2011	05;145003
530	RIty rate - 12 1/2%	9/1/2011	
868	Effective date	9/1/2011	
140	Asgn filed	11/7/2011	MILES RON/GMT EXPLO;1
139	Asgn approved	12/22/2011	EFF 12/01/11;
974	Automated record verif	12/22/2011	MJD
899	Trf of orr filed	4/7/2015	1
140	Asgn filed	7/13/2017	GMT EXPLO/CENTENNIA;1
139	Asgn approved	10/18/2017	EFF 8/1/2017
974	Automated record verif	10/18/2017	KM
246	Lease committed to ca	9/17/2018	NMNM139580;
650	Held by prod - actual	11/8/2018	/1/
658	Memo of 1st prod-actual	11/8/2018	/1/NMNM139580;#101H

<u>Code</u> <u>Action</u> 643

<u>Date</u> **Remarks** Production determination 4/5/2019 /1/

**Remarks** 

STIPULATIONS ATTACHED TO LEASE:

NM-11-LN SPECIAL CULTURAL RESOURCE

SENM-S-16 RAPTOR NESTS AND HERONRIES

SENM-S-22 PRAIRIE CHICKENS

RENTAL PAID 09/01/2011

RENTAL PAID PER ONRR 9/1/2017



# ARMSTRONG GAS LABS, INC.

P.O. Box 988 Monahans, Texas 79756 (432) 943-8844 (FAX) 943-8855

# **GAS ANALYSIS REPORT**

Analysis No.: 411044 Customer: Centennial

		(Ideal)	(Ideal)	(Real)		
<u>Component</u>	<u>Mol. %</u>	<u>BTU</u>	<u>sg</u>	<u>GPM</u>	Producer:	Centennial
					Well / Sta. Name:	Raider 502H FedCom
Vitrogen	2.3496	0.000	0.023		Sta. No.:	24370
Methane	74.1056	746.124	0.410		Formation:	
CO2	2.7692	0.000	0.042		Field:	New Mexico
Ethane	11.2656	198.743	0.117	3.007	County:	
H2S	0.0001	0.000	0.000		API Number:	3002546300
Propane	5.7297	143.714	0.087	1.576		
so-Butane	0.7147	23.169	0.014	0.233	Spot / Composite:	SP
Butane	1.5848	51.539	0.032	0.499	Date / Time On:	
so-Pentane	0.3976	15.858	0.010	0.145	Date / Time Off:	05/06/21
Pentane	0.3791	15.149	0.009	0.137	Date to Lab:	05/06/21
Hexanes C6+	0.7040	35.997	0.023	0.307	Date Analyzed:	05/07/21
					Effective Date:	
- - - - - - - - - - - - - - - - - - -	N/A				Sample Press. (PSIG):	112
Helium	N/A				Line Press. (PSIG):	112
Oxygen	N/A				Sample Temp. (F):	101
CO	N/A				Fl. Gas Temp. (F):	101
					Amb. Temp. (F):	60
Γotals	100.0000	1230.292	0.768	5.904	1	
					Del. To:	
					Sampled By:	JL
					Cylinder No.:	AGL-220

Field H2O (#/mm):

Field H2S (PPM): 0.5 Dry BTU W/O H2S (Real): 1234.95 Field H2S (Grains): 0.03 Sat. BTU W/O H2S (Real): 1213.81

> H2O (# / mmcf): 0.0

Pressure Base: 14.65 AS DEL. BTU W/O H2S (Real): 1234.95

BTU Calc: Dry

2.897

Temp. Base: 60 Sp. Gravity (Real): 0.7702

Field Gravity:

**GPM Propane+ (Real):** 

Z Factor (Dry): 0.9962324 Z Factor (Act.): 0.9962324 Lab Gravitometer:

Dry BTU w/ H2S: 1234.95 GPM Ethane+ (Real): 5.904 Sat BTU w/ H2S: 1213.81

GPA 2145 / 2172 GPM IC5+ (Real): 0.589

Fld. Remarks: FLOW RATE 2173.14 / INITIAL FLOW

As Del. BTU w/ H2S: 1234.95

Lab Remarks:



