

Revised March 23, 2017

RECEIVED: 12/06/2018	REVIEWER: M Am	TYPE: CTB	APP NO: PM/18341 34723
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Centennial Resource Production, LLC**OGRID Number:** 372165**Well Name:** Airstream 24 State Com 501H & 502H**API:** 30-025-45155, 30-025-45181**Pool:** Ojo Chiso; Bone Spring South**Pool Code:** 97293

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

CTB-880

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☒ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☒ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application  
Content  
Complete

**3) CERTIFICATION:** I hereby certify that the information submitted with this application for  
 administrative approval is **accurate** and **complete** to the best of my knowledge. I also  
 understand that **no action** will be taken on this application until the required information and  
 notifications are submitted to the Division.

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

Kanicia Castillo

Print or Type Name

K.C.

Signature

12/4/18

Date

720-499-1537

Phone Number

kanicia.castillo@cdevinc.com

e-mail Address



DEC 06 2018 AM 11:23

December 05, 2018

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

RE: Application for Surface Commingle:

Airstream 24 State Com 501H	Airstream 24 State Com 502H
API# 30-025-45155	API# 30-025-45181
Sec 13, T22S, R34E, Unit M	Sec 13, T22S, R34E, Unit M
550' FSL & 1240' FWL	550' FSL & 1270' FWL
Lea County, New Mexico	Lea County, New Mexico

Michael McMillan,

Centennial Resource Production, LLC respectfully requests approval to Surface commingle our Airstream 24 State Com 501H and 502H wells into a central tank battery. 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 Castillo  
Sr. Regulatory Analyst  
Kanicia.castillo@cdevinc.com

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:

☐ 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? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(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

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Ojo Chiso; Bone Spring, South 97293

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: K.C. TITLE: Sr. Regulatory Analyst DATE: 12/4/18

TYPE OR PRINT NAME Kanicia Castillo TELEPHONE NO.: 720-499-1537

E-MAIL ADDRESS: kanicia.castillo@cdevinc.com

## APPLICATION FOR SURFACE POOL/LEASE COMMINGLING & OFF LEASE MEASUREMENT

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

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME	STATUS	OIL API/BOPD	GAS BTU/MCFPD
1	30-025-45115	AIRSTREAM 24 STATE COM	#501H	M-13-22S-34E	[97293] OJO CHISO; BONE SPRING; SOUTH	DRILLED	1,650	2,000
2	30-025-45181	AIRSTREAM 24 STATE COM	#502H	M-13-22S-34E	[97293] OJO CHISO; BONE SPRING; SOUTH	DRILLING	*2,100	*2,800

**State Lease Number: VB-2136, VB-2137, VB-2073, E0-1932, B0-1040**

\* current values are estimated. CRP will provide actual Gravities, Oil BOPD, BTU, and MCFPD upon completion of the wells.

### GENERAL INFORMATION:

- State Lease VB-2136-2 covers 320 acres, N/2 section 24, T22S-R34E, Lea County, New Mexico and has a base lease royalty of 20%.
- State lease VB-2137-2 covers 320 acres, being the S/2 section 24, T22S-R34E, Lea County, New Mexico and has a base lease royalty of 20%.
- State Lease VB-2073 covers 320 acres, being the E/2 E/2, SW/4 NE/4, NE/4 NW/4, S/2 NW/4 Section 25, T22S R34E, Lea County, New Mexico and has a base lease royalty of \_\_%
- State Lease E0-1932 covers 1,680 acres including the NW/4 NW/4, NW/4 NE/4, W/2 SE/4 Section 25, T22S R34E, Lea County, New Mexico and has a base lease royalty of 12.5%
- State Lease B0-1040 covers 1245.21 acres, including the SW/4 Section 25, T22S R34E, Lea County, New Mexico and has a base lease royalty of 12.5%.
- W/2 NW/4 section 24-22S-34E from VB-2136 and the W/2 SW/4 section 24-22S-34E from VB-2137 have been communitized for the Bone Spring formation. A State form of communitization has been approved by the New Mexico State Land Office.
- NW/4 section 24-22S-34E from VB-2136, the SW/4 section 24-22S-34E from VB-2137, the NW/4 NW/4 section 25-22S-34E from E0-1932, the E/2 NW/4, SW/4 NW/4 section 25-22S-34E from VB-2073, and the SW/4 section 25-22S-34E from B0-1040 will be communitized for the Bone Spring formation. A State form of communitization has been submitted to the New Mexico State Land Office for approval.
- The central tank battery to service the subject wells is located on N-13-22S-34E of NM VB-2151. Approval for the off-lease location has been received from the offset operator.
- Centennial Resource Production, LLC and LeaCo New Mexico Exploration and Production, LLC are the only working interest owner in the subject wells and the other owners of the royalty are the State of New Mexico.
- Enclosed herewith is (1) a map that displays the leases, the location of the subject wells, and the proposed CTB, (2) a process flow diagram, (3) and the C-102 plat for each of the wells.

