

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING OCTOBER 07, 2021**

**CASE NO. 22206**

*SOLOMON FED COM #505H WELL*

*LEA COUNTY, NEW MEXICO*



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

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

**CASE NO. 22206**

**TABLE OF CONTENTS**

- **Centennial Exhibit A:** Compulsory Pooling Application Checklist
- **Centennial Exhibit B:** Application of Centennial Production Company for Compulsory Pooling
- **Centennial Exhibit C:** Affidavit of Gavin Smith, Landman
  - Centennial Exhibit C-1: Draft C-102
  - Centennial Exhibit C-2: Land Tract Map
  - Centennial Exhibit C-3: Working Interest Ownership
  - Centennial Exhibit C-4: Sample Well Proposal Letter with AFE
  - Centennial Exhibit C-5: Chronology of Contacts
- **Centennial Exhibit D:** Affidavit of Isabel Harper, Geologist
  - Centennial Exhibit D-1: Locator Map
  - Centennial Exhibit D-2: Subsea structure map
  - Centennial Exhibit D-3: Cross-section map
  - Centennial Exhibit D-4: Stratigraphic cross-section
- **Centennial Exhibit E:** Notice Affidavit
- **Centennial Exhibit F:** Affidavit of Publication

**COMPULSORY POOLING APPLICATION CHECKLIST (pdf)****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case No. 22206</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: October 7, 2021</b>	
Applicant	Centennial Resource Production LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production LLC (OGRID 372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Solomon Fed Com 505H well
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	(Red Hills; Bone Spring, North Pool (Pool Code 96434)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	240-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240-acres
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	W/2 E/2 of Section 22, and the W/2 NE/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A

Submitted by: Centennial Resource Production, LLC

Hearing Date: October 07, 2021

Case No. 22206

Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p><b>Solomon Fed Com 505H well</b>, API No. 30-025-48692  SHL:2339 FNL and 1130 FEL (Unit H) of Section 27, Township 24 South, Range 34 East, NMPM.  BHL:100 FNL and 1787 FEL (Unit B) of Section 22, Township 24 South, Range 34 East, NMPM.</p> <p>Completion Target: Bone Spring  Well Orientation: Standup  Completion Location expected to be: standard</p>
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4, Exhibit D-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500 (drilling) & \$850 (producing)/month
Production Supervision/Month \$	Exhibit C, C-4
Justification for Supervision Costs	Exhibit C, C-4
Requested Risk Charge	Exhibit C, C-4
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-3

Pooled Parties (including ownership type)	Exhibit C-3, Exhibit E
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, Exhibit E
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D-1
Target Formation	Exhibit D-2, D-3, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3, D-4
Cross Section (including Landing Zone)	Exhibit D-3, D-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	

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

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

CASE NO. 22206

APPLICATION

Centennial Resource Production, LLC (“Centennial” or “Applicant”) (OGRID No. 372165), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 22, and the W/2 NE/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. In support of its application, Centennial states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the following proposed initial **Solomon Fed Com #505H well**, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit H) of Section 27, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22.
3. The completed interval for the proposed **Solomon Fed Com #505H well** will remain within 330 feet of the quarter-quarter line separating the W/2 E/2 from the E/2 E/2 of

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206

Section 22, and the E/2 NE/4 from the W/2 NE/4 of Section 27, to allow inclusion of this acreage into a standard horizontal well spacing unit.

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

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal wells and spacing unit.

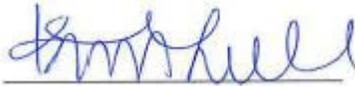
WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial well thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



By: \_\_\_\_\_

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

[mhfeldewert@hollandhart.com](mailto:mhfeldewert@hollandhart.com)

[agrarkin@hollandhart.com](mailto:agrarkin@hollandhart.com)

[jbroggi@hollandhart.com](mailto:jbroggi@hollandhart.com)

[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

**ATTORNEYS FOR  
CENTENNIAL RESOURCE PRODUCTION, LLC**

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

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

**CASE NO. 22206**

**AFFIDAVIT OF GAVIN SMITH  
IN SUPPORT OF CASE NO. 22206**

Gavin Smith, of lawful age and being first duly sworn, declares as follows:

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

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.

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

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

5. In this case, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 22, and the W/2 NE/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

6. Centennial seeks to dedicate this spacing unit to the proposed initial **Solomon Fed Com #505H well** (API No. 30-025-48692), to be horizontally drilled from a surface location in

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

**Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206**

the SW/4 NE/4 (Unit H) of Section 27, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22.

7. **Centennial Exhibit C-1** is the Form C-102 for the proposed initial well for this horizontal spacing unit that reflects that the well is located in the Red Hills; Bone Spring, North Pool (Pool Code 96434).

8. The completed interval for the well will comply with statewide setbacks for oil wells.

9. There are no depth severances in the Bone Spring formation in the proposed spacing unit.

10. **Centennial Exhibit C-2** contains a plat outlining the unit being pooled and identifies the tracts of land comprising the proposed spacing unit.

11. **Centennial Exhibit C-3** identifies the working interests in each tract, and their interest in the horizontal spacing unit. There are no unleased mineral interest owners.

12. Centennial sent well proposal letters, together with corresponding AFEs, to the working interest owners. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFE, are included with my affidavit as **Centennial Exhibit C-4**.

13. Centennial seeks approval of overhead and administrative costs at \$8,500/month while drilling and \$850/month while producing. These costs are consistent with what Centennial and other operators are charging in this area for these types of wells. Centennial respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case.

14. Centennial has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners. **Centennial Exhibit C-5** contains a chronology of the contacts with the working interest owners that Centennial seeks to pool in this case.

15. If Centennial reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Centennial is no longer seeking to pool that party.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on **Centennial Exhibit C-3**. In compiling these addresses, Centennial conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

17. **Centennial Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Gavin Smith  
GAVIN SMITH

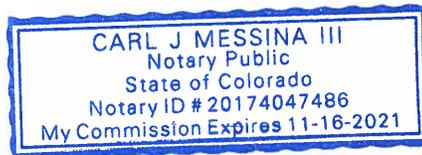
STATE OF COLORADO )  
 )  
COUNTY OF Denver )

SUBSCRIBED and SWORN to before me this 30<sup>th</sup> day of September  
2021 by Gavin Smith.

