# BEFORE THE OIL CONSERVATION COMMISSION EXAMINER HEARING FEBRUARY 06, 2020

CASE Nos. 21032, 21033, 21034

MOZZARELLA FED COM #603H MOZZARELLA FED COM #703H MOZZARELLA FED COM #702H

## Lea County, New Mexico



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

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

14. Centennial Exhibit D –

CASE NOS. 21032, 21033, 21034

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	21032, 21033, 21034	
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	Compulsory Pooling, Lea County, New Mexico (Case Nos.	
	21032, 21033, 21034)	
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Affidavit of Isabel Harper, Geologist

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17. Centennial Exhibit D-3 – Cross Section Map

18. Centennial Exhibit D-4 - Cross Section

19. Centennial Exhibit E – Notice Affidavit

20. Centennial Exhibit F - Notice of Publication

## **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

21032	APPLICANT'S RESPONSE	
Date: February 6, 2020		
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:	None	
Well Family	Mozzarella Fed Com #603H Well	
Formation/Pool		
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:	Bilbrey Basin; Bone Spring (Pool Code 5695)	
Well Location Setback Rules:	Statewide oil	
Spacing Unit Size:	319.67 acres, more or less	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	319.67 acres, more or less	
Building Blocks:	40-acre	
Orientation:	Standup	
Description: TRS/County	W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes	
Other Situations	to the Hampare's to make a final	
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	None	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	Yes  BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico	

Santa Fe, New Mexico
Exhibit No. A

Submitted by: Centennial Resource Production, LLC
Hearing Date: February 06, 2020

Case Nos. 21032, 21033, 21034

Name & API (if assigned), surface and bottom hole location,	
footages, completion target, orientation, completion status	
(standard or non-standard) Well #1	Mozzarelia Fed Com #603H Well, API No. 30-025-46741 SHL:954 feet from the North line and 2189 feet from the West line, (Unit C) of Section 8, Township 22 South, Range 32 East, NMPM. BHL:100 feet from the North line and 2589 feet from the East line, (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.  Completion Target: 3rd Bone Spring Sand at approx 11,800 feet TVD. Well Orientation:South to North Completion Location expected to be: Unorthodox location approved by Administrative Order NSL-pending
Horizontal Well First and Last Take Points	See Exhibit C-1 for the C-102
Completion Target (Formation, TVD and MD)	See Exhibit C-3 for the well proposals of the well. This data is also listed above.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	Exhibit C-3
Production Supervision/Month \$	Exhibit C, Exhibit C-3
Justification for Supervision Costs	Exhibit C, Exhibit C-3
Requested Risk Charge	Exhibit C, Exhibit C-3
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2, Exhibit E
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & bel	ov N/A
Joinder	DI CONTRACTOR DE
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2, Exhibit E
Chronology of Contact with Non-Joined Working Interests	Exhibit C-10
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3

Exhibit D  Exhibit D-1  N/A  Exhibit D-1
N/A
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EXIIIDIL D-T
Exhibit D-2, D-3, D-4
Exhibit D-4
N/A
Exhibit C-1
Exhibit C-2
Exhibit C-2
Exhibit D-1
Exhibit D-1
Exhibit D-2
Exhibit D-3, D-4
Exhibit D-3, D-4
rovided in this checklist is complete and accurate.
Kaitiyn A. Luck

Date:

6-Feb-20

## **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

21033	APPLICANT'S RESPONSE
Date: February 6, 2020	
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:	None
Well Family	Mozzarella Fed Com #703H Well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	WC-025 G-095 S213232A; Upper Wolfcamp Pool (Pool
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	319.67 acres, more or less
Spacing Unit	minute and the section of the sectio
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.67 acres, more or less
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	The Header's Provided to
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	None
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
Well(s)	Introduction of the contest of the

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)		
Well #1	Mozzarella Fed Com #703H Well, API No. 30-025-46757 SHL:954 feet from the North line and 2219 feet from the West line, (Unit C) of Section 8, Township 22 South, Range 32 East, NMPM. BHL:100 feet from the North line and 2062 feet from the East line, (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.	
	Completion Target: Upper Wolfcamp at approx 12,000 feet TVD. Well Orientation:South to North Completion Location expected to be: standard	
Horizontal Well First and Last Take Points	See Exhibit C-4 for the C-102	
Completion Target (Formation, TVD and MD)	See Exhibit C-6 for the well proposals of the well. This data is also listed above.	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	Exhibit C-6	
Production Supervision/Month \$	Exhibit C, Exhibit C-6	
Justification for Supervision Costs	Exhibit C, Exhibit C-6	
Requested Risk Charge	Exhibit C, Exhibit C-6	
Notice of Hearing	- Think the first market like	
Proposed Notice of Hearing	See Application	
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit E	
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit F	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit C-5	
Tract List (including lease numbers and owners)	Exhibit C-5	
Pooled Parties (including ownership type)	Exhibit C-5, Exhibit E	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & bel	ov N/A	
Joinder	t:	
Sample Copy of Proposal Letter	Exhibit C-6	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-5, Exhibit E	
Chronology of Contact with Non-Joined Working Interests	Exhibit C-10	
Overhead Rates In Proposal Letter	Exhibit C-6	
Cost Estimate to Drill and Complete	Exhibit C-6	
Cost Estimate to Equip Well	Exhibit C-6	
Cost Estimate for Production Facilities	Exhibit C-6	

Geology	
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
Forms, Figures and Tables	
C-102	Exhibit C-4
Tracts	Exhibit C-5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-5
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
Additional Information	
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kajtlyn A. Luck
Signed Name (Attorney or Party Representative):	ARANAMUL .

Date:

6-Feb-20

## **COMPULSORY POOLING APPLICATION CHECKLIST (pdf)**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

21034	APPLICANT'S RESPONSE
Date: February 6, 2020	
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:	None
Well Family	Mozzarella Fed Com #702H Well
Formation/Pool	No. of the Company of
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	WC-025 G-095 S213232A; Upper Wolfcamp Pool (Pool code 98313)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	319.67 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.67 acres, more or less
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	E/2 W/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	None
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
Well(s)	

Name & API (if assigned), surface and bottom hole location,	
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Mozzarella Fed Com #702H Well, API No. 30-025-46742 SHL:954 feet from the North line and 2189 feet from the West line, (Unit C) of Section 8, Township 22 South, Range 32 East, NMPM. BHL:100 feet from the North line and 2061 feet from the West line, (Unit C) of Section 32, Township 21 South, Range 32 East, NMPM.
	Completion Target: Upper Wolfcamp at approx 12,000 feet TVD. Well Orientation:South to North Completion Location expected to be: standard
Horizontal Well First and Last Take Points	See Exhibit C-7 for the C-102
Completion Target (Formation, TVD and MD)	See Exhibit C-9 for the well proposals of the well. This data is also listed above.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	Exhibit C-9
Production Supervision/Month \$	Exhibit C, Exhibit C-9
Justification for Supervision Costs	Exhibit C, Exhibit C-9
Requested Risk Charge	Exhibit C, Exhibit C-9
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-8
Tract List (including lease numbers and owners)	Exhibit C-8
Pooled Parties (including ownership type)	Exhibit C-8, Exhibit E
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & belo	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-9
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-8, Exhibit E
Chronology of Contact with Non-Joined Working Interests	Exhibit C-10
Overhead Rates In Proposal Letter	Exhibit C-9
Cost Estimate to Drill and Complete	Exhibit C-9
Cost Estimate to Equip Well	Exhibit C-9
Cost Estimate for Production Facilities	Exhibit C-9

Geology	
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
Forms, Figures and Tables	
C-102	Exhibit C-7
Tracts	Exhibit C-8
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-8
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
Additional Information	
CERTIFICATION: I hereby certify that the information	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	TAY YAY
Date:	6-Feb-20

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

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

CASE NO. 21632

**APPLICATION** 

Centennial Resource Production, LLC ("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 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 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 proposed initial Mozzarella Fed Com #603H Well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.

3. 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.

- 4. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 5. 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 this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 6, 2020, 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
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ATTORNEYS FOR CENTENNIAL RESOURCE PRODUCTION, LLC

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

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

CASE NO. 2/633

### APPLICATION

Centennial Resource Production, LLC ("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 Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 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 proposed initial **Mozzarella Fed Com #703H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.
- 3. The completed interval for the **Mozzarella Fed Com #703H Well** will comply with the statewide setback requirements for oil wells.

- 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 February 6, 2020, 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
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ATTORNEYS FOR CENTENNIAL RESOURCE PRODUCTION, LLC

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

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

CASE NO. 21034

### **APPLICATION**

Centennial Resource Production, LLC ("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 Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 of Section 32, Township 21 South, Range 32 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 proposed initial **Mozzarella Fed Com #702H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32.
- 3. The completed interval for the **Mozzarella Fed Com #702H Well** will comply with the statewide setback requirements for oil wells.

- 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 February 6, 2020, 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;
- 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

Michael H. Feldewert Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

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ATTORNEYS FOR CENTENNIAL RESOURCE PRODUCTION, LLC

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

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

CASE NOS. 21032, 21033, 21034

## AFFIDAVIT OF GAVIN SMITH IN SUPPORT OF CASE NOS. 21032, 21033, 21034

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 applications filed by Centennial in these consolidated cases, and I am familiar with the status of the lands in the subject areas.
- 4. None of the uncommitted parties in these consolidated cases has indicated opposition to these pooling applications, and therefore I do not expect any opposition at the hearing.
- 5. In <u>Case No. 21032</u>, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation a standard 319.67-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.
- 6. Centennial seeks to dedicate this spacing unit to the proposed initial Mozzarella

  Fed Com #603H Well (API No. 30-025-46741) to be horizontally drilled from a

surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.

- 7. Centennial has prepared a Form C-102 for the proposed well, a copy of is attached hereto as Centennial Exhibit C-1, which reflects that the well is located in the Bilbrey Basin; Bone Spring Pool (Pool code 5695).
- 8. Centennial intends to seek administrative approval of the non-standard location of this well.
  - 9. There are no depth severances in the Bone Spring formation in this spacing unit.
- 10. Centennial Exhibit C-2 contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. There are no unleased mineral interest owners.
- 11. Centennial sent well proposal letters, together with corresponding AFEs, to the working interest owners in Case No. 21032. 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, is attached hereto as Centennial Exhibit C-3.
- 12. In <u>Case No. 21033</u>, Centennial is seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 319.67-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.
- 13. Centennial seeks to dedicate this spacing unit to the proposed initial Mozzarella

  Fed Com #703H Well (API No. 30-025-46742) to be horizontally drilled from a

surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.

- 14. Centennial has prepared a Form C-102 for the proposed well, a copy of is attached hereto as Centennial Exhibit C-4, which reflects that the well is located in the WC-025 G-095 S213232A; Upper Wolfcamp Pool (Pool code 98313).
- 15. The completed interval for the Mozzarella Fed Com #703H Well will comply with the statewide setback requirements for oil wells.
  - 16. There are no depth severances in the Wolfcamp formation in this spacing unit.
- 17. Centennial Exhibit C-5 contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. There are no unleased mineral interest owners.
- 18. Centennial sent well proposal letters, together with corresponding AFEs, to the working interest owners in Case No. 21033. 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, is attached hereto as Centennial Exhibit C-6.
- 19. In <u>Case No. 21034</u>, Centennial is seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 319.67-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 5. Township 22 South, Range 32 East, and the E/2 W/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.
- 20. Centennial seeks to dedicate this spacing unit to the proposed initial Mozzarella

  Fed Com #702H Well (API No. 30-025-46757) to be horizontally drilled from a

surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32.

- 21. Centennial has prepared a Form C-102 for the proposed well, a copy of is attached hereto as Centennial Exhibit C-7, which reflects that the well is located in the WC-025 G-095 S213232A; Upper Wolfcamp Pool (Pool code 98313).
- 22. The completed interval for the Mozzarella Fed Com #702H Well will comply with the statewide setback requirements for oil wells.
  - 23. There are no depth severances in the Wolfcamp formation in this spacing unit.
- 24. Centennial Exhibit C-8 contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. There are no unleased mineral interest owners.
- 25. Centennial sent well proposal letters, together with corresponding AFEs, to the working interest owners in Case No. 21034. 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, is attached hereto as Centennial Exhibit C-9.
- 26. In Case Nos. 21032, 21033, and 21034, 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 these cases.
- 27. In Case Nos. 21032, 21033, and 21034, 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-10 contains a chronology of the contacts with the working interest owners that Devon seeks to pool.