## Process Narrative – Airstream 24 State Com CTB

### Airstream 24 State Com 501H

All gross production from the Airstream 24 State Com 501H flows from the wellhead to a dedicated three-phase separator. The three-phase separator is equipped with oil, gas, and water production meters. After separation and metering, produced fluids are commingled with production from the Airstream 24 State Com 502H. The fluids from these two wells are stored at and sold from the Airstream 24 State Com CTB.

#### Oil

Oil production is measured at the outlet of SEP4 using Coriolis meter OM1. The oil is then commingled in a header and sent to HT1, which is a Heater Treater. Oil from HT1 flows to Tank T1 for storage. Oil is sold from T1 through trucks, all oil is trucked offsite.

#### Gas

Produced gas is measured at the outlet of SEP4 using an orifice plate meter GM1. Gas is then commingled in a header and routed to a gas sales pipeline. If the pressure of the gas sales pipeline exceeds 125 psi, the gas header lets down to the flare FL1. Flared gas is metered through an orifice plate meter GM3.

Flash gas from HT1 is sent to gas sales pipeline. An upset with gas sales pipeline will cause the flash gas to be let down to flare FL1.

Tank T1 vent gas emissions are routed to VRU1 and then are metered through an orifice plate meter GM4. An upset with VRU1 will cause vent gas to be let down to a low-pressure flare FL2.

#### Water

Water production is measured at the outlet of SEP4 using a mag meter WM1. Water is then commingled in a header and stored in tank T2. A transfer pump P1 sends water to an SWD after being metered by a turbine meter WM3.

AIRSTREAM 25 STATE COM #501H gas allocation meter is a Canalta SR. 14.3 orifice meter (S/N D0305796)

AIRSTREAM 25 STATE COM #501H oil allocation meter is an Endress & Hauser Coriolis meter (S/N N8096D16000)

AIRSTREAM 25 STATE COM #501H water allocation meter is an Endress & Hauser Magnetic meter (S/N XX-XXXXX)

\*Meter numbers will be provided upon installation of meters and completion of the facility.

## **Airstream 24 State Com 502H**

All gross production from the Airstream 24 State Com 502H flows from the wellhead to a dedicated three-phase separator. The three-phase separator is equipped with oil, gas, and water production meters. After separation and metering, produced fluids are commingled with production from the Airstream 24 State Com 501H. The fluids from these two wells are stored at and sold from the Airstream 24 State Com CTB.

### **Oil**

Oil production is measured at the outlet of SEP5 using Coriolis meter OM2. The oil is then commingled in a header and sent to HT1, which is a Heater Treater. Oil from HT1 flows to Tank T1 for storage. Oil is sold from T1 through trucks, all oil is trucked offsite.

### **Gas**

Produced gas is measured at the outlet of SEP5 using an orifice plate meter GM2. Gas is then commingled in a header and routed to a gas sales pipeline. If the pressure of the gas sales pipeline exceeds 125 psi, the gas header lets down to the flare FL1. Flared gas is metered through an orifice plate meter GM3.

Flash gas from HT1 is sent to gas sales pipeline. An upset with gas sales pipeline will cause the flash gas to be let down to flare FL1.