Carl J. Messina III  
NOTARY PUBLIC

My Commission Expires:

11-16-2021



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name SOLOMON FEDERAL COM			<sup>6</sup> Well Number 505H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			<sup>9</sup> Elevation 3460.4'

<sup>10</sup> Surface Location

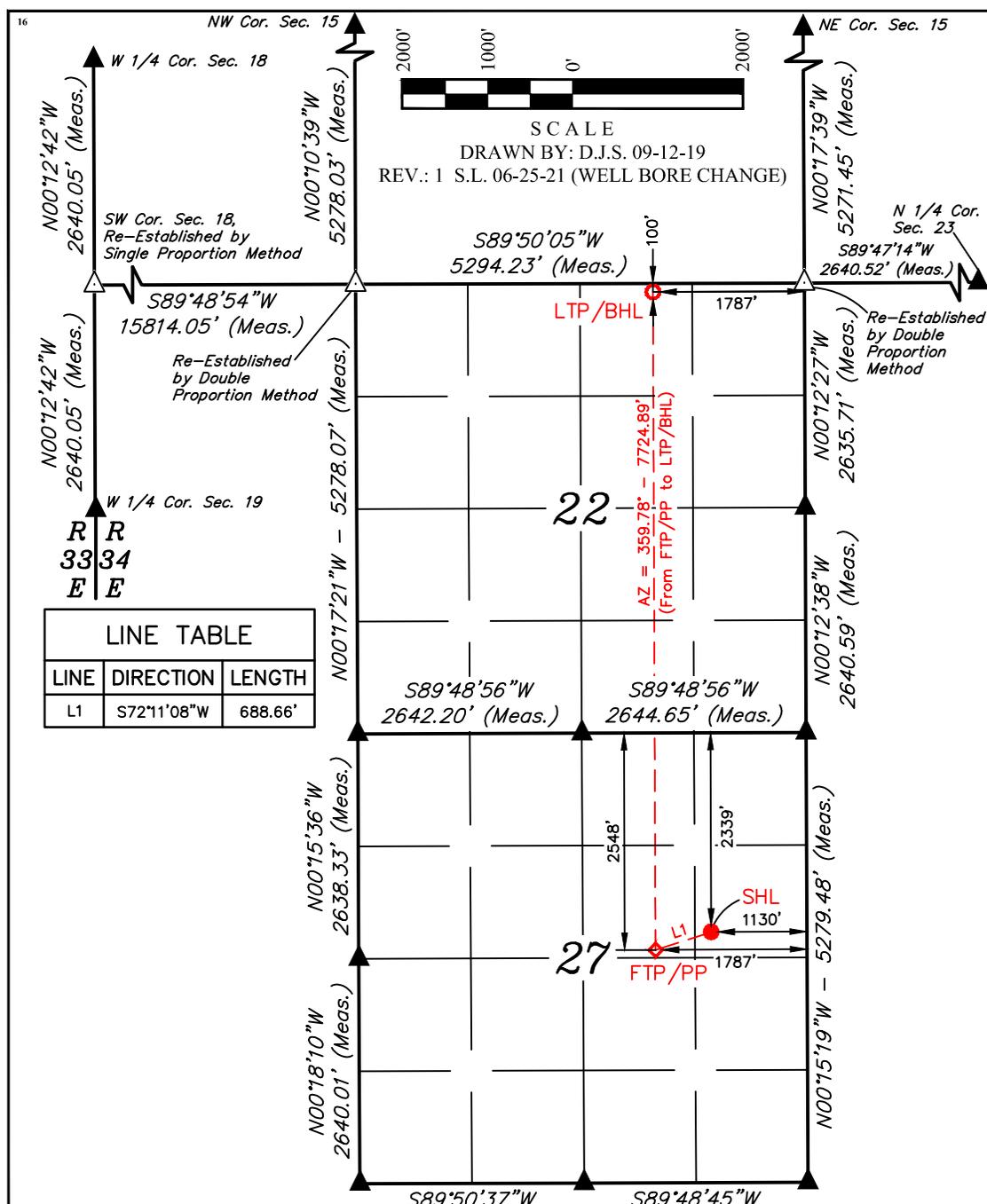
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	24S	34E		2339	NORTH	1130	EAST	LEA

<sup>11</sup> 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
B	22	24S	34E		100	NORTH	1787	EAST	LEA

<sup>12</sup> Dedicated Acres 240	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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



<sup>17</sup> OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Printed Name \_\_\_\_\_  
E-mail Address \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 23, 2019  
Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor: \_\_\_\_\_