- 28. 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.
- 29. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Centennial Exhibits C-2, C-5, and C-8. 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.
- 30. Centeunial Exhibits C-1 through C-10 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Savia Snil
GAVIN SMITH

STATE OF COLORADO  COUNTY OF DUNVOV	
	before me this day of February 2020 by
Gavin Smith.	Lagan U Sams
	NOTARY PUBLIC

My Commission Expires:

August 16, 2021

REAGAN M ADAMS Notary Public – State of Colorado Notary ID 20174034384 My Commission Expires Aug 16, 2021

A BLM/F/D

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 District [] 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fox: (575) 748-9720 District III 1000 Rio Brazus Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87305 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

MENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

310-026, 46741 1904 Code 5695 Bi		Bilbrey Basin; Bone Spring
Property Code	MOZZARELL	Name • Well Number L FED COM 603H
372165	CENTENNIAL RESOURCE	

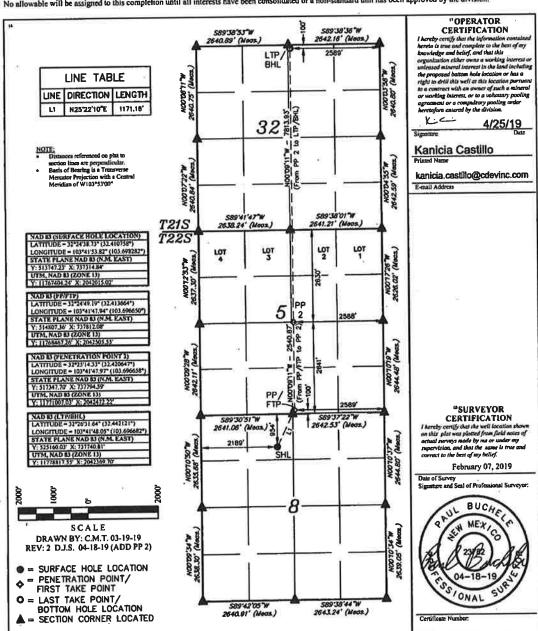
Surface Location

UL or lot no.	Section 8	Tewaship 22S	Runge 32E	Let fdn	Feet from the 954	North/South line NORTH	Feet from the 2189	WEST	LEA
						4 m 1 40 . F			

"Bottom Hole Location If Different From Surface

UL er lot oo. B	Section 32	Township 21S	Range 32E	Let Ida	Feet from the 100	North/South line NORTH	Fart from the 2589	East/West line EAST	LEA
11 Dedicated Acre 319.67	es 0.1	oint or Infill	H Cons	olidation Code	13 Order No.				

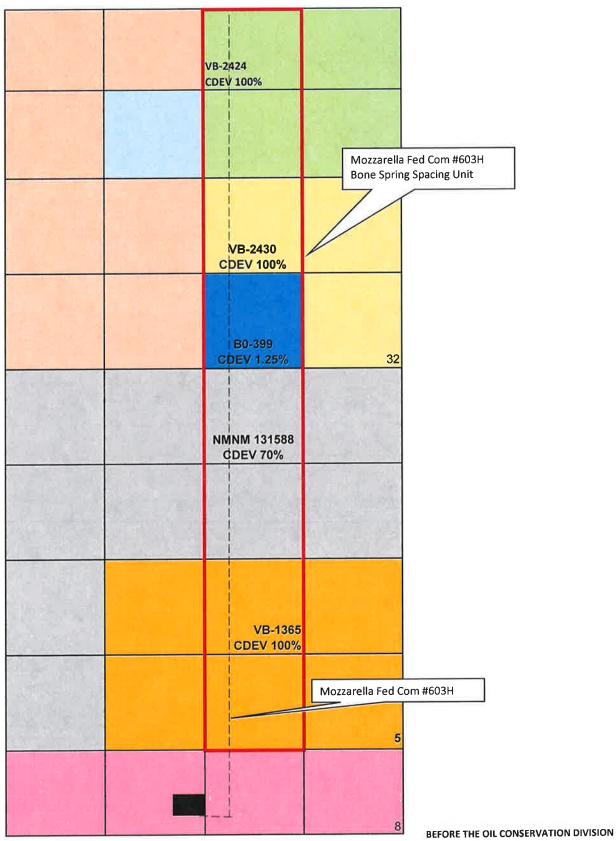
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. C1

Exhibit C-2
Mozzarella Fed Com #603H Tract Map



Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 06, 2020
Case Nos. 21032, 21033, 21034

### Ownership Exhibit Mozzarella Fed Com #603H

Name	Address	Interest Type	Working Interest
	Owners to be Pooled		
ConocoPhillips Company	P.O. Box 2197 Houston, TX 77252	Working Interest	0.06505743
Chevron USA, Inc.	P.O. Box 730436 Dallas, TX 75373-0436	Working Interest	0.04523625
Fasken Acquisitions 02, Ltd.	303 W Wall St. Midland, TX 79701	Working Interest	0.00591057
Paladin Energy Corp.	10290 Monroe Drive Dallas, TX 75229	Working Interest	0.00162064
Sheridan Holding Company II, LLC	9 Greenway Plaza, Suite 1300 Houston, TX 77046	Working Interest	0,00108043
Raven Resources, LLC	13220 North MacArthur Blvd. Oklahoma City, OK 73142	Working Interest	0,00054021
RKC, Inc.	7500 E Arapahoe Rd. #380 Centennial, CO 80112	Working Interest	0,00411833
Total:			0.12356387

17th St., Suite 1800 er, CO 80202	Vorking Interest	0.87643613
		0.87643613
		35



### September 16, 2019

RE:

Mozzarella Fed Com #603H

SHL: 954' FNL Sec. 8 & 2,189' FWL Sec. 8 T22S R32E BHL: 100' FNL Sec. 32 & 2,589' FEL Sec. 32 T21S R32E

Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Mozzarella Fed Com #603H as a horizontal well to test the Bone Spring Formation at a TVD of 11,800 feet. The W/2 E/2 of the referenced Section 5 and the W/2 E/2 of Section 32 will be dedicated to the well as the proration unit being a total of 320 acres. Please see the enclosed AFE in the amount of \$10,253,045.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2019. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 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. Should you have any questions, please call me at (720) 499-1411.

Best Regards

Carl Messina Land Coordinator



THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED MOZZARELLA FED COM #603H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:			
Signature:			
Ву:			
Title:			
THE UNDERSIGNED HEREBY E MOZZARELLA FED COM #603H WI			THE CAPTIONED
AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:		<del></del> e	
Signature:			
Ву:			
Title:			



### **Authorization for Expenditure**

AFE Number	400878	Original
Drilling Total (\$)	\$3,675,494	
Completion Total (\$)	\$4,311,163	
Facilities Total (\$)	\$1,091,282	
Flowback Total (\$)	\$1,175,108	
AFE Total (\$)	\$10,253,045	

AFE Description			
Property Name	Well: Mozzarella Fed Com 603H	State	New Mexico
AFE Type	Drill and Complete	County	Lea
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	May 19, 2020	Estimated TVD (ft)	
Estimated Spud Date		Estimated MD (ft)	
Target Zone	3RD BONE SPRING SAND	Property No.	
Sub-Target Zone	Lower		
Non Operator Appr	oval		
Company			
Approved By			
Title		•n	
Date		■H -	

### **Cost Estimates**

Description	Total (\$)	Account	Estimate (\$)	Supplemental Cost (\$)	Allow Override?	Overridden?
IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015,1000	\$10,000.00		Yes	Yes
IDC - STAKING & SURVEYING	\$18,000.00	8015,1100	\$18,000.00		Yes	Yes
IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1200	\$13,000.00		Yes	Yes
IDC - SURFACE DAMAGE / ROW	\$35,000,00	8015.1300	\$35,000.00		Yes	Yes
IDC - ROAD, LOCATIONS, PITS	\$70,000.00	8015,1400	\$70,000.00		Yes	Yes
IDC - RIG MOB / TRUCKING	\$66,000,00	8015,1500	\$66,000.00		Yes	Yes
IDC - RIG MOB / STANDBY RATE	\$35,000.00	8015,1600	\$35,000.00		Yes	Yes
IDC - DAYWORK CONTRACT	\$475,000.00	8015.1700	\$475,000.00		Yes	Yes
IDC - FOOTAGE CONTRACT	\$150,000.00	8015,1800	\$150,000,00		Yes	Yes
IDC - DIRECTNL DRILL & SURVEY	\$329,000.00	8015,1900	\$329,000,00		Yes	Yes
IDC - CONDUCTOR HOLE & SERVICE	\$35,000,00	8015,2000	\$35,000.00		Yes	Yes
IDC - WRELINE SVCS CASED&OPEN	\$.00	8015.2100	\$.00		Yes	No
IDC - BITS, TOOLS, STABILIZERS	\$110,857,00	8015,2200	\$110,857.00		Yes	Yes
IDC - FUEL / POWER	\$85,500.00	8015,2300	\$85,500,00		Yes	Yes
IDC - RIG WATER	\$19,000,00	8015,2400	\$19,000,00		Yes	Yes
IDC - MUD/CHEMICALS/ACIDIZING	\$196,000.00	8015.2500	\$196,000.00		Yes	Yes
IDC - MUD LOGGING	\$34,000,00	8015,2600	\$34,000.00		Yes	Yes
IDC - INSPECTION, TESTING & REPAIR	\$65,000.00	8015.2700	\$65,000.00		Yes	Yes
IDC - CORE ANALYSIS	\$.00	8015,2800	\$,00		Yes	No
IDC - OPEN/CASED HOLE LOGGING	\$.00	8015,2900	\$.00		Yes	No
IDC - CEMENT SERV/FLOAT EQUIP	\$230,000.00	8015.3000	\$230,000.00		Yes	Yes
IDC - CASING CREW & TOOLS	\$93,500.00	8015,3100	\$93,500.00		Yes	Yes
IDC - CONTRACT LABOR/ROUSTABOUT	\$40,000,00	8015,3200	\$40,000.00		Yes	Yes
IDC - MATERIALS & SUPPLIES	\$.00	8015.3400	\$.00		Yes	No
IDC - TRUCKING/VACUUM/ TRANSP	\$37,500.00	8015,3500	\$37,500,00		Yes	Yes
IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$85,500.00	8015.3600	\$85,500,00		Yes	Yes
IDC - DISPOSAL	\$152,000.00	8015.3700	\$152,000.00		Yes	Yes
IDC - WELLHEAD PREPARE/REPAIR	\$35,000.00	8015,3800	\$35,000.00		Yes	Yes
IDC - FISHING TOOLS & SERVICES	\$.00	8015.3900	\$.00		Yes	No
IDC - RENTAL EQUIPMENT	\$92,000.00	8015.4100	\$92,000,00		Yes	Yes
IDC - MANCAMP	\$46,000,00	8015.4200	\$46,000,00		Yes	Yes
IDC - WELLSITE SUPERVISION	\$132,000.00	8015,4300	\$132,000.00		Yes	Yes
IDC - SUPERVISION/ENGINEERING	\$.00	8015.4400	\$,00		Yes	No
IDC - SAFETY / ENVIRONMENTAL	\$21,400.00	8015,4600	\$21,400.00		Yes	Yes
IDC - OVERHEAD	\$.00	8015.4800	\$.00		Yes	No
IDC - WELL CONTROL INSURANCE	\$15,276.30	8015,5000	\$15,276,30		Yes	Yes
IDC - CONTINGENCY	\$272,653.33	8015.5200	\$272,653.33		Yes	Yes
TDC - CASING - CONDUCTOR	\$.00	8020-1000	\$.00		Yes	No
TDC - CASING - SURFACE	\$34,425,00	8020,1100	\$34,425.00		Yes	Yes
TDC - CASING - INTERMEDIATE - 1	\$129,837,50	8020,1200	\$129,837,50		Yes	Yes