Tank T1 vent gas emissions are routed to VRU1 and then are metered through an orifice plate meter GM4. An upset with VRU1 will cause vent gas to be let down to a low-pressure flare FL2.

### **Water**

Water production is measured at the outlet of SEP5 using a mag meter WM2. Water is then commingled in a header and stored in tank T2. A transfer pump P1 sends water to an SWD after being metered by a turbine meter WM3.

AIRSTREAM 25 STATE COM #502H gas allocation meter is a Canalta SR. 14.3 orifice meter (S/N D0305790)

AIRSTREAM 25 STATE COM #502H oil allocation meter is an Endress & Hauser Coriolis meter (S/N N80ABE16000)

AIRSTREAM 25 STATE COM #502H water allocation meter is an Endress & Hauser Magnetic meter (S/N XX-XXXXX)

\*Meter numbers will be provided upon installation of meters and completion of the facility.

## ECONOMIC JUSTIFICATION

Single Well Production

State Lease VB-2136, VB-2137, VB-2073, E0-1932, B0-1040

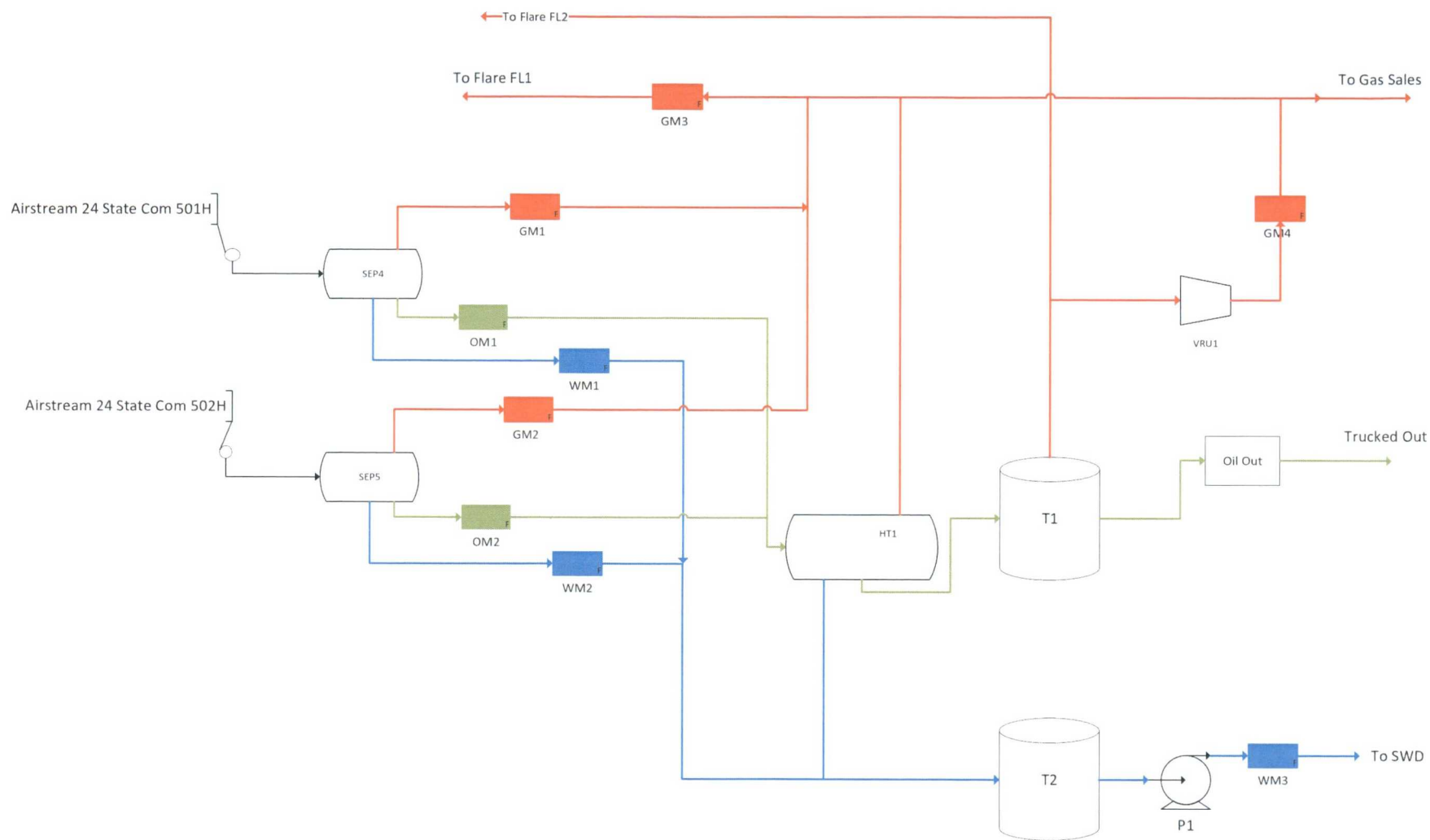
	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Airstream 25 State Com #501H	1,650	41.8	\$50	2,000	1,299	\$2.00
2	Airstream 25 State Com #502H	2,100	*41	\$50	2,800	*1,320	\$2.00