Certificate Number: \_\_\_\_\_

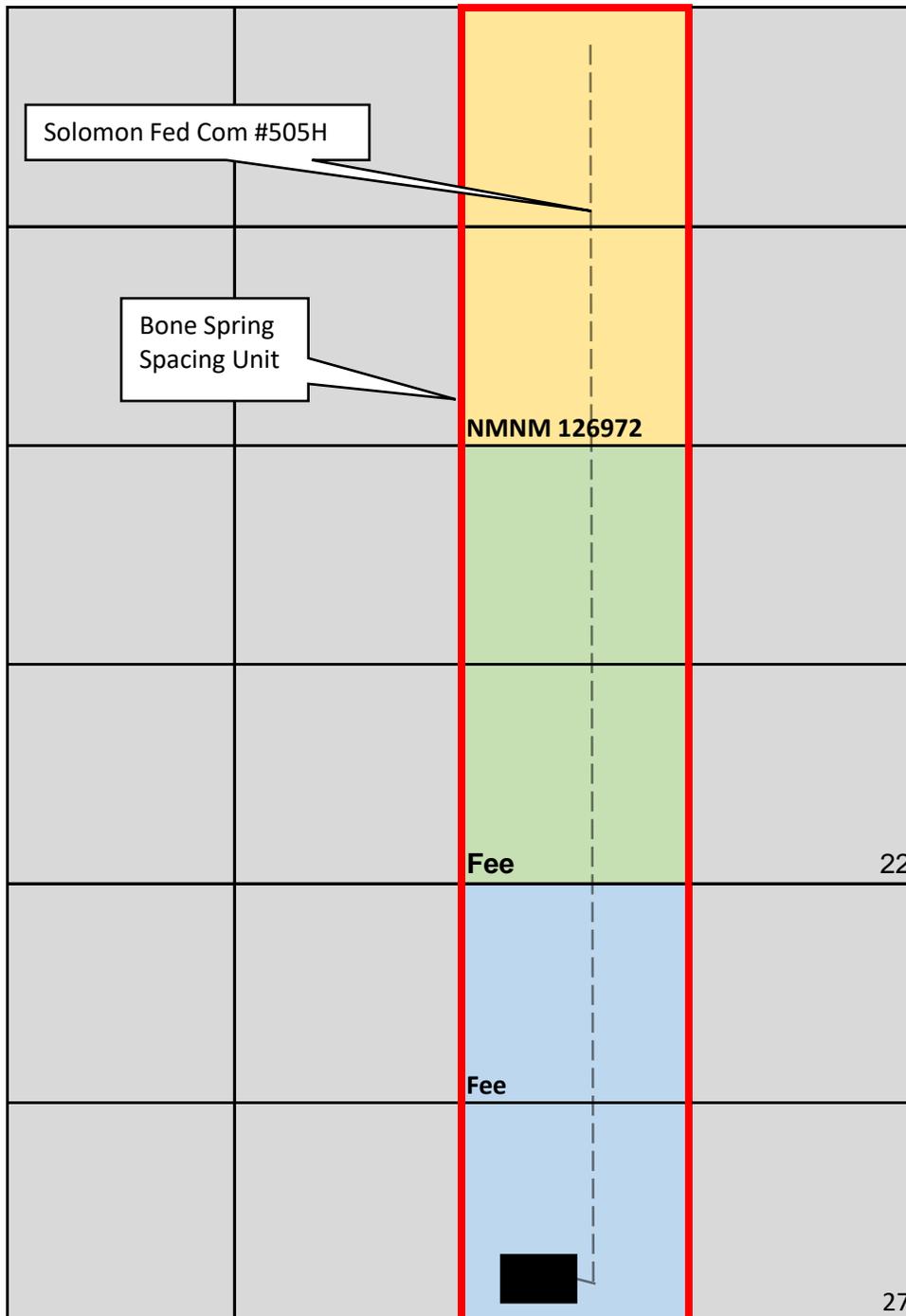
NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°11'21.66" (32.189351°)	
LONGITUDE = 103°27'10.56" (103.452934°)	
STATE PLANE NAD 83 (N.M. EAST)	
Y: 433735.02' X: 813693.11'	
UTM, NAD 83 (ZONE 13)	
Y: 11687880.52' X: 2118877.88'	

NAD 83 (FTP/PP)	
LATITUDE = 32°11'19.60" (32.188779°)	
LONGITUDE = 103°27'18.20" (103.455056°)	
STATE PLANE NAD 83 (N.M. EAST)	
Y: 433521.63' X: 813038.47'	
UTM, NAD 83 (ZONE 13)	
Y: 11687663.10' X: 2118224.66'	

NAD 83 (LTP/BHL)	
LATITUDE = 32°12'36.03" (32.210009°)	
LONGITUDE = 103°27'18.19" (103.455054°)	
STATE PLANE NAD 83 (N.M. EAST)	
Y: 441245.05' X: 812975.91'	
UTM, NAD 83 (ZONE 13)	
Y: 11695384.96' X: 2118114.21'	

- NOTE:  
• Distances referenced on plat to section lines are perpendicular.  
• Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"
- = SURFACE HOLE LOCATION
  - ◆ = FIRST TAKE POINT/PENETRATION POINT
  - = LAST TAKE POINT/BOTTOM HOLE LOCATION
  - ▲ = SECTION CORNER LOCATED
  - △ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

Exhibit C-2  
Ownership Map  
Township 22 South, Range 34 East, Lea County, New Mexico



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C2  
Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206

**Solomon Fed Com #505H**

<b>Name</b>	<b>Address</b>	<b>Interest Type</b>	<b>Working Interest</b>
<b>Owners to be Pooled</b>			
MRC Permian Company	5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	Working Interest	0.780185%
COG Operating, LLC	One Concho Center 600 West Illinois Midland, TX 79701	Working Interest	2.345679%
EOG Resources, Inc.	5509 Champions Drive Midland, TX 79706	Working Interest	1.041667%
Jetstream Oil & Gas Partners	101 Nursery Lane, Suite 312 Fort Worth, TX 76114	Working Interest	5.555556%
Chief Capital (O&G) II, LLC	8111 Westchester Drive, Suite 900 Dallas, Texas 75225	Working Interest	6.712963%
Marathon Oil Permian, LLC	555 San Felipe St. Houston, TX 77056	Working Interest	5.555556%
Robert E. Landreth	110 W. Louisiana Street Suite 404 Midland, TX 79701	ORRI	N/A
<b>Total:</b>			<b>21.991605%</b>

<b>Owners NOT being Pooled</b>			
Energen Resources		Working Interest	0.231481%
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	77.776914%
<b>Total:</b>			<b>78.008395%</b>

Total Working Interest:			100.000000%
-------------------------	--	--	-------------

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Exhibit No. C3

Submitted by: Centennial Resource Production, LLC

Hearing Date: October 07, 2021

Case No. 22206



July 23, 2021

RE: Solomon Federal Com #505H  
SHL: 2,339' FNL Sec. 27 & 1,130' FEL Sec. 27 T24S R34E  
BHL: 100' FNL Sec. 22 & 1,787' FEL Sec. 22 T24S R34E  
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Solomon Federal Com #505H as a horizontal well to test the Bone Spring Formation at a TVD of 11,200 feet. The W/2 E/2 of the referenced Section 22 and the W/2 NE/4 of the referenced Section 27 will be dedicated to the well as the proration unit being a total of 240.00 acres. Please see the enclosed AFE in the amount of \$8,890,070.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of July 1, 2021. The JOA contains a proposed overhead rate of \$8000 per month for drilling and \$800 per month for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at [carl.messina@cdevinc.com](mailto:carl.messina@cdevinc.com). Should you have any questions, please call me at (720) 499-1474.

Best Regards,

A handwritten signature in blue ink, appearing to read "Gavin Smith".

Gavin Smith, CPL  
Senior Landman

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C4  
Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED SOLOMON FEDERAL COM #505H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED SOLOMON FEDERAL COM #505H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2021.