TDC - CASING - INTERMEDIATE 2	\$.00	8020.1300	\$.00	Yes	No
TDC - CASING - PRODUCTION	\$368,669.44	8020,1400	\$368,669,44	Yes	Yes
FDC - WELLHEAD EQUIPMENT	\$65,875.00	8020_1500	\$65,875.00	Yes	Yes
TDC - PACKER/DOWNHOLE TOOLS	\$77,500.00	8020_1700	\$77,500.00	Yes	Yes
TDC - CONTINGENCY	\$.00	8020,1800	\$,00	Yes	No
ICC - STAKING & SURVEYING	\$.00	8025,1000		Yes	No
ICC - ROAD, LOCATIONS, PITS	\$10,500.00	8025.1100	\$10,500.00	Yes	Yes
ICC - COMPLETION RIG	\$.00	8025_1200	\$,00	Yes	No
ICC - WRELINE OPEN/CASED HOLE	\$20,000.00	8025.1400	\$20,000.00	Yes	Yes
ICC - FUEL / POWER	\$394,800.00	8025 1500	\$394,800,00	Yes	Yes
ICC - COILED TUBING	\$172,401.60	8025.1600	\$172,401.60	Yes	Yes
ICC - CEMENTING & SERVICES	\$,00	8025.1700	\$.00	Yes	No
ICC - WATER DISPOSAL/VACUUM TRUCK	\$22,995.00	8025.1800	\$22,995,00	Yes	Yes
ICC - INSPECTION & TESTING	\$100,000.00	8025,1900	\$100,000.00	Yes	Yes
ICC - TRUCKING	\$13,125.00	8025.2000	\$13,125.00	Yes	Yes
ICC - ELECTRIC LOGGING / PERFORATING	\$545,668.00	8025.2200	\$545,668.00	Yes	Yes
ICC - COMPLETION FLUIDS	\$10,000,00	8025,2300	\$10,000.00	Yes	Yes
ICC - CASING CREW AND TOOLS	\$,00	8025.2400	\$.00	Yes	No
ICC - WELL STIMULATION/FRACTUR	\$1,695,944.00	8025,2500	\$1,695,944.00	Yes	Yes
ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8025,2600	\$20,000.00	Yes	Yes
ICC - WATER HANDLING	\$329,000,00	8025,3000	\$329,000.00	Yes	Yes
ICC - WELLHEAD/FRACTREE REPAIR	\$35,000,00	8025,3100	\$35,000.00	Yes	Yes
ICC - FISHING TOOLS & SERVICES	\$.00	8025,3200	\$.00	Yes	No
ICC - COMMUNICATIONS	\$.00	8025.3300	\$.00	Yes	No
ICC - RENTAL EQUIPMENT	\$279,650.00	8025.3400	\$279,650.00	Yes	Yes
ICC - WELLSITE SUPERVISION	\$232,138.00	8025,3500	\$232,138,00	Yes	Yes
ICC - SUPERVISION/ENGINEERING	\$7,500,00	8025,3600	\$7,500.00	Yes	Yes
ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3700	\$15,000,00	Yes	Yes
ICC - OVERHEAD	\$10,000.00	8025.3800	\$10,000.00	Yes	Yes
ICC - WELL CONTROL INSURANCE	\$.00	8025.4000	\$.00	Yes	No
ICC - CONTINGENCY	\$,00	8025.4200	\$.00	Yes	No
TCC - CASING - PRODUCTION	\$,00	8030,1000	\$.00	Yes	No
TCC - PROD LINER & EQUIPMENT	\$.00	8030.1600	\$.00	Yes	No
TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030.1700	\$.00	Yes	No
FAC - ROAD LOCATIONS PITS	\$30,000.00	8035,1400	\$30,000.00	Yes	Yes
FAC - TRANSPORTATION TRUCKING	\$10,000.00	8035.1600	\$10,000.00	Yes	Yes
FAC - CONTRACT LABOR / ROUSTAB	\$111,666.67	8035-2200	\$111,666.67	Yes	Yes
FAC - SUPERVISION	\$11,333.33	8035.2400	\$11,333.33	Yes	Yes
FAC - P-LINE F-LINE LINEPIPE	\$148,454.83	8035.2700	\$148,454.83	Yes	Yes
FAC - TANK BATTERY	\$143,333.33	8035,2900	\$143,333.33	Yes	Yes
FAC - HEATER TREATER/SEPERATOR	\$138,000.00	8035.3000	\$138,000.00	Yes	Yes
FAC - VALVES FITTINGS & PIPE	\$166,666.67	8035.3200	\$166,666.67	Yes	Yes
FAC - CIRCULATING TRNSFER PUMP	\$16,160,00	8035.3300	\$16,160.00	Yes	Yes
FAC - METER & LACT	\$86,666.67	8035.3400	\$86,666.67	Yes	Yes

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FAC - ELECTRICAL	\$53,666,67	8035,3600	\$53,666,67	Yes	Yes
FAC - COMM TELEMETRY & AUTOMAT	\$36,166,67	8035,3700	\$36,166,67	Yes	Yes
FAC - FLARE/COMBUSTER	\$33,333,33	8035,3800	\$33,333,33	Yes	Yes
FAC - CONTINGENCY	\$66,666,67	8035,4500	\$66,666.67	Yes	Yes
TCC - WELLHEAD EQUIPMENT	\$47,250.00	8030,2000	\$47,250.00	Yes	Yes
FAC - SURFACE DAMAGE / ROW	\$.00	8035.1300	\$.00	Yes	No
FAC - MATERIALS & SUPPLIES	\$.00	8035.1500	\$.00	 Yes	No
FAC - RENTAL EQUIPMENT	\$10,000.00	8035,1700	\$10,000.00	 Yes	Yes
FAC - FUEL / POWER	\$.00	8035.1800	\$.00	Yes	No
FAC - WATER DISPOSAL / SWD	\$.00	8035,1900	\$,00	Yes	No
FAC - WASTE DISPOSAL	\$.00	8035.2000	\$.00	Yes	No
FAC - INSPECTION & TESTING	\$2,500,00	8035,2100	\$2,500.00	Yes	Yes
FAC - FRAC TANK RENTAL	\$.00	8035.2300	\$.00	Yes	No
FAC - CONSULTING SERVICES	\$,00	8035.2500	\$.00	Yes	No
FAC - INJECTION PUMP	\$.00	8035,2600	\$.00	Yes	No
FAC - DEHYDRATOR EQUIPMENT	\$.00	8035,3100	\$.00	Yes	No
FAC - COMPRESSOR	\$.00	8035,3500	\$.00	Yes	No
FAC - SAFETY / ENVIRONMENTAL	\$6,666.67	8035.4000	\$6,666.67	Yes	Yes
FAC - OVERHEAD	\$.00	8035.4100	\$.00	Yes	No
FAC - INSURANCE	\$.00	8035.4300	\$.00	Yes	No
ICC - SOURCE WATER	\$350,191.00	8025,3050	\$350,191.00	Yes	Yes
IFC - ROADS LOCATIONS / PITS	\$.00	8040,1100	\$.00	Yes	No
IFC - COMPLETION RIG	\$18,000.00	8040,1200	\$18,000.00	Yes	Yes
IFC - WRELINE OPEN/CASED HOLE	\$5,000.00	8040.1400	\$5,000.00	 Yes	Yes
IFC - FUEL / POWER	\$.00	8040.1500	\$.00	Yes	No
IFC - COILED TUBING	\$.00	8040.1600	\$.00	Yes	No
IFC - CEMENTING & SERVICES	\$.00	8040,1700	\$.00	Yes	No
IFC - FRAC WATER RECOVERY	\$517,607.58	8040.1899	\$517,607.58	Yes	Yes
IFC - INSPECTION & TESTING	\$.00	8040.1900	\$.00	Yes	No
IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2000	\$20,000.00	Yes	Yes
IFC - ELECTRIC LOGGING/PERFORATING	\$.00	8040.2200	\$.00	Yes	No
IFC - COMPLETION FLUID	\$.00	8040.2300	\$.00	Yes	No
IFC - CASING CREW AND TOOLS	\$.00	8040,2400	\$.00	Yes	No
IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040,2600	\$5,000.00	Yes	Yes
IFC - MATERIAL & SUPPLIES	\$.00	8040.2800	\$.00	Yes	No
IFC - WELL TESTING / FLOWBACK	\$180,000.00	8040.2900	\$180,000.00	Yes	Yes
IFC - WELLHEAD/FRAC TREE REPAIR	\$.00	8040.3100	\$.00	Yes	No
IFC - FISHING TOOLS & SERVCES	\$.00	8040.3200	\$,00	Yes	No
IFC - RENTAL EQUIPMENT	\$85,000.00	8040.3400	\$85,000.00	Yes	Yes
IFC - WELLSITE SUPERVISION	\$.00	8040,3500	\$.00	Yes	No
IFC - SAFETY / ENVIRONMENTAL	\$25,000.00	8040.3700	\$25,000.00	Yes	Yes
IFC - CONTINGENCY	\$.00	8040.4200	\$.00	Yes	No
IFC - COMPANY LABOR	\$.00	8040.4400	\$.00	Yes	No
IFC - SWABBING	\$.00	8040.4500	\$.00	Yes	No

TFC - TUBING	\$65,000.00	8045.1100	\$65,000.00	Yes	Yes
TFC - SUCKER RODS & ACCESSORY	\$.00	8045.1200	\$.00	Yes	No
TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045 1300	\$25,000,00	Yes	Yes
TFC - SUBSURFACE PUMPS	\$.00	8045.1500	\$.00	Yes	No
TFC - PROD LINER & EQUIPMENT	\$.00	8045.1600	\$.00	Yes	No
TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00	8045.1700	\$8,500,00	Yes	Yes
TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045,1900	\$.00	Yes	No
TFC - WELLHEAD EQUIPMENT	\$18,000.00	8045.2000	\$18,000.00	Yes	Yes
TFC - VALVES / CONNECTIONS / FITINGS	\$125,000.00	8045.2500	\$125,000,00	Yes	Yes
TFC - MEASURMENT EQUIPMENT	\$23,000.00	8045,3100	\$23,000.00	Yes	Yes
TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045,3200	\$.00	Yes	No
TFC - CONTRACTOR LABOR INSTALL	\$55,000.00	8045.3400	\$55,000.00	Yes	Yes
TFC - CONTINGENCY	\$.00	8045.3500	\$.00	Yes	No
TFC - COMPANY LABOR	\$.00	8045.4400	\$.00	Yes	No
FAC - PEMANENT EASEMENT	\$20,000.00	8035,1310	\$20,000.00	Yes	Yes
IDC - PERMANENT EASEMENT	\$.00	8015.1310	\$.00	Yes	No
ICC - COMPANY LABOR	\$.00	8025.4400	\$.00	Yes	No
FAC - COMPANY LABOR	\$.00	8035,4400	\$.00	Yes	No
IFC - WELL STIMULATION/FRACTURE	\$.00	8040.2500	\$.00	Yes	No

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District 1
1023 N. Frenech Dr., Hobbs, NM BR240
Phone: (373) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (573) 748-1283 Fax: (575) 748-9720
District III
1000 Rdo Brazon Road, Azize, NM 87410
Phone: (505) 314-6178 Fax: (505) 334-6170
District III
1220 S. St. Francis Dr., Sents Fc, NM 87505
Phome: (505) 476-3460 Fax: (503) 476-3465

## 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

Cennty

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-46757	<sup>1</sup> Peol Code 98313	WC-025 G-095 S2132	
328979	· Pro	perty Name ELLA FED COM	* Well Number 703H
372165	CENTENNIAL RESC	*Elevation 3703.2'	
	"Sur	face Location	

954 NORTH

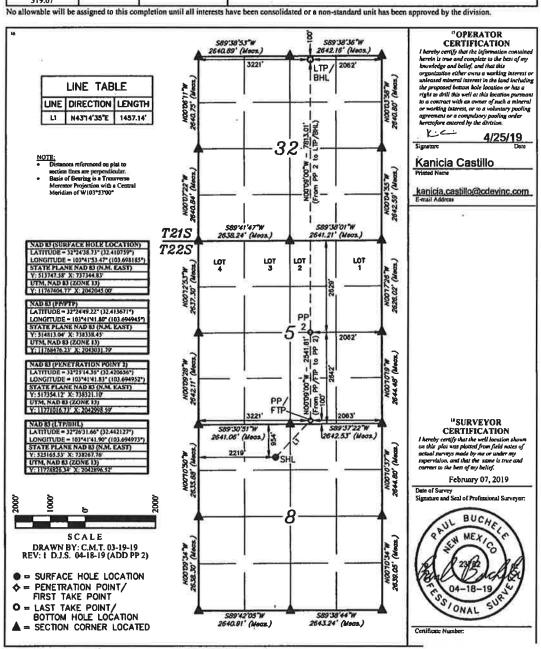
32E

22S

"Bottom Hole Location If Different From Surface									
UL er let se. B	Section 32	Township 215	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 2062	East/West line EAST	Causty LEA
11 Dedicated Acr	.a n1	stat or fafili	M Com	olidation Code	13 Order No.				