# ARMSTRONG GAS LABS, INC.

P.O. Box 988 Monahans, Texas 79756 (432) 943-8844 (FAX) 943-8855

# **GAS ANALYSIS REPORT**

Analysis No.: 311476 Customer: Centennial

		(Ideal)	(Ideal)	(Real)		
<u>Component</u>	<u>Mol. %</u>	<u>BTU</u>	<u>sg</u>	<u>GPM</u>	Producer:	Centennial
					Well / Sta. Name:	Raider 701H FedCom
Nitrogen	1.4247	0.000	0.014		Sta. No.:	24869
Methane	76.5041	770.273	0.424		Formation:	
CO2	0.1365	0.000	0.002		Field:	New Mexico
Ethane	12.5324	221.092	0.130	3.345	County:	
H2S	0.0000	0.000	0.000		API Number:	3002546427
Propane	5.7867	145.143	0.088	1.591		
so-Butane	0.6308	20.449	0.013	0.206	Spot / Composite:	SP
Butane	1.6584	53.933	0.033	0.522	Date / Time On:	
so-Pentane	0.3292	13.130	0.008	0.120	Date / Time Off:	05/06/21
Pentane	0.3888	15.537	0.010	0.141	Date to Lab:	05/06/21
Hexanes C6+	0.6084	31.108	0.020	0.265	Date Analyzed:	05/10/21
					Effective Date:	
-lydrogen	N/A				Sample Press. (PSIG):	112
Helium	N/A				Line Press. (PSIG):	112
Oxygen	N/A				Sample Temp. (F):	100
CO	N/A				Fl. Gas Temp. (F):	100
					Amb. Temp. (F):	60
Γotals	100.0000	1270.665	0.741	6.190	/ (inc. 10mp. (i ).	
i otalo	100.0000	121 0.000	5.7 4 1	0.100	Del. To:	
					Sampled By:	JL
					Cylinder No.:	AGL-704

Field H2O (#/mm):

Field H2S (PPM): 0.0 Dry BTU W/O H2S (Real): 1275.43 Field H2S (Grains): 0.0 Sat. BTU W/O H2S (Real): 1253.60

> H2O (# / mmcf): 0.0

Pressure Base: 14.65 AS DEL. BTU W/O H2S (Real): 1275.43

BTU Calc: Dry

Temp. Base: 60 Sp. Gravity (Real): 0.7437

Field Gravity:

Z Factor (Dry): 0.9962668

Z Factor (Act.): 0.9962668 Lab Gravitometer:

Dry BTU w/ H2S: 1275.43 GPM Ethane+ (Real): 6.190 Sat BTU w/ H2S: 1253.60

**GPM Propane+ (Real):** 2.845 As Del. BTU w/ H2S: 1275.43 GPM IC5+ (Real): 0.526

Fld. Remarks: TAG: INITIAL FLOW Lab Remarks: FLOW RATE 2513

GPA 2145 / 2172

				Producti	on			Inj	ection		
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2021	[96434] RED HILLS;BONE SPRING, NORTH	Apr	625	734	3815	1	0	0	0	0	0
2021	[96434] RED HILLS;BONE SPRING, NORTH	May	33004	43738	78984	31	0	0	0	0	0
2021	[96434] RED HILLS;BONE SPRING, NORTH	Jun	23656	30486	52733	30	0	0	0	0	0
2021	[96434] RED HILLS;BONE SPRING, NORTH	Jul	26542	27747	54051	27	0	0	0	0	0

Production Summary Report
API: 30-025-46427
RAIDER FEDERAL COM #701H
Printed On: Monday, September 27 2021
Production

	Trinted on: Worlday, September 27 2021										
			Production				Injection				
Year	Pool	Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I	Water(BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	Apr	13456	25720	62888	11	0	0	0	0	0
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	May	37643	55102	69421	31	0	0	0	0	0
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	Jun	26734	37754	43959	30	0	0	0	0	0
2021	[2220] ANTELOPE RIDGE;WOLFCAMP	Jul	17092	36469	27882	31	0	0	0	0	0

#### LEGAL NOTICE September 16, 2021

Centennial Resource Production, LLC is applying to surface and pool commingle two wells to a central tank battery in Lea County, New Mexico. The central tank battery will be located at the Raider Federal Com 502H well pad. The two wells, details and locations are the following:

Raider Fed Com 502H located in the southeast quarter of section 21, T24S, R34E, Unit P, 300 FSL & 1040 FEL, Red Hills; Bone Spring, North.

Raider Fed Com 701H located in the southeast quarter of section 21, T24S, R34E, Unit O, 300 FSL & 1730 FEL, Antelope Ridge; WC.

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days. Additional information can be obtained by contacting Sarah Ferreyros, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1454.