**Owner Name:** \_\_\_\_\_

Signature: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



AFE Number	400026	Original
Drilling Total (\$)	\$2,590,726	
Completion Total (\$)	\$3,458,794	
Facilities Total (\$)	\$1,901,550	
Flowback Total (\$)	\$939,000	
AFE Total (\$)	\$8,890,070	

# Authorization for Expenditure

## AFE Description

Property Name	Well: Solomon Federal Com 505H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - NM
Scheduled Spud Date	Oct 13, 2021	Estimated TVD (ft)	
Target Zone	SBSG SAND	Estimated MD (ft)	

## Non Operator Approval

Company \_\_\_\_\_

Approved By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$10,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$15,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00	8015.1400	IDC - ROAD, LOCATIONS, PITS	\$85,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$70,000.00	8015.1600	IDC - RIG MOB / STANDBY RATE	\$20,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$273,000.00	8015.1800	IDC - FOOTAGE CONTRACT	\$ .00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$142,000.00	8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$25,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$ .00	8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$86,000.00
8015.2300	IDC - FUEL / POWER	\$75,500.00	8015.2400	IDC - RIG WATER	\$16,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$219,000.00	8015.2600	IDC - MUD LOGGING	\$ .00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$50,000.00	8015.2800	IDC - CORE ANALYSIS	\$ .00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$ .00	8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$175,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$53,000.00	8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00	8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$25,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$51,250.00	8015.3700	IDC - DISPOSAL	\$100,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$22,500.00	8015.3900	IDC - FISHING TOOLS & SERVICES	\$ .00
8015.4100	IDC - RENTAL EQUIPMENT	\$51,000.00	8015.4200	IDC - MANCAMP	\$26,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$80,000.00	8015.4400	IDC - SUPERVISION/ENGINEERING	\$12,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$11,400.00	8015.4800	IDC - OVERHEAD	\$ .00
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,090.57	8015.5200	IDC - CONTINGENCY	\$142,979.25
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$ .00	8020.1100	TDC - CASING - SURFACE	\$38,250.00
8020.1200	TDC - CASING - INTERMEDIATE - 9 5/8	\$143,437.50	8020.1300	TDC - CASING - INTERMEDIATE 2 - 7 5/8	\$ .00
8020.1400	TDC - CASING - PRODUCTION	\$357,943.50	8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$65,000.00	8020.1800	TDC - CONTINGENCY	\$ .00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$ .00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$11,000.00
8025.1200	ICC - COMPLETION RIG	\$ .00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,750.00
8025.1500	ICC - FUEL / POWER	\$227,500.00	8025.1600	ICC - COILED TUBING	\$91,500.00

8025.1700	ICC - CEMENTING & SERVICES	\$ .00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$12,645.00
8025.1900	ICC - INSPECTION & TESTING	\$ .00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$226,973.00	8025.2300	ICC - COMPLETION FLUIDS	\$7,500.00
8025.2400	ICC - CASING CREW AND TOOLS	\$ .00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,626,288.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8025.3000	ICC - WATER HANDLING	\$149,144.00
8025.3050	ICC - SOURCE WATER	\$613,352.00	8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$35,000.00
8025.3200	ICC - FISHING TOOLS & SERVICES	\$ .00	8025.3300	ICC - COMMUNICATIONS	\$ .00
8025.3400	ICC - RENTAL EQUIPMENT	\$244,667.00	8025.3500	ICC - WELLSITE SUPERVISION	\$75,100.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$7,500.00	8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00	8025.4000	ICC - WELL CONTROL INSURANCE	\$ .00
8025.4200	ICC - CONTINGENCY	\$ .00	8025.4400	ICC - COMPANY LABOR	\$ .00
<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>	<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>
8030.1000	TCC - CASING - PRODUCTION	\$ .00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$ .00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$ .00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$51,750.00
<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>	<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>
8035.1300	FAC - SURFACE DAMAGE / ROW	\$ .00	8035.1310	FAC - PERMANENT EASEMENT	\$15,757.58
8035.1400	FAC - ROAD LOCATIONS PITS	\$20,000.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$ .00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00	8035.1700	FAC - RENTAL EQUIPMENT	\$15,000.00
8035.1800	FAC - FUEL / POWER	\$ .00	8035.1900	FAC - WATER DISPOSAL / SWD	\$ .00
8035.2000	FAC - WASTE DISPOSAL	\$ .00	8035.2100	FAC - INSPECTION & TESTING	\$5,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$177,500.00	8035.2300	FAC - FRAC TANK RENTAL	\$ .00
8035.2400	FAC - SUPERVISION	\$10,000.00	8035.2500	FAC - CONSULTING SERVICES	\$ .00
8035.2600	FAC - INJECTION PUMP	\$ .00	8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$322,000.00
8035.2900	FAC - TANK BATTERY	\$361,500.00	8035.3000	FAC - HEATER TREATER/SEPARATOR	\$123,000.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$ .00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$225,000.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$29,500.00	8035.3400	FAC - METER & LACT	\$222,500.00
8035.3500	FAC - COMPRESSOR	\$30,000.00	8035.3600	FAC - ELECTRICAL SUPPLIES	\$124,242.42
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00	8035.3800	FAC - FLARE/COMBUSTER	\$75,000.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$5,000.00	8035.4100	FAC - OVERHEAD	\$ .00
8035.4300	FAC - INSURANCE	\$ .00	8035.4400	FAC - COMPANY LABOR	\$ .00
8035.4500	FAC - CONTINGENCY	\$90,550.00			
<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>	<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>
8040.1100	IFC - ROADS LOCATIONS/PITS	\$5,000.00	8040.1200	IFC - COMPLETION RIG	\$12,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$ .00	8040.1500	IFC - FUEL / POWER	\$ .00
8040.1600	IFC - COILED TUBING	\$ .00	8040.1700	IFC - CEMENTING & SERVICES	\$ .00
8040.1899	IFC - FRAC WATER RECOVERY	\$534,000.00	8040.1900	IFC - INSPECTION & TESTING	\$3,500.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$10,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$ .00
8040.2300	IFC - COMPLETION FLUID	\$10,000.00	8040.2400	IFC - CASING CREW AND TOOLS	\$ .00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$12,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$2,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$220,000.00	8040.3100	IFC - WELLHEAD/FRACTREE REPAIR	\$ .00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$ .00	8040.3400	IFC - RENTAL EQUIPMENT	\$8,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$5,000.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$2,500.00
8040.4200	IFC - CONTINGENCY	\$30,000.00	8040.4400	IFC - COMPANY LABOR	\$ .00
8040.4500	IFC - SWABBING	\$ .00			
<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>	<b>Account</b>	<b>Description</b>	<b>Total (\$)</b>
8045.1100	TFC - TUBING	\$60,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$ .00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$ .00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$ .00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$ .00
8045.1900	TFC - PUMPING UNITS/SURFACE LIFT EQPT	\$ .00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$ .00
8045.2500	TFC - VALVES/CONNECTIONS/FITTINGS	\$ .00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$ .00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$ .00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$ .00
8045.3500	TFC - CONTINGENCY	\$ .00	8045.4400	TFC - COMPANY LABOR	\$ .00