Feet from the 2219

WEST



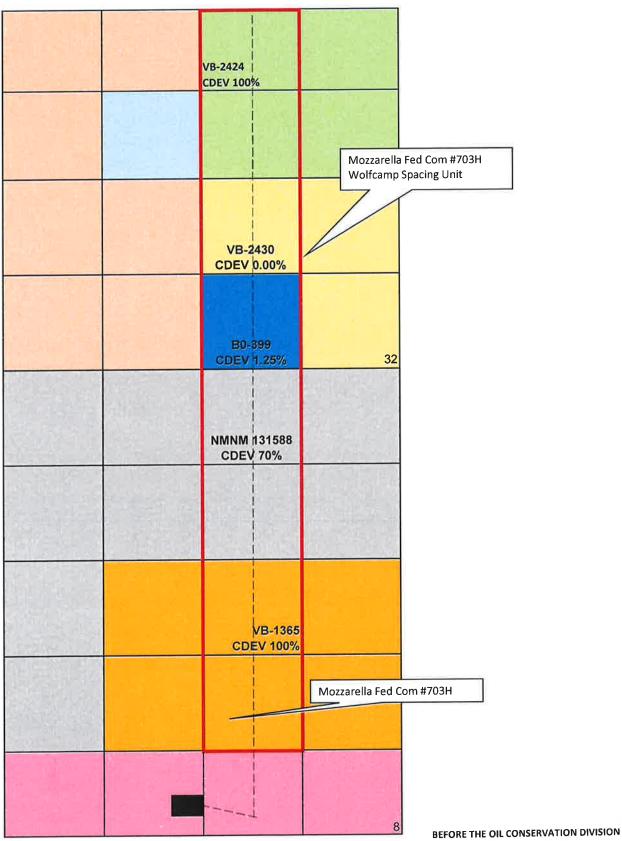
BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. C4

Submitted by: Centennial Resource Production, LLC

Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034

Exhibit C-5
Mozzarella Fed Com #703H Tract Map



Santa Fe, New Mexico
Exhibit No. C5
Submitted by: Centennial Resource Production, LLC

Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034

#### Ownership Exhibit Mozzarella Fed Com #703H

Name	Address	Interest Type	Working Interest
	Owners to be Pooled		
ConocoPhillips Company	P.O. Box 2197 Houston, TX 77252	Working Interest	0.06505743
Chevron USA, Inc.	P.O. Box 730436 Dallas, TX 75373-0436	Working Interest	0.04523625
Fasken Acquisitions 02, Ltd.	303 W Wall St. Midland, TX 79701	Working Interest	0.00591057
Paladin Energy Corp.	10290 Monroe Drive Dallas, TX 75229	Working Interest	0.00162064
Sheridan Holding Company II, LLC	9 Greenway Plaza, Suite 1300 Houston, TX 77046	Working Interest	0.00108043
Raven Resources, LLC	13220 North MacArthur Blvd. Oklahoma City, OK 73142	Working Interest	0.00054021
Marathon Oil Permian, LLC	5555 San Felipe Street Houston, TX 77056	Working Interest	0.19989677
RKC, Inc.	7500 E Arapahoe Rd. #380 Centennial, CO 80112	Working Interest	0.004118335
Total:			0.32346064

	Owners NOT being Poole	d	
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	0.67653936
Total:			0.67653936
Total Working Interest:			1.00000000



#### September 16, 2019

RE: Mozzarella Fed Com #703H

SHL: 954' FNL Sec. 8 & 2,219' FWL Sec. 8 T22S R32E BHL: 100' FNL Sec. 32 & 2,062' FEL Sec. 32 T21S R32E

Lea County, New Mexico

#### To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Mozzarella Fed Com #703H as a horizontal well to test the Wolfcamp Formation at a TVD of 12,000 feet. The W/2 E/2 of the referenced Section 5 and the W/2 E/2 of Section 32 will be dedicated to the well as the proration unit being a total of 320 acres. Please see the enclosed AFE in the amount of \$10,585,391.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2019. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 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. Should you have any questions, please call me at (720) 499-1411.

**Best Regards** 

Carl Messina Land Coordinator



THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED MOZZARELLA FED COM #703H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:			
Signature:			
Ву:			
Title:			
THE UNDERSIGNED HEREBY EI MOZZARELLA FED COM #703H WE	LECTS <u>NOT</u> LLBORE, AT	TO PARTICIPATE IN NO TO GO NONCONSENT.	THE CAPTIONED
AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:			
Signature:			
Ву:			
Title:			



#### **Authorization for Expenditure**

AFE Number	400880	Original	
<b>Drilling Total (\$)</b>	\$3,924,013		
Completion Total (\$)	\$4,394,989		
Facilities Total (\$)	\$1,091,282		
Flowback Total (\$)	\$1,175,108		
AFE Total (\$)	\$10,585,391		

AFE Description			
Property Name	Well: Mozzarella Fed Com 703H	State	New Mexico
AFE Type	Drill and Complete	County	Lea
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	Jul 02, 2020	Estimated TVD (ft)	
Estimated Spud Date		Estimated MD (ft)	
Target Zone	WOLFCAMP	Property No.	
Sub-Target Zone	Upper	_	×
Non Operator Appre	oval		
Company			
Approved By			
Title			
)ate			

#### **Cost Estimates**

Description	Total (\$)	Account	Estimate (\$)	Supplemental Cost (\$)	Allow Override?	Overridden?
IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1000	\$10,000.00		Yes	Yes
IDC - STAKING & SURVEYING	\$18,000,00	8015,1100	\$18,000.00		Yes	Yes
IDC - LEGAL, TITLE SERVICES	\$13,000,00	8015,1200	\$13,000.00		Yes	Yes
IDC - SURFACE DAMAGE / ROW	\$35,000.00	8015,1300	\$35,000.00		Yes	Yes
IDC - ROAD, LOCATIONS, PITS	\$70,000.00	8015.1400	\$70,000.00		Yes	Yes
IDC - RIG MOB / TRUCKING	\$66,000.00	8015,1500	\$66,000.00		Yes	Yes
IDC - RIG MOB / STANDBY RATE	\$35,000.00	8015,1600	\$35,000,00		Yes	Yes
IDC - DAYWORK CONTRACT	\$475,000.00	8015,1700	\$475,000.00		Yes	Yes
IDC - FOOTAGE CONTRACT	\$150,000,00	8015,1800	\$150,000.00		Yes	Yes
IDC - DIRECTNL DRILL & SURVEY	\$329,000.00	8015.1900	\$329,000.00		Yes	Yes
IDC - CONDUCTOR HOLE & SERVICE	\$35,000,00	8015.2000	\$35,000.00		Yes	Yes
IDC - WIRELINE SVCS CASED&OPEN	\$.00	8015,2100	\$.00		Yes	No
IDC - BITS, TOOLS, STABILIZERS	\$110,857,00	8015.2200	\$110,857.00		Yes	Yes
IDC - FUEL / POWER	\$85,500.00	8015.2300	\$85,500,00		Yes	Yes
IDC - RIG WATER	\$19,000.00	8015.2400	\$19,000.00		Yes	Yes
IDC - MUD/CHEMICALS/ACIDIZING	\$196,000.00	8015,2500	\$196,000.00		Yes	Yes
IDC - MUD LOGGING	\$46,500.00	8015,2600	\$46,500.00		Yes	Yes
IDC - INSPECTION, TESTING & REPAIR	\$65,000.00	8015.2700	\$65,000.00		Yes	Yes
IDC - CORE ANALYSIS	\$.00	8015,2800	\$.00		Yes	No
IDC - OPEN/CASED HOLE LOGGING	\$.00	8015,2900	\$.00		Yes	No
IDC - CEMENT SERV/FLOAT EQUIP	\$225,000.00	8015.3000	\$225,000.00		Yes	Yes
IDC - CASING CREW & TOOLS	\$85,000.00	8015,3100	\$85,000.00		Yes	Yes
IDC - CONTRACT LABOR/ROUSTABOUT	\$40,000.00	8015.3200	\$40,000.00		Yes	Yes
IDC - MATERIALS & SUPPLIES	\$.00	8015.3400	\$.00		Yes	No
IDC - TRUCKING/VACUUM/ TRANSP	\$37,500.00	8015,3500	\$37,500,00		Yes	Yes
IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$85,500.00	8015,3600	\$85,500.00		Yes	Yes
IDC - DISPOSAL	\$152,000.00	8015,3700	\$152,000.00		Yes	Yes
IDC - WELLHEAD PREPARE/REPAIR	\$25,000,00	8015,3800	\$25,000,00		Yes	Yes
IDC - FISHING TOOLS & SERVICES	\$.00	8015,3900	\$.00		Yes	No
IDC - RENTAL EQUIPMENT	\$92,000.00	8015.4100	\$92,000.00		Yes	Yes
IDC - MANCAMP	\$46,000.00	8015.4200	\$46,000,00		Yes	Yes
IDC - WELLSITE SUPERVISION	\$132,000.00	8015,4300	\$132,000.00		Yes	Yes
IDC - SUPERVISION/ENGINEERING	\$.00	8015,4400	\$.00		Yes	No
IDC - SAFETY / ENVIRONMENTAL	\$21,400.00	8015.4600	\$21,400.00		Yes	Yes
IDC - OVERHEAD	\$.00	8015.4800	\$.00		Yes	No
IDC - WELL CONTROL INSURANCE	\$14,870.86	8015,5000	\$14,870.86		Yes	Yes
IDC - CONTINGENCY	\$271,512,79	8015.5200	\$271,512.79		Yes	Yes
TDC - CASING - CONDUCTOR	\$.00	8020.1000	\$.00		Yes	No
TDC - CASING - SURFACE	\$34,425.00	8020.1100	\$34,425.00		Yes	Yes
TDC - CASING - INTERMEDIATE - 1	\$384,200.00	8020.1200	\$384,200.00		Yes	Yes

Generwell Page 2 of 5

TDC - CASING - INTERMEDIATE 2	\$.00	8020,1300	\$.00	Y	es	No
TDC - CASING - PRODUCTION	\$375,372.22	8020,1400	\$375,372.22	Y	es	Yes
TDC - WELLHEAD EQUIPMENT	\$65,875.00	8020.1500	\$65,875,00	Y	es	Yes
TDC - PACKER/DOWNHOLE TOOLS	\$77,500.00	8020_1700	\$77,500.00	Y	es	Yes
TDC - CONTINGENCY	\$,00	8020.1800	\$.00	Y	es	No
CC - STAKING & SURVEYING	\$.00	8025.1000		Y	es	No
ICC - ROAD, LOCATIONS, PITS	\$10,500.00	8025,1100	\$10,500.00	Y	es	Yes
ICC - COMPLETION RIG	\$.00	8025,1200	\$,00	Y	es	No
CC - WRELINE OPEN/CASED HOLE	\$20,000.00	8025.1400	\$20,000,00	Y	'es	Yes
ICC - FUEL / POWER	\$403,200,00	8025,1500	\$403,200,00	Y	'es	Yes
ICC - COILED TUBING	\$176,282.40	8025.1600	\$176,282.40	Y	'es	Yes
ICC - CEMENTING & SERVICES	\$.00	8025,1700	\$.00	Y	'es	No
CC - WATER DISPOSAL/VACUUM TRUCK	\$23,205,00	8025,1800	\$23,205.00	Y	'es	Yes
CC - INSPECTION & TESTING	\$100,000.00	8025,1900	\$100,000.00	Y	'es	Yes
CC - TRUCKING	\$13,125.00	8025.2000	\$13,125.00	Y	'es	Yes
ICC - ELECTRIC LOGGING / PERFORATING	\$557,025.00	8025.2200	\$557,025,00	Y	'es	Yes
ICC - COMPLETION FLUIDS	\$10,000.00	8025,2300	\$10,000.00	Y	'es	Yes
ICC - CASING CREW AND TOOLS	\$.00	8025,2400	\$.00	Y	'es	No
ICC - WELL STIMULATION/FRACTUR	\$1,732,028,00	8025,2500	\$1,732,028,00	Y	'es	Yes
ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000,00	8025,2600	\$20,000.00	Y	'es	Yes
CC - WATER HANDLING	\$336,000.00	8025,3000	\$336,000.00	Y	'es	Yes
ICC - WELLHEAD/FRACTREE REPAIR	\$35,000.00	8025.3100	\$35,000.00	Y	′es	Yes
ICC - FISHING TOOLS & SERVICES	\$.00	8025,3200	\$.00	Y	′es	No
ICC - COMMUNICATIONS	\$.00	8025.3300	\$.00	Y	⁄es	No
ICC - RENTAL EQUIPMENT	\$285,600.00	8025.3400	\$285,600.00	Y	⁄es	Yes
ICC - WELLSITE SUPERVISION	\$235,200.00	8025,3500	\$235,200.00	Y	es es	Yes
ICC - SUPERVISION/ENGINEERING	\$7,500,00	8025,3600	\$7,500.00	Y	⁄es	Yes
ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025,3700	\$15,000.00	Y	/es	Yes
ICC - OVERHEAD	\$10,000.00	8025,3800	\$10,000.00	Y	/es	Yes
ICC - WELL CONTROL INSURANCE	\$.00	8025.4000	\$.00	Y	⁄es	No
ICC - CONTINGENCY	\$.00	8025,4200	\$.00	Y	⁄es	No
TCC - CASING - PRODUCTION	\$.00	8030,1000	\$.00	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	⁄es	No
TCC - PROD LINER & EQUIPMENT	\$.00	8030.1600	\$.00	)	⁄e <b>s</b>	No
TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030,1700	\$,00	\\\	res .	No
FAC - ROAD LOCATIONS PITS	\$30,000.00	8035.1400	\$30,000.00	\	Yes	Yes
FAC - TRANSPORTATION TRUCKING	\$10,000.00	8035,1600	\$10,000.00		Yes	Yes
FAC - CONTRACT LABOR / ROUSTAB	\$111,666.67	8035.2200	\$111,666.67		Ýes	Yes
FAC - SUPERVISION	\$11,333.33	8035,2400	\$11,333.33		Yes	Yes
FAC - P-LINE F-LINE LINEPIPE	\$148,454,83	8035,2700	\$148,454.83		Yes	Yes
FAC - TANK BATTERY	\$143,333.33	8035,2900	\$143,333.33		Yes	Yes
FAC - HEATER TREATER/SEPERATOR	\$138,000.00	8035,3000	\$138,000.00		Yes	Yes
FAC - VALVES FITTINGS & PIPE	\$166,666.67	8035.3200	\$166,666,67		Yes	Yes
FAC - CIRCULATING TRNSFER PUMP	\$16,160,00	8035,3300	\$16,160,00		Yes	Yes
FAC - METER & LACT	\$86,666.67	8035.3400	\$86,666.67		Yes	Yes