September 28, 2021

GMT New Mexico Royalty Company, LLC 1560 Broadway, suite 2000 Denver, CO 80202

Certified Mail Article Number: 7020 0640 0000 9808 8589

Re: Notice of Surface and Pool Commingle Application for the following wells:

Raider Fed Com 502H

API# 30-025-46300

Sec 21, T24S, R34E, Unit P

300' FSL & 1040' FEL

Red Hills; Bone Spring
Lea County, New Mexico

Raider Fed Com 701H

API# 30-025-46427

Sec 21, T24S, R34E, Unit O

300' FSL & 1730' FEL

Antelope Ridge; Wolfcamp

Lea County, New Mexico

To Whom It May Concern,

This letter will serve as notice that Centennial Resource Production, LLC has applied for a permit from the Oil Conservation Division in Santa Fe, NM for Surface/Pool Commingle. Please see attached application.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Kanicia Schlichting Sr. Regulatory Analyst

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



September 28, 2021

New Mexico State Land Office 310 Old Santa Fe Trail Santa FE, NM 87501

Certified Mail Article Number: 7020 0640 0000 9808 8596

Re: Notice of Surface and Pool Commingle Application for the following wells:

Raider Fed Com 502H

API# 30-025-46300

Sec 21, T24S, R34E, Unit P

300' FSL & 1040' FEL

Red Hills; Bone Spring
Lea County, New Mexico

Raider Fed Com 701H

API# 30-025-46427

Sec 21, T24S, R34E, Unit O

300' FSL & 1730' FEL

Antelope Ridge; Wolfcamp

Lea County, New Mexico

To Whom It May Concern,

This letter will serve as notice that Centennial Resource Production, LLC has applied for a permit from the Oil Conservation Division in Santa Fe, NM for Surface/Pool Commingle. Please see attached application.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. If the Oil Conservation Division determines the application complies with the applicable regulations, then it will be approved. The New Mexico Oil Conservation Division address is 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505, the telephone number is 505-476-3200.

Sincerely,

Kanicia Schlichting Sr. Regulatory Analyst

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

# Sundry Print Page 102 of 113 02/23/2022

U.S. Department of the Interior
<b>BUREAU OF LAND MANAGEMENT</b>

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
RAIDER FEDERAL	701H	3002546427	NMNM126971	NMNM126971	CENTENNIAL
RAIDER FEDERAL	502H	3002546300	NMNM 126971	NMNM 126971	CENTENNIAL

# **Notice of Intent**

**Sundry ID:** 2658448

Type of Submission: Notice of Intent

Type of Action: Commingling (Surface)

Date Sundry Submitted: 02/23/2022 Time Sundry Submitted: 09:35

Date proposed operation will begin: 04/30/2021

Procedure Description: Centennial Resource Production, LLC requests to surface and pool commingle the Raider

Fed Com 502H and 701H wells.

# **Surface Disturbance**

Is any additional surface disturbance proposed?: No

# **NOI Attachments**

**Procedure Description** 

Raider\_Fed\_Com\_502H\_701H\_Surface\_Commingling\_App\_Final\_20220223093429.pdf

# **Operator Certification**

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: KATIE BIERSMITH Signed on: FEB 23, 2022 09:34 AM

Name: CENTENNIAL RESOURCE PRODUCTION LLC

Title: Regulatory Analyst

Street Address: 1001 17th Street, Suite 1800

City: Denver State: CO

Phone: (720) 499-1522

Email address: Katie.Biersmith@cdevinc.com

# Field Representative

Representative	Name:
----------------	-------

**Street Address:** 

City: State: Zip

Phone:

Email address:

From: Engineer, OCD, EMNRD

To: Katie Biersmith

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com;

Glover, James; Paradis, Kyle O; Walls, Christopher; Dawson, Scott

Subject: Approved Administrative Order PLC-810

Date: Friday, April 15, 2022 10:51:01 AM

Attachments: PLC810 Order.pdf

NMOCD has issued Administrative Order PLC-810 which authorizes Centennial Resource Production, LLC (372165) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
20.025.46200	Doidon Fodoval Com #502H	W/2 E/2	16-24S-34E	96434
30-025-46300	Raider Federal Com #502H	W/2 E/2	21-24S-34E	90434
30-025-46427	Deiden Federal Com #701H	W/2 E/2	16-24S-34E	2220
30-025-4642/	Raider Federal Com #701H	W/2 E/2	21-24S-34E	2220

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: Katie Biersmith
To: McClure, Dean, EMNRD

Subject: [EXTERNAL] RE: -EXTERNAL- surface commingling application PLC-810

**Date:** Wednesday, April 13, 2022 11:46:24 AM

Attachments: SUB (resubmit print rpt) BLM Commingle App Raider Fed Com 502H 701H.pdf

Raider CTB 1 Flow Diagram PDF.pdf

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon,

Please find the BLM sundry submittal confirmation attached, along with the facility diagram.