Exhibit C-5

Date	Action
July 23, 2021	Sent well proposals to all partners and emailed various contacts about plans for development
August 16, 2021	Centennial sent JOAs to all working interest partners to review
September 2021	Centennial files for compulsory pooling

**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. C5**

**Submitted by: Centennial Resource Production, LLC**

**Hearing Date: October 07, 2021**

**Case No. 22206**

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

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

CASE NO. 22206

AFFIDAVIT OF ISABEL HARPER  
IN SUPPORT OF CASE NO. 22206

Isabel Harper, of lawful age and being first duly sworn, declares as follows:

1. My name is Isabel Harper. I work for Centennial Resource Production, LLC (“Centennial”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case, and I have conducted a geologic study of the lands in the subject area.
4. **Centennial Exhibit D-1** are two project locator maps, reflecting the proposed spacing unit in Sections 22 and 27 in relation to the surrounding area. This map shows the proposed Second Bone Spring well, depicted by dashed lines and the offsetting Second Bone Spring Sand producing wells.
5. Centennial is targeting the Second Bone Spring interval, within the Bone Spring formation, with the proposed **Solomon Fed Com #505H well**.
6. **Centennial Exhibit D-2** is a subsea structure map that I prepared for the Second Bone Spring Sand formation and that is representative of the targeted intervals. The structure map shows that the formation is gently dipping to the southeast in this area. I do not observe any

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

Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206

faulting, pinchouts, or other geologic impediments to developing the targeted interval with horizontal wells in this area.

7. **Centennial Exhibit D-3** overlays a cross-section line in blue consisting of three wells penetrating the Bone Spring formation that I used to construct a stratigraphic cross-section from A to A'. I consider these wells to be representative of the geology in the area.

8. **Centennial Exhibit D-4** is a cross section using the representative wells depicted on Exhibit D-3. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed targeted interval in the Bone Spring formations is labeled on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.

9. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells, and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores.

11. In my opinion, the granting of Centennial application in this case will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

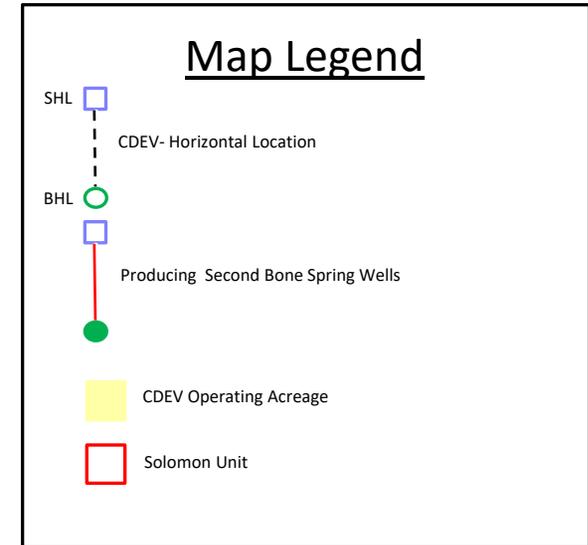
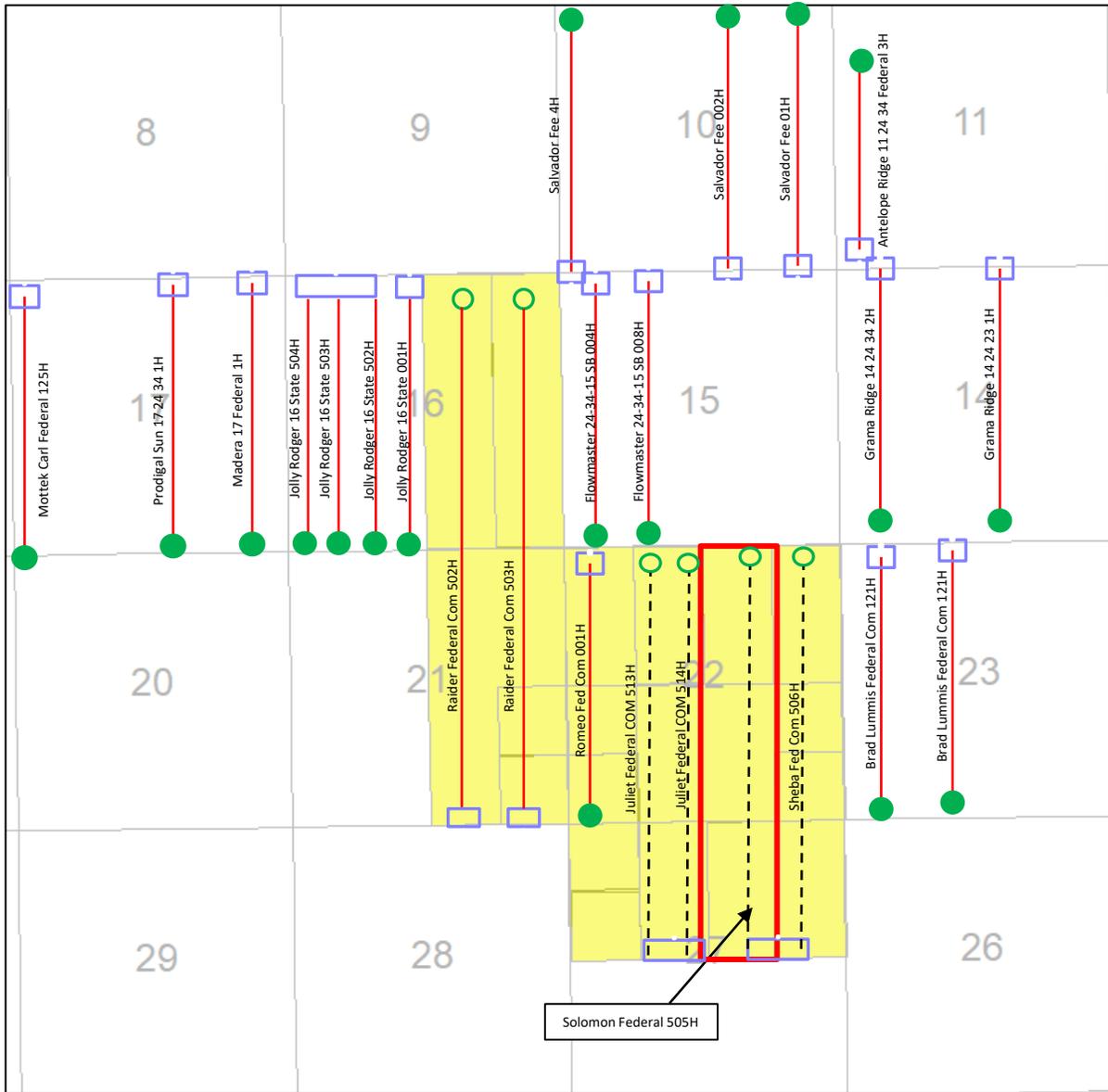
12. **Centennial Exhibits D-1** through **D-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