FAC - ELECTRICAL	\$53,666,67	8035,3600	\$53,666,67	Yes	Yes
FAC - COMM TELEMETRY & AUTOMAT	\$36,166.67	8035.3700	\$36,166,67	Yes	Yes
FAC - FLARE/COMBUSTER	\$33,333.33	8035.3800	\$33,333.33	Yes	Yes
FAC - CONTINGENCY	\$66,666.67	8035.4500	\$66,666,67	Yes	Yes
TCC - WELLHEAD EQUIPMENT	\$47,250,00	8030,2000	\$47,250.00	Yes	Yes
FAC - SURFACE DAMAGE / ROW	\$.00	8035.1300	\$.00	Yes	No
FAC - MATERIALS & SUPPLIES	\$.00	8035,1500	\$,00	Yes	No
FAC - RENTAL EQUIPMENT	\$10,000.00	8035,1700	\$10,000.00	Yes	Yes
FAC - FUEL / POWER	\$.00	8035.1800	\$.00	Yes	No
FAC - WATER DISPOSAL / SWD	\$,00	8035,1900	\$.00	Yes	No
FAC - WASTE DISPOSAL	\$.00	8035.2000	\$,00	Yes	No
FAC - INSPECTION & TESTING	\$2,500.00	8035,2100	\$2,500,00	Yes	Yes
FAC - FRAC TANK RENTAL	\$.00	8035.2300	\$.00	Yes	No
FAC - CONSULTING SERVICES	\$.00	8035,2500	\$.00	Yes	No
FAC - INJECTION PUMP	\$.00	8035.2600	\$.00	Yes	No
FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3100	\$,00	Yes	No
FAC - COMPRESSOR	\$.00	8035,3500	\$.00	Yes	No
FAC - SAFETY / ENVIRONMENTAL	\$6,666,67	8035.4000	\$6,666,67	Yes	Yes
FAC - OVERHEAD	\$.00	8035,4100	\$.00	Yes	No
FAC - INSURANCE	\$.00	8035,4300	\$.00	Yes	No
CC - SOURCE WATER	\$358,074.00	8025.3050	\$358,074.00	Yes	Yes
FC - ROADS LOCATIONS / PITS	\$.00	8040,1100	\$.00	Yes	No
FC - COMPLETION RIG	\$18,000.00	8040.1200	\$18,000,00	Yes	Yes
FC - WRELINE OPEN/CASED HOLE	\$5,000.00	8040.1400	\$5,000.00	Yes	Yes
FC - FUEL / POWER	\$.00	8040,1500	\$.00	Yes	No
FC - COILED TUBING	\$.00	8040,1600	\$.00	Yes	No
FC - CEMENTING & SERVICES	\$.00	8040.1700	\$,00	Yes	No
FC - FRAC WATER RECOVERY	\$517,607.58	8040.1899	\$517,607.58	Yes	Yes
FC - INSPECTION & TESTING	\$.00	8040.1900	\$.00	Yes	No
FC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040,2000	\$20,000.00	Yes	Yes
FC - ELECTRIC LOGGING/PERFORATING	\$.00	8040.2200	\$.00	Yes	No
FC - COMPLETION FLUID	\$.00	8040.2300	\$,00	 Yes	No
FC - CASING CREW AND TOOLS	\$.00	8040,2400	\$.00	Yes	No
FC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040,2600	\$5,000.00	Yes	Yes
FC - MATERIAL & SUPPLIES	\$.00	8040.2800	\$.00	Yes	No
FC - WELL TESTING / FLOWBACK	\$180,000.00	8040,2900	\$180,000.00	Yes	Yes
FC - WELLHEAD/FRAC TREE REPAIR	\$.00	8040,3100	\$.00	Yes	No
FC - FISHING TOOLS & SERVCES	\$.00	8040.3200	\$.00	Yes	No
FC - RENTAL EQUIPMENT	\$85,000.00	8040.3400	\$85,000.00	Yes	Yes
FC - WELLSITE SUPERVISION	\$,00	8040,3500	\$.00	Yes	No
FC - SAFETY / ENVIRONMENTAL	\$25,000.00	8040.3700	\$25,000.00	Yes	Yes
FC - CONTINGENCY	\$.00	8040.4200	\$.00	Yes	No
FC - COMPANY LABOR	\$.00	8040,4400	\$.00	Yes	No
FC - SWABBING	\$.00	8040,4500	\$.00	Yes	No

TFC - TUBING	\$65,000.00	8045,1100	\$65,000.00	Yes	Yes
TFC - SUCKER RODS & ACCESSORY	\$.00	8045,1200	\$.00	Yes	No
TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000,00	8045.1300	\$25,000,00	Yes	Yes
TFC - SUBSURFACE PUMPS	\$.00	8045.1500	\$.00	Yes	No
TFC - PROD LINER & EQUIPMENT	\$.00	8045,1600	\$.00	Yes	No
TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00	8045,1700	\$8,500,00	Yes	Yes
TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$,00	8045,1900	\$,00	Yes	No
TFC - WELLHEAD EQUIPMENT	\$18,000.00	8045.2000	\$18,000.00	Yes	Yes
TFC - VALVES / CONNECTIONS / FITINGS	\$125,000.00	8045,2500	\$125,000.00	Yes	Yes
TFC - MEASURMENT EQUIPMENT	\$23,000.00	8045.3100	\$23,000.00	Yes	Yes
TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3200	\$.00	Yes	No
TFC - CONTRACTOR LABOR INSTALL	\$55,000.00	8045.3400	\$55,000.00	Yes	Yes
TFC - CONTINGENCY	\$.00	8045.3500	\$.00	Yes	No
TFC - COMPANY LABOR	\$.00	8045.4400	\$.00	Yes	No
FAC - PEMANENT EASEMENT	\$20,000.00	8035.1310	\$20,000.00	Yes	Yes
IDC - PERMANENT EASEMENT	\$.00	8015.1310	\$,00	Yes	No
ICC - COMPANY LABOR	\$.00	8025.4400	\$.00	Yes	No
FAC - COMPANY LABOR	\$.00	8035,4400	\$.00	Yes	No
IFC - WELL STIMULATION/FRACTURE	\$.00	8040,2500	\$.00	Yes	No

Generwell

BLM/F/F

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (573) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, RNM 88210
Phone: (573) 748-128 Fax: (575) 748-9720
District III
1000 Rio Brasos Road, Astroc, NM 87410
Phone: (503) 334-6178 Fax: (505) 534-6170
District IV District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (305) 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

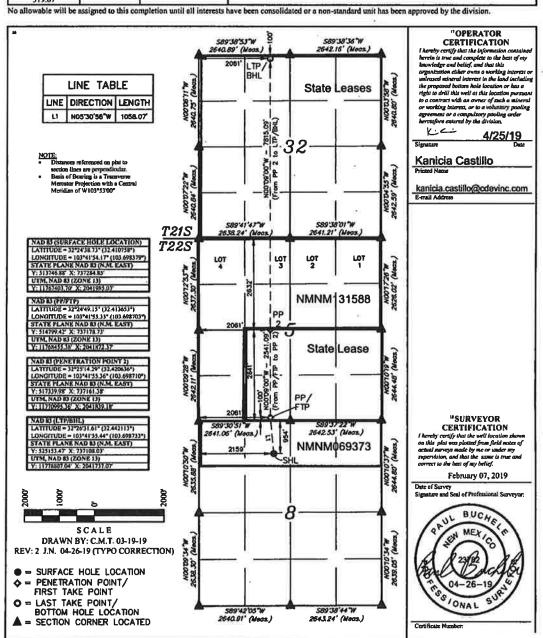
□ AMENDED REMOBBS OCD

JAN 1 0 2020

WELL LOCATION AND ACREAGE DEDICATION DLAT

			WELL	LUCAI	ION AND AC	KEAGE DEDIC	CATION PLAT			
30-025-46742				9831	3	WC-025	3-095 S213		r WolfcampR	ECEN-
328	929	P Property Name MOZZARELLA FED COM							* Well Number 702H	ALIAED
37216								* Elevation 3704.0*	3	
					"Surface	Location				===
UL ar lot no.	Section 8	Township 22S	Range 32E	Let Ida	Feet from the 954	North/South Bloe NORTH	Feet from the 2159	Emst/West line WEST	County LEA	- e

"Bottom Hole Location If Different From Surface Feet from 2061 WEST County LEA 21S 32E NORTH 32 C 100 319.67



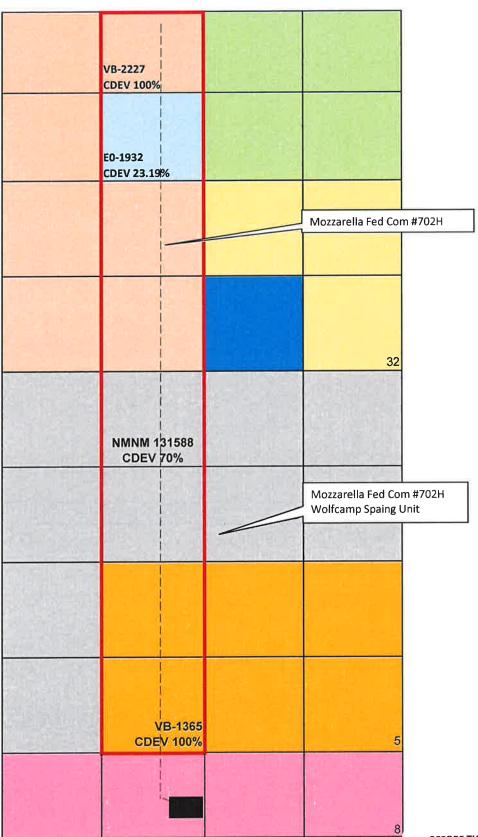
BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. C7

Submitted by: Centennial Resource Production, LLC

Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034

Exhibit C-8
Mozzarella Fed Com #702H Tract Map



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C8
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 06, 2020
Case Nos. 21032, 21033, 21034

#### Ownership Exhibit Mozzarella Fed Com #702H

Jame Address		Interest Type	Working Interest
	Owners to be Pooled		
ConocoPhillips Company	P.O. Box 2197 Houston, TX 77252	Working Interest	0,06505743
Chevron USA, Inc.	P.O. Box 730436 Dallas, TX 75373-0436	Working Interest	0,02189902
Fasken Acquisitions 02, Ltd.	303 W Wall St. Midland, TX 79701	Working Interest	0.00591057
Paladin Energy Corp.	10290 Monroe Drive Dallas, TX 75229	Working Interest	0.00162064
Sheridan Holding Company II, LLC	9 Greenway Plaza, Suite 1300 Houston, TX 77046	Working Interest	0.00108043
Raven Resources, LLC	13220 North MacArthur Blvd. Oklahoma City, OK 73142	Working Interest	0.00054021
Marathon Oil Permian, LLC	5555 San Felipe Street Houston, TX 77056	Working Interest	0_07476773
Total:			0.17087603

Owners NOT being Pooled							
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	0.82912397				
Total:			0.82912397				
			0.023123				
Total Working Interest:			1.0000000				



#### September 16, 2019

RE:

Mozzarella Fed Com #702H

SHL: 954' FNL Sec. 8 & 2,159' FWL Sec. 8 T22S R32E BHL: 100' FNL Sec. 32 & 2,061' FWL Sec. 32 T21S R32E

Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Mozzarella Fed Com #702H as a horizontal well to test the Wolfcamp Formation at a TVD of 12,000 feet. The E/2 W/2 of the referenced Section 5 and the E/2 W/2 of Section 32 will be dedicated to the well as the proration unit being a total of 320 acres. Please see the enclosed AFE in the amount of \$10,494,709.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2019. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 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. Should you have any questions, please call me at (720) 499-1411.