Combined Production

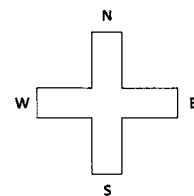
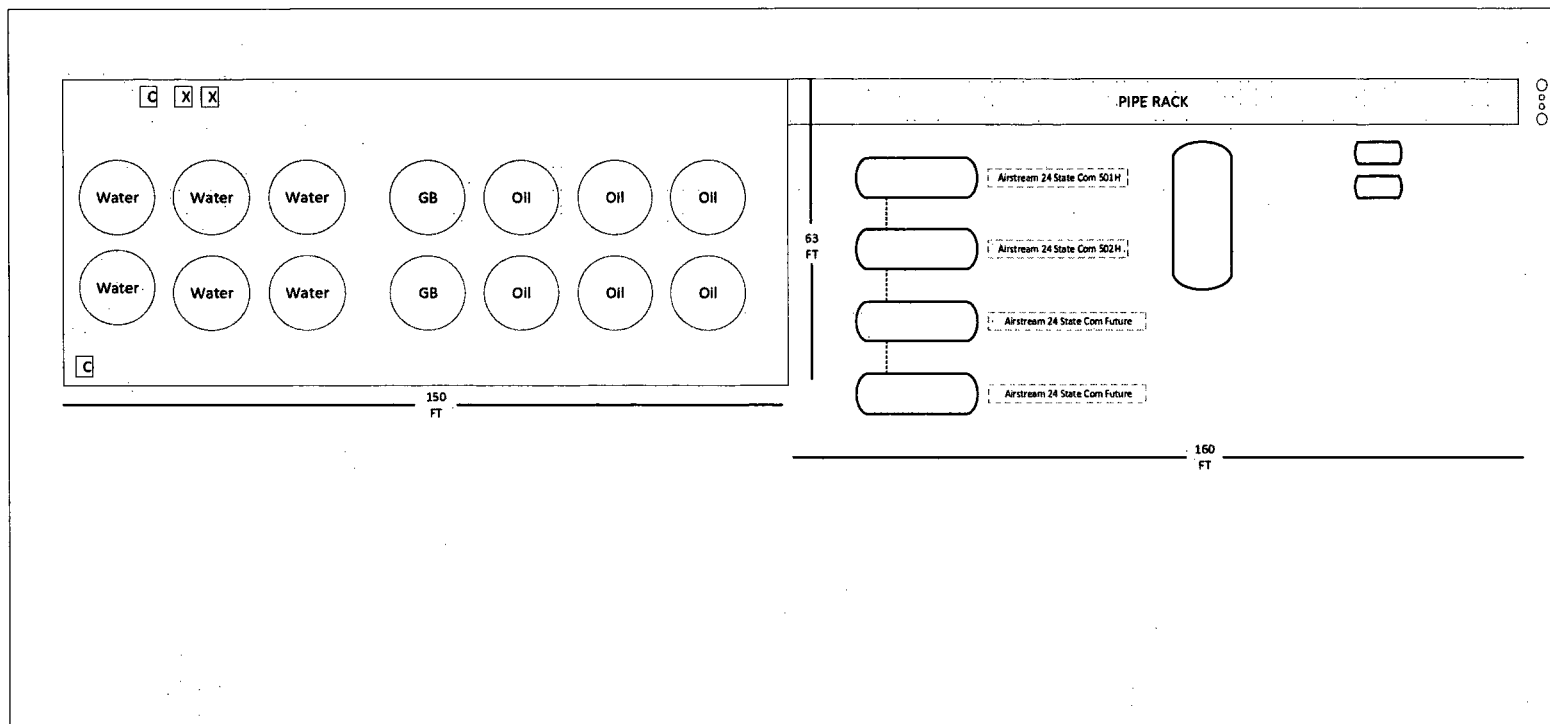
State Leases: VB- Royalty Rate: 20%