# Bone Spring Pool

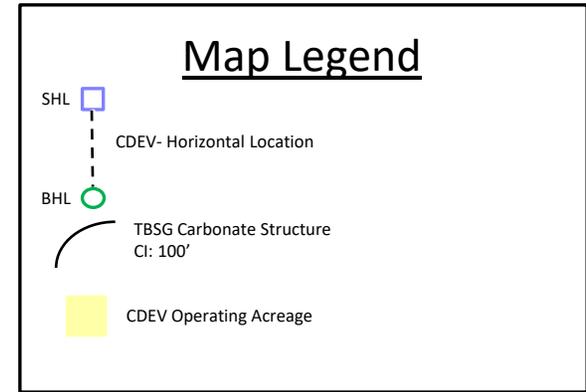
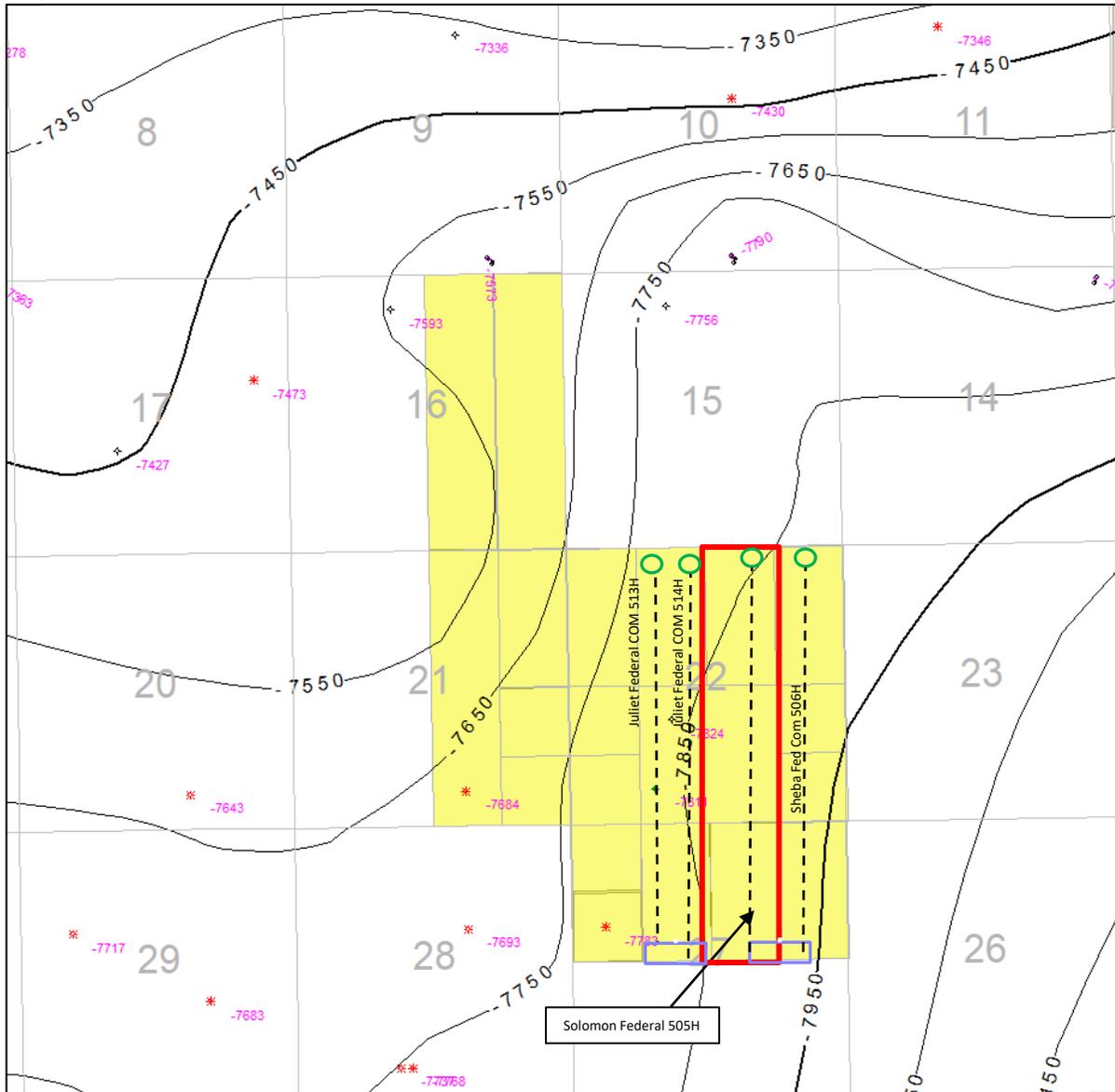
## Solomon Federal 505H



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D1  
 Submitted by: Centennial Resource Production, LLC  
 Hearing Date: October 07, 2021  
 Case No. 22206