Best Regards

Carl Messina Land Coordinator



THE UNDERSIGNED HEREBY ELECTS <u>TO PARTICIPATE</u> IN THE CAPTIONED MOZZARELLA FED COM #702H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:			
Signature:			
Ву:			
Title:			
THE UNDERSIGNED HEREBY E MOZZARELLA FED COM #702H WI	LECTS <u>NOT TO</u> ELLBORE, AND TO	PARTICIPATE IN O GO NONCONSENT.	THE CAPTIONED
AGREED TO and ACCEPTED this	day of	, 2019.	
Owner Name:		_	
Signature:			
Ву:			
Title:			



### **Authorization for Expenditure**

AFE Number	400879	Original	
Drilling Total (\$)	\$3,917,158		
Completion Total (\$)	\$4,311,163		
Facilities Total (\$)	\$1,091,282		
Flowback Total (\$)	\$1,175,108		
AFE Total (\$)	\$10,494,709		

AFE Description			
Property Name	Well: Mozzarella Fed Com 702H	State	New Mexico
AFE Type	Drill and Complete	County	Lea
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	Jun 05, 2020	Estimated TVD (ft)	
Estimated Spud Date		Estimated MD (ft)	
Target Zone	WOLFCAMP	Property No.	
Sub-Target Zone	Upper		
Non Operator Appr	roval		
Company			
Approved By			
Title			
Date		•1	

#### **Cost Estimates**

Description	Total (\$)	Account	Estimate (\$)	Supplemental Cost (\$)	Allow Override?	Overridden?
IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015,1000	\$10,000.00		Yes	Yes
IDC - STAKING & SURVEYING	\$18,000.00	8015.1100	\$18,000.00		Yes	Yes
IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015,1200	\$13,000.00		Yes	Yes
IDC - SURFACE DAMAGE / ROW	\$35,000.00	8015,1300	\$35,000.00		Yes	Yes
IDC - ROAD, LOCATIONS, PITS	\$70,000.00	8015.1400	\$70,000.00		Yes	Yes
IDC - RIG MOB / TRUCKING	\$66,000.00	8015,1500	\$66,000.00		Yes	Yes
IDC - RIG MOB / STANDBY RATE	\$35,000.00	8015,1600	\$35,000.00		Yes	Yes
IDC - DAYWORK CONTRACT	\$475,000.00	8015.1700	\$475,000.00		Yes	Yes
IDC - FOOTAGE CONTRACT	\$150,000,00	8015,1800	\$150,000.00		Yes	Yes
IDC - DIRECTNL DRILL & SURVEY	\$329,000.00	8015.1900	\$329,000.00		Yes	Yes
IDC - CONDUCTOR HOLE & SERVICE	\$35,000.00	8015,2000	\$35,000.00		Yes	Yes
IDC - WIRELINE SVCS CASED&OPEN	\$.00	8015.2100	\$.00		Yes	No
IDC - BITS, TOOLS, STABILIZERS	\$110,857.00	8015,2200	\$110,857.00		Yes	Yes
IDC - FUEL / POWER	\$85,500.00	8015.2300	\$85,500.00		Yes	Yes
IDC - RIG WATER	\$19,000.00	8015,2400	\$19,000.00		Yes	Yes
IDC - MUD/CHEMICALS/ACIDIZING	\$196,000.00	8015.2500	\$196,000.00		Yes	Yes
IDC - MUD LOGGING	\$46,500.00	8015.2600	\$46,500.00		Yes	Yes
IDC - INSPECTION, TESTING & REPAIR	\$65,000.00	8015.2700	\$65,000.00		Yes	Yes
IDC - CORE ANALYSIS	\$.00	8015.2800	\$.00		Yes	No
IDC - OPEN/CASED HOLE LOGGING	\$,00	8015.2900	\$.00		Yes	No
IDC - CEMENT SERV/FLOAT EQUIP	\$225,000.00	8015.3000	\$225,000.00		Yes	Yes
IDC - CASING CREW & TOOLS	\$85,000.00	8015.3100	\$85,000.00		Yes	Yes
IDC - CONTRACT LABOR/ROUSTABOUT	\$40,000.00	8015,3200	\$40,000.00		Yes	Yes
IDC - MATERIALS & SUPPLIES	\$.00	8015,3400	\$.00		Yes	No
IDC - TRUCKING/VACUUM/ TRANSP	\$37,500.00	8015.3500	\$37,500.00		Yes	Yes
IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$85,500,00	8015,3600	\$85,500.00		Yes	Yes
IDC - DISPOSAL	\$152,000.00	8015.3700	\$152,000.00		Yes	Yes
IDC - WELLHEAD PREPARE/REPAIR	\$25,000.00	8015.3800	\$25,000.00		Yes	Yes
IDC - FISHING TOOLS & SERVICES	\$.00	8015,3900	\$.00		Yes	No
IDC - RENTAL EQUIPMENT	\$92,000.00	8015.4100	\$92,000.00		Yes	Yes
IDC - MANCAMP	\$46,000.00	8015.4200	\$46,000.00		Yes	Yes
IDC - WELLSITE SUPERVISION	\$132,000.00	8015,4300	\$132,000.00		Yes	Yes
IDC - SUPERVISION/ENGINEERING	\$.00	8015.4400	\$.00		Yes	No
IDC - SAFETY / ENVIRONMENTAL	\$21,400.00	8015,4600	\$21,400.00		Yes	Yes
IDC - OVERHEAD	\$:00	8015,4800	\$.00		Yes	No
IDC - WELL CONTROL INSURANCE	\$14,732.26	8015,5000	\$14,732.26		Yes	Yes
IDC - CONTINGENCY	\$271,498.93	8015,5200	\$271,498.93		Yes	Yes
TDC - CASING - CONDUCTOR	\$.00	8020,1000	\$,00		Yes	No
TDC - CASING - SURFACE	\$34,425.00	8020.1100	\$34,425.00		Yes	Yes
TDC - CASING - INTERMEDIATE - 1	\$384,200.00	8020.1200	\$384,200.00		Yes	Yes

TDC - CASING - INTERMEDIATE 2	\$.00	8020,1300	\$.00		Yes	No
TDC - CASING - PRODUCTION	\$368,669,44	8020.1400	\$368,669.44		Yes	Yes
FDC - WELLHEAD EQUIPMENT	\$65,875.00	8020,1500	\$65,875.00	İ	Yes	Yes
TDC - PACKER/DOWNHOLE TOOLS	\$77,500.00	8020.1700	\$77,500.00		Yes	Yes
TDC - CONTINGENCY	\$.00	8020.1800	\$.00		Yes	No
ICC - STAKING & SURVEYING	\$.00	8025.1000			Yes	No
ICC - ROAD, LOCATIONS, PITS	\$10,500.00	8025.1100	\$10,500.00		Yes	Yes
ICC - COMPLETION RIG	\$.00	8025,1200	\$.00		Yes	No
ICC - WRELINE OPEN/CASED HOLE	\$20,000.00	8025.1400	\$20,000.00		Yes	Yes
ICC - FUEL / POWER	\$394,800.00	8025.1500	\$394,800.00		Yes	Yes
ICC - COILED TUBING	\$172,401.60	8025,1600	\$172,401,60		Yes	Yes
ICC - CEMENTING & SERVICES	\$.00	8025,1700	\$.00		Yes	No
ICC - WATER DISPOSAL/VACUUM TRUCK	\$22,995.00	8025.1800	\$22,995.00		Yes	Yes
ICC - INSPECTION & TESTING	\$100,000,00	8025,1900	\$100,000.00		Yes	Yes
ICC - TRUCKING	\$13,125,00	8025, 2000	\$13,125.00		Yes	Yes
ICC - ELECTRIC LOGGING / PERFORATING	\$545,668.00	8025.2200	\$545,668,00		Yes	Yes
ICC - COMPLETION FLUIDS	\$10,000,00	8025.2300	\$10,000,00		Yes	Yes
ICC - CASING CREW AND TOOLS	\$.00	8025,2400	\$.00		Yes	No
ICC - WELL STIMULATION/FRACTUR	\$1,695,944.00	8025,2500	\$1,695,944.00		Yes	Yes
ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8025.2600	\$20,000.00		Yes	Yes
ICC - WATER HANDLING	\$329,000.00	8025,3000	\$329,000.00		Yes	Yes
ICC - WELLHEAD/FRACTREE REPAIR	\$35,000,00	8025,3100	\$35,000.00		Yes	Yes
.CC - FISHING TOOLS & SERVICES	\$.00	8025_3200	\$.00		Yes	No
ICC - COMMUNICATIONS	\$.00	8025,3300	\$.00		Yes	No
ICC - RENTAL EQUIPMENT	\$279,650.00	8025,3400	\$279,650,00		Yes	Yes
ICC - WELLSITE SUPERVISION	\$232,138.00	8025.3500	\$232,138.00		Yes	Yes
ICC - SUPERVISION/ENGINEERING	\$7,500.00	8025_3600	\$7,500.00		Yes	Yes
ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3700	\$15,000.00		Yes	Yes
ICC - OVERHEAD	\$10,000.00	8025.3800	\$10,000.00		Yes	Yes
ICC - WELL CONTROL INSURANCE	\$.00	8025.4000	\$.00		Yes	No
ICC - CONTINGENCY	\$,00	8025.4200	\$.00		Yes	No
TCC - CASING - PRODUCTION	\$.00	8030,1000	\$,00		Yes	No
TCC - PROD LINER & EQUIPMENT	\$.00	8030.1600	\$.00		Yes	No
TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030,1700	\$,00		Yes	No
FAC - ROAD LOCATIONS PITS	\$30,000.00	8035,1400	\$30,000.00		Yes	Yes
FAC - TRANSPORTATION TRUCKING	\$10,000.00	8035,1600	\$10,000.00		Yes	Yes
FAC - CONTRACT LABOR / ROUSTAB	\$111,666.67	8035.2200	\$111,666.67		Yes	Yes
FAC - SUPERVISION	\$11,333,33	8035,2400	\$11,333.33		Yes	Yes
FAC - P-LINE F-LINE LINEPIPE	\$148,454.83	8035.2700	\$148,454.83		Yes	Yes
FAC - TANK BATTERY	\$143,333.33	8035,2900	\$143,333.33		Yes	Yes
FAC - HEATER TREATER/SEPERATOR	\$138,000.00	8035,3000	\$138,000.00		Yes	Yes
FAC - VALVES FITTINGS & PIPE	\$166,666.67	8035.3200	\$166,666.67		Yes	Yes
FAC - CIRCULATING TRNSFER PUMP	\$16,160.00	8035,3300	\$16,160.00		Yes	Yes
FAC - METER & LACT	\$86,666.67	8035.3400	\$86,666,67		Yes	Yes