GMT was noticed since they have an ORRI there but there are no others- both the Raider 502H and 701H are 100% Centennial working interest.

Thank you!

Katie Biersmith

Sr. Regulatory Analyst

O: (720) 499-1522 C: (707) 391-3334

From: McClure, Dean, EMNRD < Dean. McClure@state.nm.us>

Sent: Thursday, April 7, 2022 1:37 PM

To: Katie Biersmith < Katie. Biersmith@cdevinc.com>

Subject: -EXTERNAL- surface commingling application PLC-810

WARNING: The sender of this email could not be validated and may not match the person in the "From" field.

Ms. Biersmith,

I am reviewing surface commingling application PLC-810 which involves a commingling project that includes the Raider Federal Com 502H Battery and is operated by Centennial Resource Production, LLC (372165).

Please confirm that the BLM has received notification of this application. A print off of the sundry submitted to the BLM will be sufficient.

Please submit a facility diagram.

It appears that only 1 person was notified of this application, please confirm that there are no other working, royalty or overriding royalty interest owners.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

**CAUTION:** This email originated from outside of the organization. If it appears to be internal, check directly with assumed source

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY CENTENNIAL RESOURCE PRODUCTION, LLC

**ORDER NO. PLC-810** 

## **ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

## FINDINGS OF FACT

- 1. Centennial Resource Production, LLC ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

# **CONCLUSIONS OF LAW**

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-810 Page 1 of 3

- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

# **ORDER**

- 1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
  - Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

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- 3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
- 4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DATE: 4/15/2022

ADRIENNE E. SANDOVAL

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**DIRECTOR** 

# State of New Mexico Energy, Minerals and Natural Resources Department

# Exhibit A

Order: PLC-810

**Operator:** Centennial Resource Production, LLC (372165)

Central Tank Battery: Raider Federal Com 502H Battery

Central Tank Battery Location: UL P, Section 21, Township 24 South, Range 34 East Gas Title Transfer Meter Location: UL P, Section 21, Township 24 South, Range 34 East

# **Pools**

Pool Name Pool Code
ANTELOPE RIDGE; WOLFCAMP 2220
RED HILLS; BONE SPRING, NORTH 96434

# Leases as defined in 19.15.12.7(C) NMAC

	( )	
Lease	UL or Q/Q	S-T-R
VB 11790003	W/2 E/2	16-24S-34E
NMNM 126971	W/2 E/2	21-24S-34E

# Wells

		, , , , , , , , , , , , , , , , , , , ,			
	Well API	Well Name	UL or Q/Q	S-T-R	Pool
	30-025-46300	Raider Federal Com #502H	W/2 E/2	16-24S-34E	96434
		Raider Federal Com #502H	W/2 E/2	21-24S-34E	
	30-025-46427	Raider Federal Com #701H	W/2 E/2	16-24S-34E	2220
	30-023-4042/ Kai	Kaluer reueral Com #/01ff	W/2 E/2	21-24S-34E	2220

# **State of New Mexico Energy, Minerals and Natural Resources Department**

# **Exhibit B**

Order: PLC-810

**Operator:** Centennial Resource Production, LLC (372165)

<b>Pooled Areas</b>	
UL or Q/Q	S-T-R

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 143298	W/2 E/2	16-24S-34E	320	A
CA Woncamp NWINWI 143236	W/2 E/2	21-24S-34E		
CA Bone Spring NMNM 143296	W/2 E/2	16-24S-34E	320	D
CA bone Spring Nivivivi 143290	W/2 E/2	21-24S-34E	320	Ь

# **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled
Lease	OL or Q/Q	5-1-K	Acres	Area ID
VB 11790003	W/2 E/2	16-24S-34E	160	A
NMNM 126971	W/2 E/2	21-24S-34E	160	A
VB 11790003	W/2 E/2	16-24S-34E	160	В
NMNM 126971	W/2 E/2	21-24S-34E	160	В

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 Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

# **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 52541

#### CONDITIONS

Operator:	OGRID:
CENTENNIAL RESOURCE PRODUCTION, LLC	372165
1001 17th Street, Suite 1800	Action Number:
Denver, CO 80202	52541
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created I	y Condition	Condition Date
dmcclu	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	4/15/2022

Rele

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 138285

#### **CONDITIONS**

Operator:	OGRID:
Permian Resources Operating, LLC	372165
300 N. Marienfeld St Ste 1000	Action Number:
Midland, TX 79701	138285
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

#### CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	11/10/2025