# Bone Spring Pool

## TBSG Carbonate Structure Map



**BEFORE THE OIL CONSERVATION DIVISION**

**Santa Fe, New Mexico**

**Exhibit No. D2**

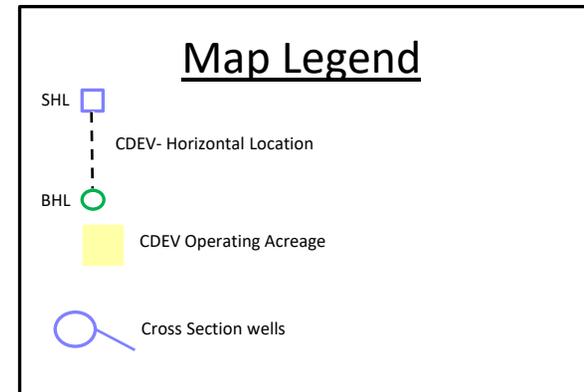
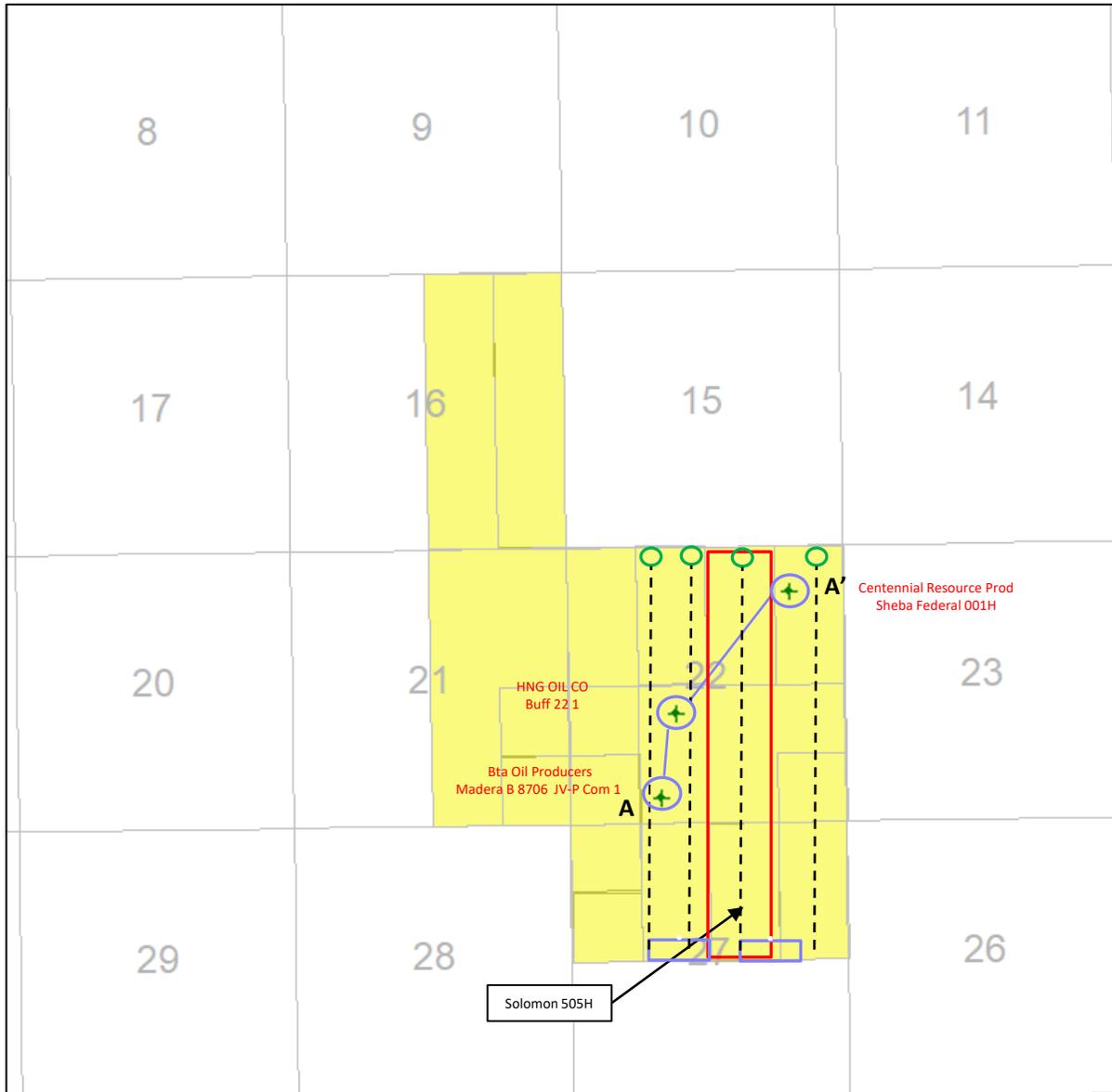
**Submitted by: Centennial Resource Production, LLC**