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FAC - ELECTRICAL	\$53,666,67	8035.3600	\$53,666.67	Y	'es	Yes
FAC - COMM TELEMETRY & AUTOMAT	\$36,166.67	8035,3700	\$36,166,67	Y	'es	Yes
FAC - FLARE/COMBUSTER	\$33,333,33	8035.3800	\$33,333.33	Y	'es	Yes
FAC - CONTINGENCY	\$66,666,67	8035,4500	\$66,666.67	Y	'es	Yes
TCC - WELLHEAD EQUIPMENT	\$47,250.00	8030,2000	\$47,250.00	Y	'es	Yes
FAC - SURFACE DAMAGE / ROW	\$.00	8035,1300	\$,00	Y	'es	No
FAC - MATERIALS & SUPPLIES	\$.00	8035.1500	\$,00	Y	'es	No
FAC - RENTAL EQUIPMENT	\$10,000.00	8035,1700	\$10,000.00	Y	'es	Yes
FAC - FUEL / POWER	\$.00	8035,1800	\$.00	Y	'es	No
FAC - WATER DISPOSAL / SWD	\$.00	8035,1900	\$,00	Y	'es	No
FAC - WASTE DISPOSAL	\$.00	8035,2000	\$,00	Y	'es	No
FAC - INSPECTION & TESTING	\$2,500,00	8035,2100	\$2,500.00	Y	'es	Yes
FAC - FRAC TANK RENTAL	\$.00	8035.2300	\$.00	Y	'es	No
FAC - CONSULTING SERVICES	\$.00	8035,2500	\$.00	Y	'es	No
FAC - INJECTION PUMP	\$.00	8035.2600	\$.00	Y	'es	No
FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3100	\$.00	Y	'es	No
FAC - COMPRESSOR	\$.00	8035.3500	\$.00	Y	'es	No
FAC - SAFETY / ENVIRONMENTAL	\$6,666.67	8035.4000	\$6,666,67	Y	'es	Yes
FAC - OVERHEAD	\$,00	8035,4100	\$.00	Y	'es	No
FAC - INSURANCE	\$.00	8035.4300	\$.00	Y	'es	No
ICC - SOURCE WATER	\$350,191.00	8025,3050	\$350,191.00	Y	'es	Yes
IFC - ROADS LOCATIONS / PITS	\$.00	8040.1100	\$.00	Y	'es	No
IFC - COMPLETION RIG	\$18,000.00	8040.1200	\$18,000.00	Y	'es	Yes
IFC - WRELINE OPEN/CASED HOLE	\$5,000.00	B040.1400	\$5,000.00	Y	'es	Yes
IFC - FUEL / POWER	\$.00	8040,1500	\$.00	Y	'es	No
IFC - COILED TUBING	\$.00	8040.1600	\$.00	Y	'es	No
IFC - CEMENTING & SERVICES	\$.00	8040.1700	\$.00	Y	'es	No
IFC - FRAC WATER RECOVERY	\$517,607.58	8040,1899	\$517,607.58	Y	'es	Yes
IFC - INSPECTION & TESTING	\$.00	B040,1900	\$.00	Y	'es	No
IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040,2000	\$20,000.00	Y	'es	Yes
IFC - ELECTRIC LOGGING/PERFORATING	\$.00	8040.2200	\$.00	Y	'es	No
IFC - COMPLETION FLUID	\$.00	8040,2300	\$.00	Y	'es	No
IFC - CASING CREW AND TOOLS	\$.00	8040.2400	\$.00	Y	'es	No
IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2600	\$5,000.00	Y	'es	Yes
IFC - MATERIAL & SUPPLIES	\$.00	8040,2800	\$.00	Y	'es	No
IFC - WELL TESTING / FLOWBACK	\$180,000.00	8040,2900	\$180,000.00	Y	'es	Yes
IFC - WELLHEAD/FRAC TREE REPAIR	\$.00	8040.3100	\$.00	Y	'es	No
IFC - FISHING TOOLS & SERVCES	\$.00	8040.3200	\$.00	Y	'es	No
IFC - RENTAL EQUIPMENT	\$85,000-00	8040.3400	\$85,000.00	Y	'es	Yes
IFC - WELLSITE SUPERVISION	\$.00	8040.3500	\$.00	Y	'es	No
IFC - SAFETY / ENVIRONMENTAL	\$25,000.00	8040.3700	\$25,000.00	Y	'es	Yes
IFC - CONTINGENCY	\$.00	8040-4200	\$.00	Y	'es	No
FC - COMPANY LABOR	\$.00	8040.4400	\$.00	Y	'es	No
IFC - SWABBING	\$.00	8040.4500	\$.00	Y	es es	No

Generwell Page 4 of 5

TFC - TUBING	\$65,000.00	8045_1100	\$65,000,00	Yes	Yes
TFC - SUCKER RODS & ACCESSORY	\$.00	8045.1200	\$,00	Yes	No
TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045,1300	\$25,000.00	Yes	Yes
TFC - SUBSURFACE PUMPS	\$.00	8045,1500	\$.00	Yes	No
TFC - PROD LINER & EQUIPMENT	\$.00	8045,1600	\$.00	Yes	No
TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00	8045.1700	\$8,500.00	Yes	Yes
TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.1900	\$.00	Yes	No
TFC - WELLHEAD EQUIPMENT	\$18,000.00	8045,2000	\$18,000.00	Yes	Yes
TFC - VALVES / CONNECTIONS / FITINGS	\$125,000.00	8045,2500	\$125,000.00	Yes	Yes
TFC - MEASURMENT EQUIPMENT	\$23,000.00	8045.3100	\$23,000.00	Yes	Yes
TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3200	\$.00	Yes	No
TFC - CONTRACTOR LABOR INSTALL	\$55,000.00	8045,3400	\$55,000.00	Yes	Yes
TFC - CONTINGENCY	\$.00	8045,3500	\$.00	Yes	No
TFC - COMPANY LABOR	\$.00	8045,4400	\$.00	Yes	No
FAC - PEMANENT EASEMENT	\$20,000.00	8035,1310	\$20,000,00	Yes	Yes
IDC - PERMANENT EASEMENT	\$.00	8015.1310	\$.00	Yes	No
ICC - COMPANY LABOR	\$.00	8025.4400	\$.00	Yes	No
FAC - COMPANY LABOR	\$.00	8035.4400	\$.00	Yes	No
IFC - WELL STIMULATION/FRACTURE	\$.00	8040.2500	\$.00	Yes	No

#### Exhibit C-10

Date	Action
October 2018	Planned Mozzarella wells and began researching ownership
November 2018	Directed brokers to research last known addresses and phone numbers
January 2019 - Current	Attempted to locate and make contact with unlocatable owners
	Centennial Sent proposal letters to all working interest owners for Mozzarella
September 2019	603H, 702H, and 703H
October 2019	Started negotiating JOA with ConocoPhillips
	Contacted by Sheridan Production Company and working towards voluntary
December 2019	agreement
January 2020	Filed for compulsory pooling with NMOCD

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

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

CASE NOS. 21032, 21033, 21034

#### AFFIDAVIT OF ISABEL HARPER IN SUPPORT OF CASE NOS. 21032, 21033, 21034

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 applications filed by Centennial in these consolidated cases, and I have conducted a geologic study of the lands in the subject areas.
- 4. Centennial Exhibit D-1 is a project locator map reflecting Sections 5 and 35 that comprise the proposed spacing units in Case Nos. 21032, 21033, and 21034 in relation to the surrounding area. The proposed wells in each case are depicted by dashed lines. Existing producing wells in the Bone Spring formation are also noted on the map.
- 5. In Case No. 21032, Centennial is targeting the Third Bone Spring Sand, within the Bone Spring formation, with the proposed Mozzarella Fed Com #603H Well.
- 6. In Case Nos. 21033 and 21034, Centennial is targeting the Upper Wolfcamp, within the Wolfcamp formation, with the proposed Mozzarella Fed Com #702H Well and the Mozzarella Fed Com #703H Well.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. D

Submitted by: Centennial Resource Production, LLC
Hearing Date: February 06, 2020
Case Nos. 21032, 21033, 21034

- 7. **Centennial Exhibit No. D-2** is a subsea structure map that I prepared on the top of the Wolfcamp that is representative of the targeted intervals. The structure map shows that the formation is gently dipping in this area. I do not observe any faulting, pinchouts, or other geologic impediments to developing the targeted intervals with horizontal wells in this area.
- 8. **Centennial Exhibit No. D-3** overlays a cross-section line in red consisting of three wells penetrating the Bone Spring and Wolfcamp formations 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.
- 9. **Centennial Exhibit No. 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 intervals in the Bone Spring and Wolfcamp formations are labeled on the exhibit. The cross-section demonstrates that the targeted intervals extend across the proposed spacing units.
- 10. 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.
- 11. Based on my geologic study, the Bone Spring and Wolfcamp formations underlying the subject area are 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.
- 12. In my opinion, the granting of Centennial applications in Case Nos. 21032, 21033, and 21034 will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

1	13.	Centennial Exhibit Nos. D-1	l througl	n <b>D-4</b> w	ere	either prepared by me or compiled
under m	y dire	ction and supervision.				
FURTH	ER Al	FIANT SAYETH NOT.				n ./
			$\bigcap$	0	X	

STATE OF TEXAS )

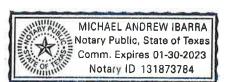
COUNTY OF texas )

SUBSCRIBED and SWORN to before me this \_\_\_\_\_\_ day of February 2020 by Isabell Harper.

NOTARY PUBLIC

My Commission Expires:

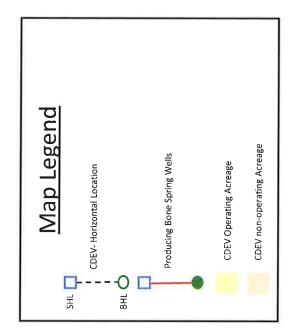
1/30/23

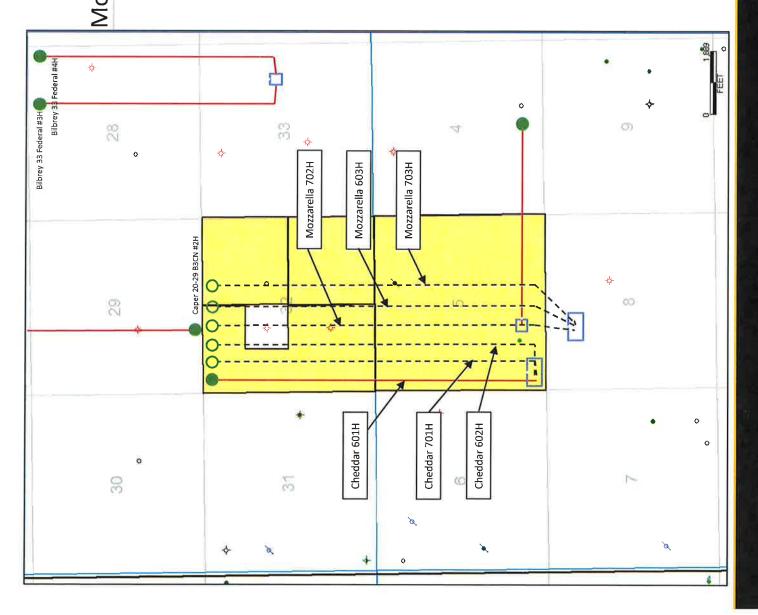


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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D1

Submitted by: Centennial Resource Production, LLC Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034

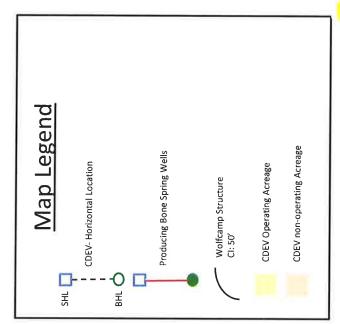


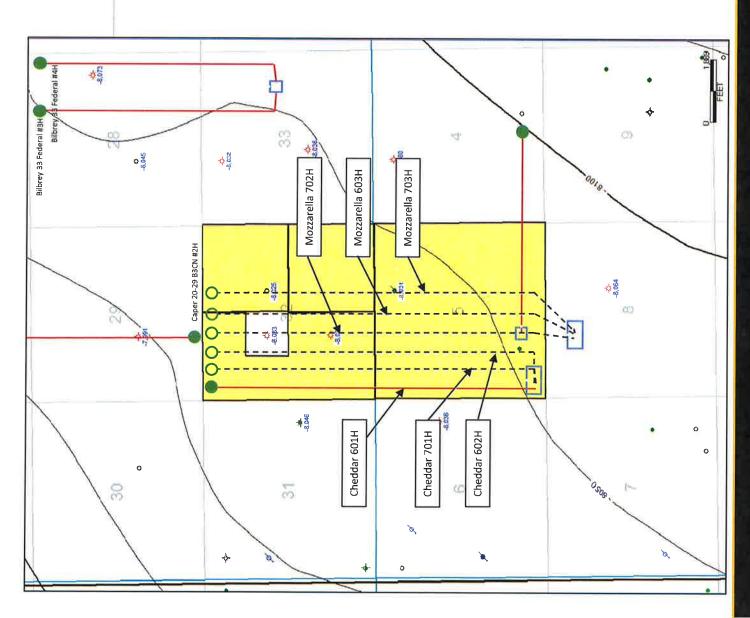


Wolfcamp Structure Map

## BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D2

Submitted by: **Centennial Resource Production, LLC** Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034