	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Airstream 25 CTB	3,750	41.4	\$50	4,800	1,320	\$2.00

\*Current values are estimates. CRP will provide actual Gravities, Oil BOPD, BTU, and MCFPD upon completion of the wells.







315 FT

Airstream 24 State Com 501H/ 502H & (2) Future Wells

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-45155</b>	<sup>2</sup> Pool Code <b>97293</b>	<sup>3</sup> Pool Name <b>Ojo Chiso, Bone Spring, South</b>
<sup>4</sup> Property Code <b>322320</b>	<sup>5</sup> Property Name <b>AIRSTREAM 24 STATE COM</b>	<sup>6</sup> Well Number <b>#501H</b>
<sup>7</sup> OGRID No. <b>372165</b>	<sup>8</sup> Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	<sup>9</sup> Elevation <b>3499.4'</b>

"Surface Location

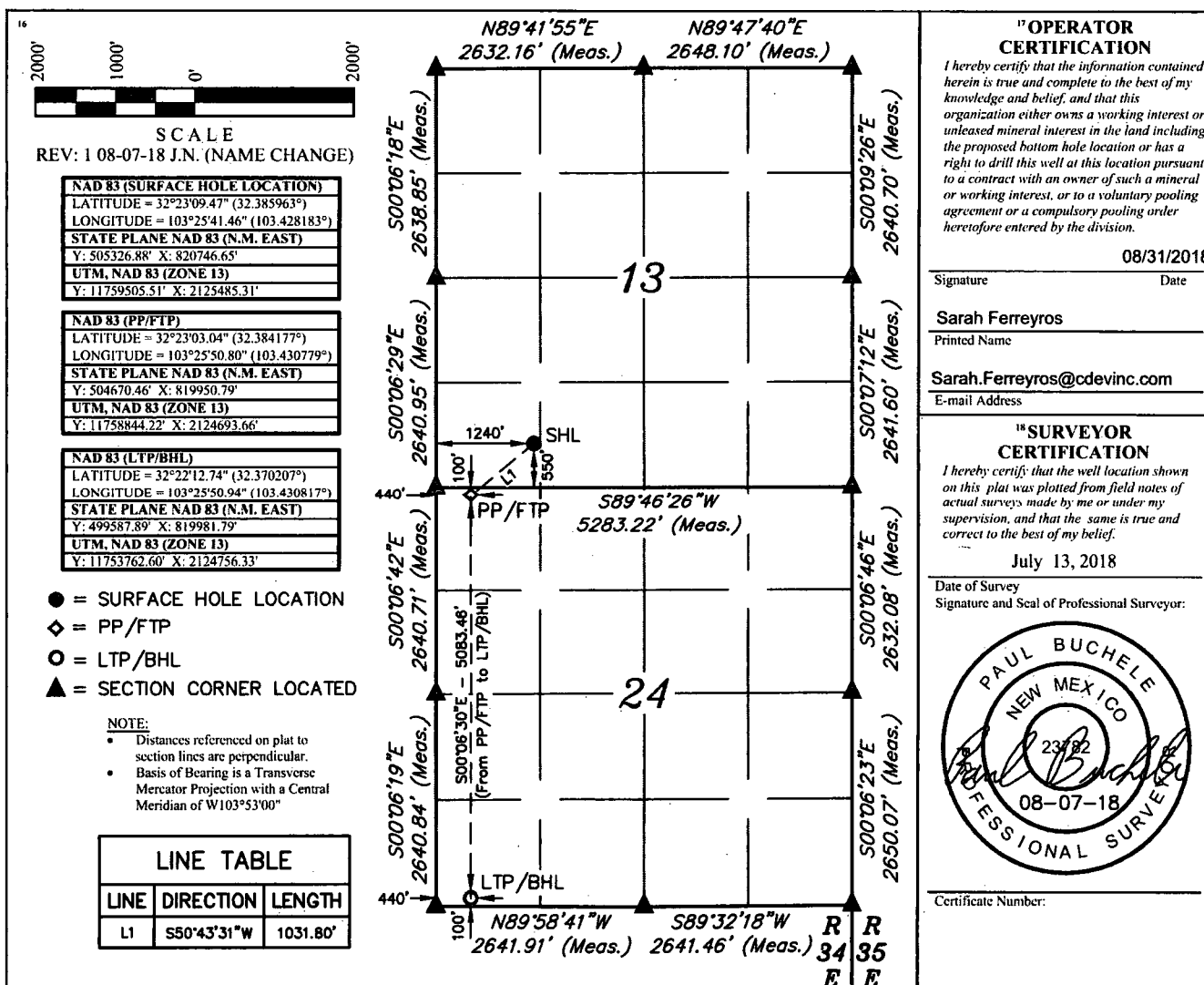
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	22S	34E		550	SOUTH	1240	WEST	LEA