**Hearing Date: October 07, 2021**

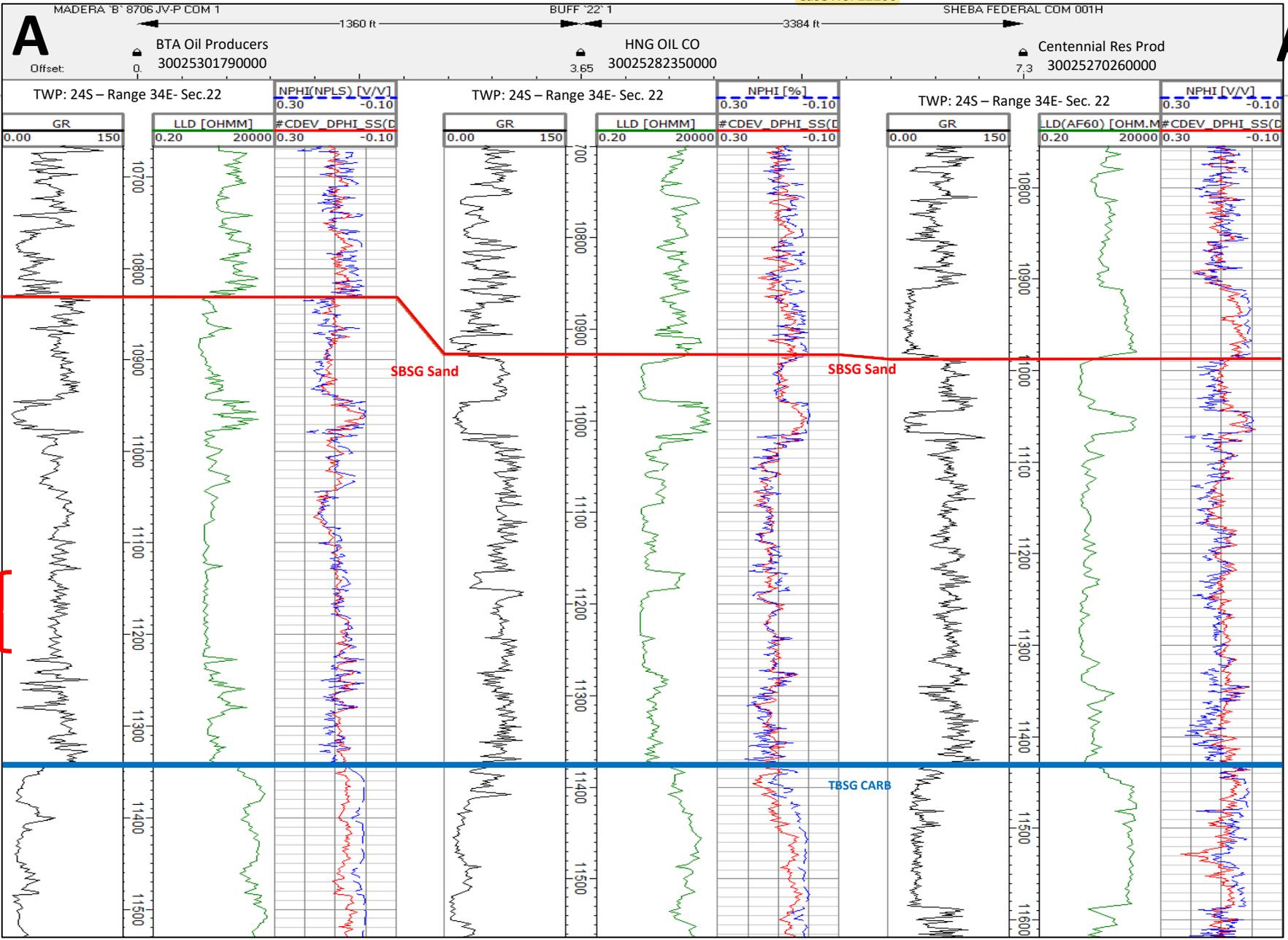
**Case No. 22206**

# Cross Section SBSG Pool

## Solomon Federal 505H



**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Exhibit No. D3**  
**Submitted by: Centennial Resource Production, LLC**  
**Hearing Date: October 07, 2021**  
**Case No. 22206**



TD= 15,500.00

TD= 15,525.00

TD= 15,525.00

CENTENNIAL

4





Kaitlyn A. Luck  
Associate  
Phone (505) 988-4421  
kaluck@hollandhart.com

September 17, 2021

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.**  
**Solomon Fed Com #505H well**

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on October 7, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division’s Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Gavin Smith, at (720) 499-1474, or Gavin.Smith@cdevinc.com.

Sincerely,

Kaitlyn A. Luck  
**ATTORNEY FOR CENTENNIAL RESOURCE PRODUCTION, LLC**

T 505.988.4421 F 505.983.6043  
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Centennial - Solomon 505H  
Case No. 22206

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765854917034	Centennial Resource Production, LLC	1001 17th St Ste 1800	Denver	CO	80202-2058	Your item was delivered to an individual at the address at 4:00 pm on September 20, 2021 in DENVER, CO 80202.
9414811898765854917041	Robert E. Landreth	110 W Louisiana Ave Ste 404	Midland	TX	79701-3486	Your item was delivered to the front desk, reception area, or mail room at 9:32 am on September 21, 2021 in MIDLAND, TX 79701.
9414811898765854917096	Marathon Oil Permian, LLC	555 San Felipe St.	Houston	TX	77056	Your item was delivered to the front desk, reception area, or mail room at 12:23 pm on September 21, 2021 in HOUSTON, TX 77056.
9414811898765854917003	Jetstream Oil & Gas Partners	101 Nursery Ln Ste 312	Fort Worth	TX	76114-4342	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765854917065	EOG Resources, Inc.	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 7:50 am on September 22, 2021 in MIDLAND, TX 79702.
9414811898765854917058	COG Operating, LLC	5509 Champions Dr One Concho Center	Midland	TX	79706-2843	Your item was picked up at a postal facility at 7:50 am on September 22, 2021 in MIDLAND, TX 79702.
9414811898765854917010	MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Your item was delivered to the front desk, reception area, or mail room at 10:23 am on September 22, 2021 in DALLAS, TX 75240.

# 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  
September 22, 2021  
and ending with the issue dated  
September 22, 2021.



Publisher

Sworn and subscribed to before me this  
22nd day of September 2021.

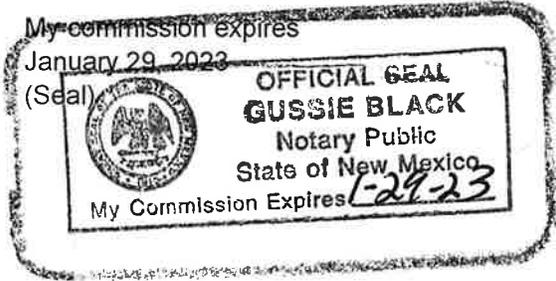


Business Manager

My commission expires

January 29, 2023

(Seal)



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

## LEGAL NOTICE September 22, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, October 7, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than **September 27, 2021**.

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

Persons may view and participate in the hearings through the following link:  
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31a346dbbf01a09cd6beca60085a1ffe>  
Event number: 2497 424 5971  
Event password: GxJqZW5M3H3

Join by video: 24974245971@nmemnrd.webex.com  
Numeric Password: 935619  
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free  
Access code: 2497 424 5971

**STATE OF NEW MEXICO TO:  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.**

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

**To: All overriding royalty interest owners and pooled parties, including: MRC Permian Company; COG Operating, LLC; EOG Resources, Inc.; Jetstream Oil & Gas Partners; Marathon Oil Permian, LLC; and Robert E. Landreth, his heirs and devisees.**

**Case No. 22206: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 22, and the W/2 NE/4 of Section 27, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed initial **Solomon Fed Com #505H** well, to be horizontally drilled from a surface location in the SW/4 NE/4 (Unit H) of Section 27, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 22. The completed interval of the Solomon Fed Com #505H well will remain within 330 feet of the quarter-quarter line separating the W/2 E/2 from the E/2 E/2 of Section 22, and the E/2 NE/4 from the W/2 NE/4 of Section 27, to allow inclusion of this acreage into a standard horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Eunice, New Mexico.  
**#36872**

67100754

00258706

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

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

**Submitted by: Centennial Resource Production, LLC  
Hearing Date: October 07, 2021  
Case No. 22206**