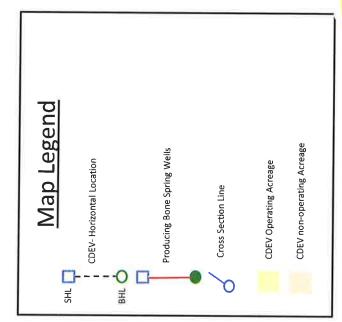


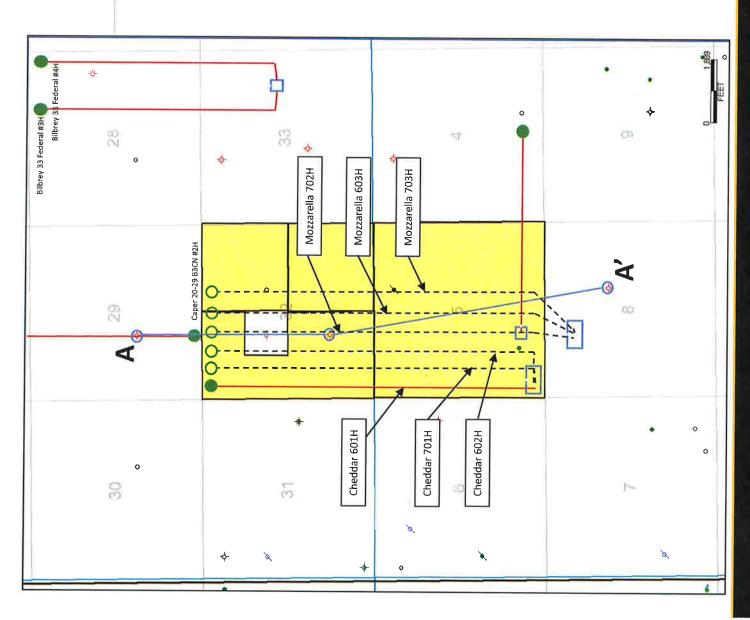
Bone Spring Pool

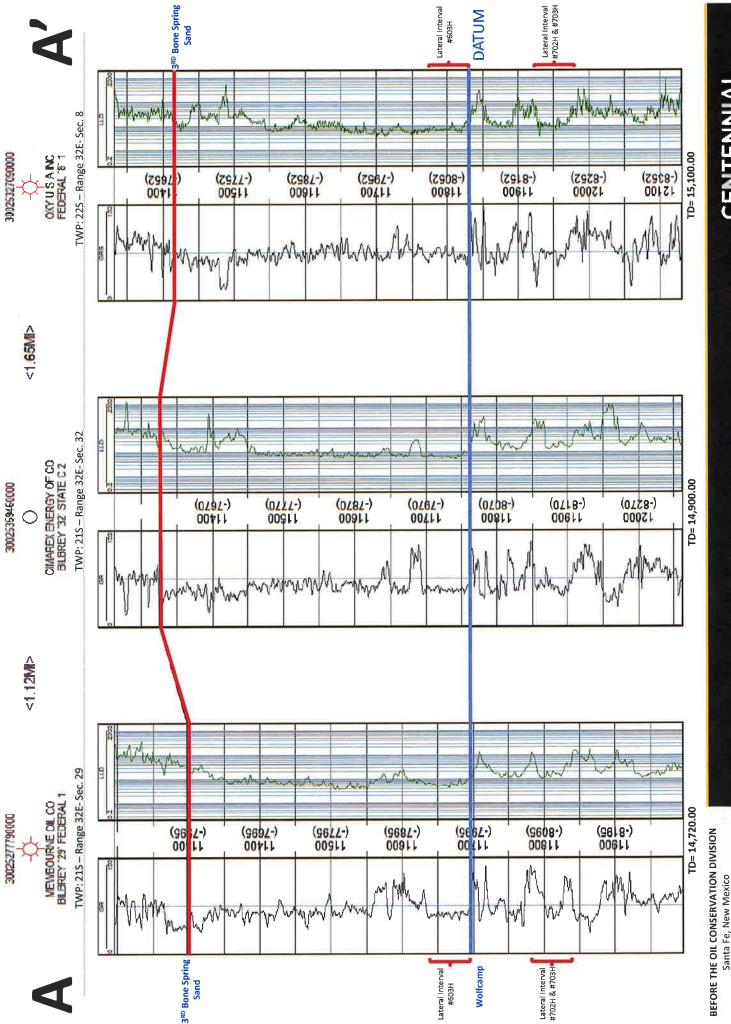
Cross Section Map

## BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. D3

Submitted by: Centennial Resource Production, LLC Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034







CENTENNIAL

Submitted by: Centennial Resource Production, LLC

Exhibit No. D4

Hearing Date: February 06, 2020 Case Nos. 21032, 21033, 21034

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

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

CASE NOS. 21032-21034

#### **AFFIDAVIT**

STATE OF NEW MEXICO	)	
	)	SS
COUNTY OF SANTA FE	)	

Kaitlyn A. Luck, attorney in fact and authorized representative of Centennial Resource Production, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 5th day of January, 2020 by Kaitlyn A.

Luck.

My Commission Expires:

Nov. 12, 2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: Nov. 12, 2023

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. E
Submitted by: Centennial Resource Production, LLC
Hearing Date: February 06, 2020

Case Nos. 21032, 21033, 21034



Michael H. Feldewert Phone (505) 988-4421 Fax (505) 983-6043 mfeldewert@hollandhart.com

January 16, 2020

## 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. Mozzarella Fed Com #603H Well

Ladies & Gentlement

This letter is to advise you that Centennial Resource Production, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on February 6, 2020, and the status of the hearing can be monitored through the Division's website http://www.emnrd.state.nm.us/ocd/. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 at the Division's Santa Fe office at the above specified address 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,

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION, LLC



Michael H. Feldewert Phone (505) 988-4421 Fax (505) 983-6043 mfeldewert@hollandhart.com

January 16, 2020

## 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.

Mozzarella Fed Com #703H Wells

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. A hearing has been requested before a Division Examiner on February 6, 2020, and the status of the hearing can be monitored through the Division's website at <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

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Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION, LLC



Michael H. Feldewert Phone (505) 988-4421 Fax (505) 983-6043 mfeldewert@hollandhart.com

January 16, 2020

## 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.

Mozzarella Fed Com #702H Wells

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. A hearing has been requested before a Division Examiner on February 6, 2020, and the status of the hearing can be monitored through the Division's website at <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

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lichael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION, LLC

# Centennial - Mozzarella 603H, 703H, 702H Case Nos. 21032-21034 Postal Delivery Report

9214890194038304229796 (Sheridan Holding Company II LLC 9 Greenway Plaza Suite 1300 Houston TX 77046 9214890194038304229802 ( Raven Resources LLC 13220 North MacArthur Blvd Oklahoma City OK 73142 9214890194038304229772 ( Fasken Acquisitions 02 Ltd 303 W Wall St Midland TX 75229 9214890194038304229789 ( Paladin Energy Corp 10290 Monroe Drive Dallas TX 75229 9214890194038304229758 (ConocoPhillips Company PO BOX 2197 Houston TX 77252 9214890194038304229765 (Chevron USA Inc PO BOX 730436 Dallas TX 75373-0436 Recipient **Tracking Number** 

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Centennial - Mozzarella 603H, 703H

Case Nos. 21032-21033 Postal Delivery Report

Tracking Number

Recipient

Status
112 Delivered Signature Received

9214890194038304232444 RKC Inc 7500 E Arapahoe Rd #380 Centennial CO 80112

Case Nos. 21033-21034 Postal Delivery Report Centennial - Mozzarella 703H, 702H

> Recipient **Tracking Number**

9214890194038304233434 Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056

Status

In-Transit





#### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

> Centennial - Mozzarella 603H, 703H Case Nos. 21032-21033 CM# 94344.0001

Shipment Date: 01/16/2020 Shipped From: Name: HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 Address: City: SANTA FE State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1 5

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

#### B. USPS Action

Note to RSS Clerk:

- 1. Home screen > Mailing/Shipping > More 2. Select Shipment Confirm
- Scan or enter the barcode/label number from PS Form 5630
   Confirm the volume count message by selecting Yes or No
   Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

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UNITED STATES	POSTAL SERVICE®
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	☐ Insured Mail ☐ Priority Mail	<ul> <li>☐ Signature Confirmation Restricted Delivery</li> </ul>													
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#### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Centennial - Mozzarella 603H, 702H, 703H Case Nos. 21032-21034 CM# 94344.0001

Shipment Date: 01/16/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

110 N GUADALUPE ST # 1 Address:

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	6
Total	6

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

#### B. USPS Action

Note to RSS Clerk:

- Home screen > Mailing/Shipping > More
   Select Shipment Confirm
   Scan or enter the barcode/label number of Confirm the volume count message by set 2. Select Shipment Confirm
  3. Scan or enter the barcode/label number from PS Form 5630
  4. Confirm the volume count message by selecting Yes or No
  5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

**USPS SCAN AT ACCEPTANCE** 

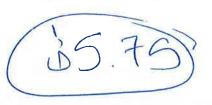


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Centennial - Mozzarella 703H, 702H Case Nos. 21033-21034 CM# 94344.0001

#### **Shipment Confirmation Acceptance Notice**

Shipment Date: 01/16/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

110 N GUADALUPE ST # 1 Address:

City: SANTA FE

State: NM ZIP+4® 87501

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Total	1

#### B. USPS Action

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  2. Select Shipment Confirm
  3. Scan or enter the barcode/label number from PS Form 5630
  4. Confirm the volume count message by selecting Yes or No
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USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

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#### 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 21, 2020 and ending with the issue dated January 21, 2020.

Sworn and subscribed to before me this 21st day of January 2020.

Business Manager

My commission expires

January 29, 2023

OFFICIAL SEAL GUSSIE BLACK Notary Public State of New Mexico My Commission Expires

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

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LEGAL NOTICE JANUARY 21, 2020

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 a public hearing before a hearing examiner on February 6, 2020, 8:15 a.m., in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis. Santa Fe, New Mexico. The docket may be viewed electronically on the Division's website, http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Florene Davidson, OCD Clerk, at (505) 476-3458. 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 the hearing, contact Florene Davidson, OCD Clerk, at (505) 476-3458, or at the New Mexico Relay Network, 1-800-659-1779, no later than January 27, 2020.

> 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: ConocoPhillips Company; Chevron USA, Inc.; Fasken Acquisitions 02, Ltd.; Paladin Energy Corp.; Sheridan Holding Company II, LLC; Raven Resources, LLC; and RKC, Inc.

Case No. 21032: 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 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed initial Mozzarella Fed Com #603H Well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 (Unit B) of Section 32. Also, to be considered will be the cost of drilling and completing the well 32. 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 24 miles cost of Loving New Moving. 24 miles east of Loving, New Mexico. #35093

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**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: February 06, 2020

Case Nos. 21032, 21033, 21034

#### **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, 2020 and ending with the issue dated January 22, 2020.

Publisher

Sworn and subscribed to before me this 22nd day of January 2020.

Business Manager

My commission expires

(Seal) OFFICIAL SEAL
(Seal) GUSSIE BLACK
Notary Public
State of New Mexic

My Commission Expires

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

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LEGAL NOTICE January 22, 2020

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

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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.

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To: All overriding royalty interest owners and pooled parties, including: ConocoPhillips Company; Chevron USA, Inc.; Fasken Acquisitions 02, Ltd.; Paladin Energy Corp.; Sheridan Holding Company II, LLC; Raven Resources, LLC; Marathon Oil Permian, LLC; and RKC, Inc.

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

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STATE OF NEW MEXICO COUNTY OF LEA

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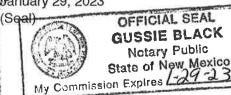
> Beginning with the issue dated January 21, 2020 and ending with the issue dated January 21, 2020.

Publisher

Sworn and subscribed to before me this 21st day of January 2020.

Business Manager

My commission expires



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LEGAL NOTICE JANUARY 21, 2020

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

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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: ConocoPhillips Company; Chevron USA, Inc.; Fasken Acquisitions 02, Ltd.; Paladin Energy Corp.; Sheridan Holding Company II, LLC; Raven Resources, LLC; and Marathon Oil Permian, LLC.

Case No. 21034: 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 Wolfcamp formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be declicated to the proposed initial Mozzarella Fed Com #702H Well to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 32. The completed interval for the Mozzarella Fed Com #702H Well will comply with the statewide setback requirements for oil wells. 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 24 miles east of Loving, New Mexico.

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