"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
M	24	22S	34E		100	SOUTH	440	WEST	LEA

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-45181</b>		2 Pool Code <b>97293</b>		3 Pool Name <b>Ojo Chiso Bone Spring South</b>	
4 Property Code <b>322320</b>		5 Property Name <b>AIRSTREAM 24 STATE COM</b>		6 Well Number <b>#502H</b>	
7 OGRID No. <b>372165</b>		8 Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC.</b>		9 Elevation <b>3499.6'</b>	

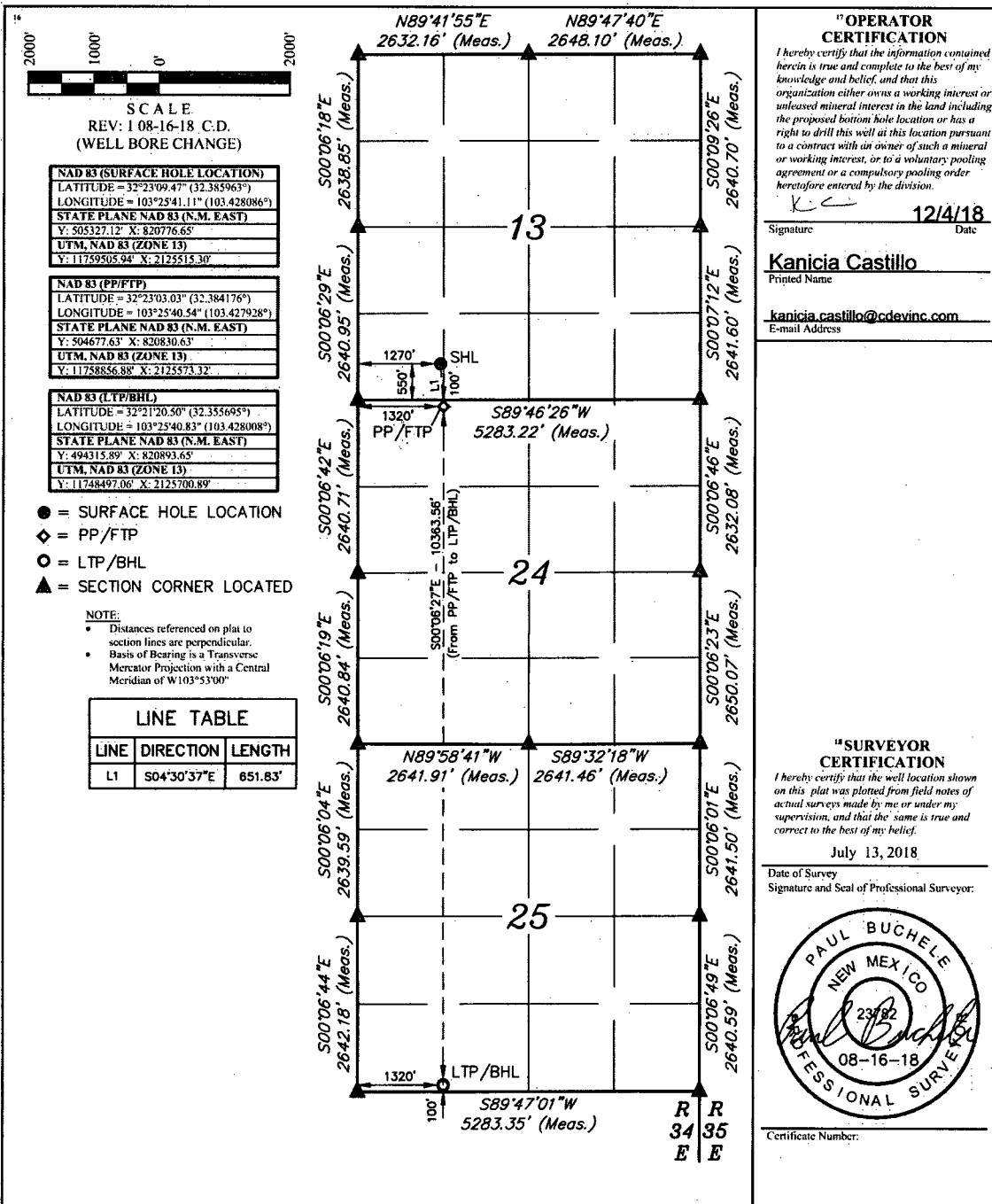
"Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
M	13	22S	34E		550	SOUTH	1270	WEST	LEA

"Bottom Hole Location If Different From Surface

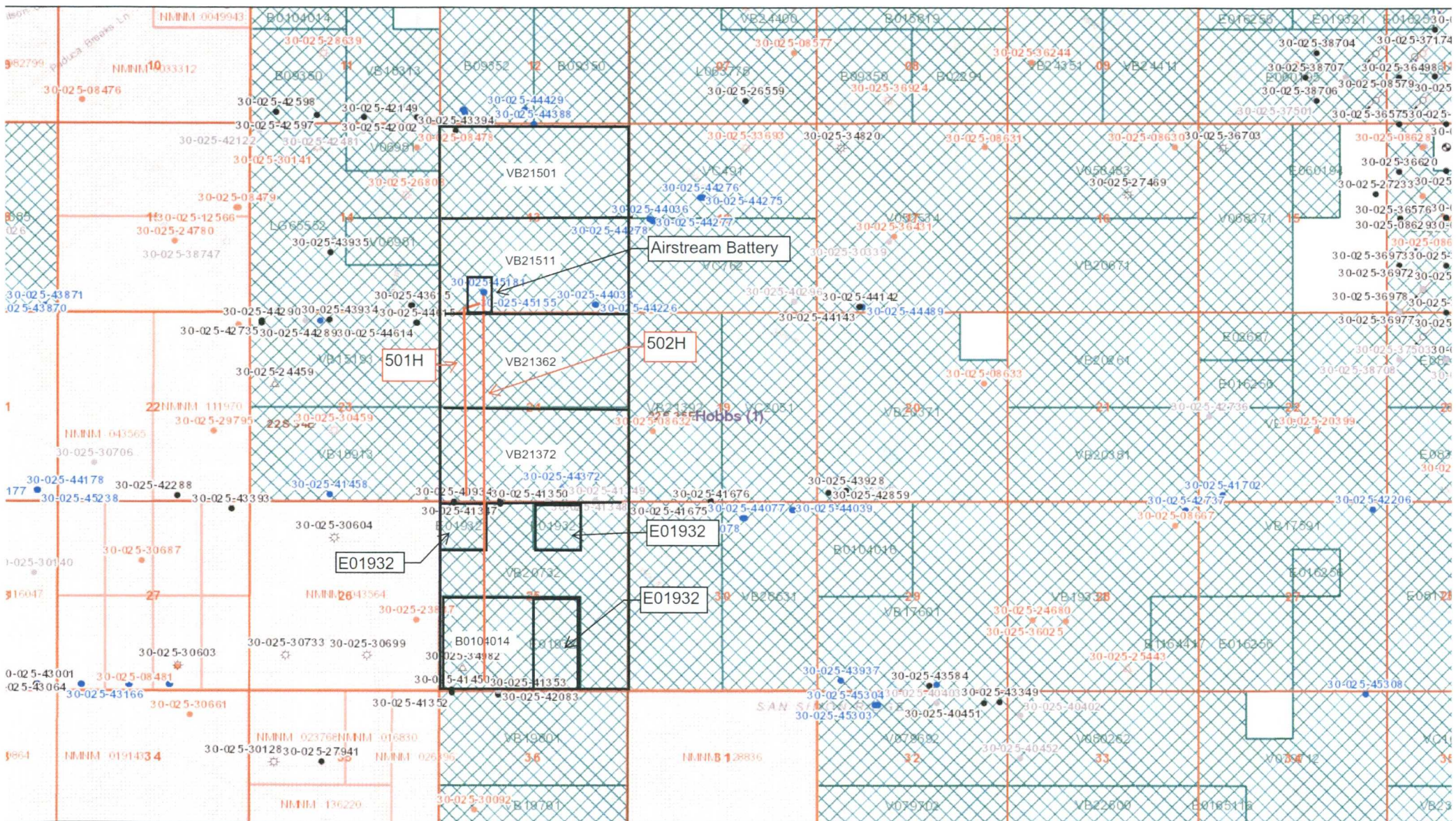
UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	22S	34E		100	SOUTH	1320	WEST	LEA
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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





# Airstream 501H & 502H



18 7:42:18 AM

1:38,997

ons - Small Scale  
e

Well Locations - Large Scale

ged  
CO2 Active

elled  
CO2 Cancelled

porarily Abandoned  
CO2 New

CO2, Plugged

CO2, Temporarily Abandoned

Gas Active

Gas, Cancelled, Never Drilled

Gas, New

Gas, Plugged

Gas, Temporarily Abandoned

Injection, Active

Injection, Cancelled

Injection, New

Injection, Plugged

Injection, Temporarily Abandoned

Oil, Active

Oil, Cancelled

Oil, New

Oil, Plugged

Oil, Temporarily Abandoned

Salt Water Injection, Active

Salt Water Injection, Cancelled

Salt Water Injection, New

Salt Water Injection, Plugged

Salt Water Injection Temporarily Abandoned

Water, Active

Water, Cancelled

Water, New

Water, Plugged



Bureau of Land Management, Texas Parks & Wildlife, Es  
Garmin, INCREMENT P, USGS, METI/NASA, EPA, USE  
BLM



Name	Address	Owner Type	Certified Mail Number
LeaCo New Mexico Exploration and Production, LLC	303 Veterans Airpark Ln., Suite 1000 Midland, TX 79705	WI	7007 1490 0005 0460 1794
GMT New Mexico Royalty Company, LLC	1560 Broadway Suite 2000 Denver, CO 80202	ORRI	7007 1490 0005 0460 1800
ConocoPhillips Company	935 N Eldridge Pkwy, Houston, TX 77079	ORRI	7007 1490 0005 0460 1817
New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	RI	7007 1490 0005 0460 1824

## Legal Notice

Centennial Resource Production, LLC is applying to surface commingle two wells to a central tank battery in Lea County, New Mexico. The central tank battery will be located at the Airstream 24 State Com 501H well pad. The two wells, details and locations are the following:

Airstream 24 State Com 501H located in the southwest quarter of section 13, T22S, R34E, Unit M, 550 FSL & 1240 FWL.

Airstream 24 State Com 502H located in the southwest quarter of section 13, T22S, R34E, Unit M, 550 FSL & 1270 FWL.

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 Kanicia Castillo, Centennial Resource Production, LLC, 1001 17<sup>th</sup> Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1537.