



March 17, 2022

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

RE: Mozzarella 8 CTB Application for Surface Commingle:

Mozzarella Fed Com 602H  
API# 30-025-46742  
Sec 8, T22S, R32E, Unit C  
954' FNL & 2149' FWL  
Lea County, New Mexico

Mozzarella Fed Com 603H  
API# 30-025-46757  
Sec 8, T22S, R32E, Unit C  
954' FNL & 2219' FWL  
Lea County, New Mexico

Mozzarella Fed Com 604H  
API# 30-025-48616  
Sec 5, T22S, R32E, Unit P  
757' FSL & 1245' FEL  
Lea County, New Mexico

Gouda Fed Com 605H  
API# 30-025-48617  
Sec 5, T22S, R32E, Unit P  
757' FSL & 1185' FEL  
Lea County, New Mexico

Mr. McClure,

Centennial Resource Production, LLC respectfully requests approval for surface commingling and off-lease storage for our Mozzarella and Gouda wells listed above. They all have their own separators. Please see the attached detailed description.

I have attached a facility diagram, C102's, Map, C107B, Admin checklist and notice info. If you need additional information, please give me a call at 720-499-1522.

Sincerely,

A handwritten signature in blue ink that reads 'Katie Biersmith'.

Katie Biersmith  
Sr. Regulatory Analyst  
katie.biersmith@cdevinc.com

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

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Applicant:** Centennial Resource Production, LLC **OGRID Number:** 372165  
**Well Name:** Mozzarella Fed Com 602H, 603H, 604H & Gouda Fed Com 605H **API:** 30-025-46742, 30-025-46757, 30-025-48616, 30-025-48617  
**Pool:** Bilbrey Basin; Bone Spring **Pool Code:** 5695

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

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

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

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

[I] Commingling – Storage – Measurement

☐ DHC

☒ CTB

☐ PLC

☐ PC

☒ OLS

☒ OLM

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

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

**2) NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☐ Offset operators or lease holders

B. ☒ Royalty, overriding royalty owners, revenue owners

C. ☒ Application requires published notice

D. ☒ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

**FOR OCD ONLY**

☐ Notice Complete

☐ Application  
Content  
Complete

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

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

Sarah Ferreyros

Print or Type Name

Signature

3/17/2022

Date

720-499-1454

Phone Number

sarah.ferreyros@cdevinc.com

e-mail Address

District I

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

**OIL CONSERVATION DIVISION**1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

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

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**OPERATOR NAME: Centennial Resource Production, LLCOPERATOR ADDRESS: 1001 17th Street, Suite 1800, Denver, CO 80202

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)LEASE TYPE: ☐ Fee ☒ State ☒ FederalIs this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC653

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.(4) Measurement type: ☐ Metering ☐ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Bilbrey Basin; Bone Spring 5695(2) Is all production from same source of supply? ☒ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☒ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

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

Please attached sheets with the following information

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

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

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

Please attach sheets with the following information

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

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

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

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

SIGNATURE: Katie BiersmithTITLE: Sr. Regulatory AnalystDATE: 3/17/22TYPE OR PRINT NAME Katie BiersmithTELEPHONE NO.: 720-499-1522E-MAIL ADDRESS: katie.biersmith@cdevinc.com

**APPLICATION FOR SURFACE COMMINGLING AND OFF LEASE MEASUREMENT**

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

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME	STATUS
1	30-025-46742	MOZZARELLA FED COM	#602H	C-8-22S-32E	[[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
2	30-025-46757	MOZZARELLA FED COM	#603H	C-8-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
3	30-025-48616	MOZZARELLA FED COM	#604H	P-5-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
4	30-025-48617	GOUDA FED COM	#605H	P-5-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED

**GENERAL INFORMATION:****Spacing Unit for Mozzarella Fed Com #602H, Mozzarella Fed Com #603H and Mozzarella Fed Com #604H:**

E/2 W/2, W/2 E/2 Section 32, T21S R32E

E/2 W/2, W/2 E/2 Section 5, T22S R32E

Total of 639.37 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2227	Oil and Gas	20%	280 acres being N2 NW/4, SWNW, SW Section 32, T21S R32E, Lea County, NM	18.77%	120.00
2	State	E0-1932	Oil and Gas	12.5%	1,680 acres, including SENW Section 32 T21S R32E, Lea County, NM	6.26%	40.00
3	State	VB-2424	Oil and Gas	20%	160 acres, being NE Section 32, T21S R32E, Lea County, NM	12.51%	80.00
4	State	VB-2430	Oil and Gas	20%	120 acres, being E/2 SE, NWSE Section 32, T21S R32E, Lea County, NM	6.26%	40.00
5	State	B0-399	Oil and Gas	12.5%	40 acres, being SWSE Section 32, T21S R32E, Lea County, NM	6.26%	40.00
5	Federal	NMNM-131588	Oil and Gas	12.5%	886.41 acres including N/2, W2SW Section 5, T22S R32E, Lea County, NM	24.93%	159.37
6	State	VB-1365	Oil and Gas	12.5%	240 acres, including E2SW, SE Section 5, T22S R32E, Lea County, NM	25.02%	160.00
		Total				100.00%	639.37

**\*The Communitization Agreement for the Mozzarella Fed Com #602H, Mozzarella Fed Com #603H and Mozzarella Fed Com #604H has been submitted to the BLM for approval.**

**Spacing Unit for the Gouda Fed Com #605H:**

E/2 E/2 Section 32, T21S R32E

E/2 E/2 Section 5, T22S R32E

Total of 319.66 acres, all in Lea County, NM



	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2424	Oil and Gas	20%	160 acres, being NE Section 32, T21S R32E, Lea County, NM	25.03%	80.00
2	State	VB-2430	Oil and Gas	20%	120 acres, being E/2 SE, NWSE Section 32, T21S R32E, Lea County, NM	25.03%	80.00
5	Federal	NMNM-131588	Oil and Gas	12.5%	886.41 acres including N/2, W2SW Section 5, T22S R32E, Lea County, NM	24.92%	79.66
6	State	VB-1365	Oil and Gas	12.5%	240 acres, including E2SW, SE Section 5, T22S R32E, Lea County, NM	25.03%	80.00
		Total				100.00%	319.66

**\*The Communitization Agreement for the Gouda Fed Com #605H has been submitted to the BLM for approval.**

- This application will fall under 43 CFR 3173.14(a)(1) iii (Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution.)
- The central tank battery to service the subject wells is located off-lease, on C-8-22S-32E (NMNM 069373), just West of the approved drill island No. DA-2018-001. The facility was reviewed and approved in the APDs for the Mozzarella wells (APD ID 10400041204 and 10400041229). Storing and measuring from this off-lease facility reduces the amount of trucking or pipelines since it is next to the drill pad. So, although it is off-lease, it reduces our environmental impact by producing closer to the drill pad. Please see the attached map for reference.
- There is no new surface disturbance included as part of the proposed CAA.
- Ownership in the two spacing units is not identical and notices to all owners have been mailed out. Some owners are unlocatable, so notification has also been published.
- Federal Ownership differs between the two spacing units due to lots in Section 5, T22S R32E: 602H, 603H, 604H: 0.2493    605H: 0.2492     $\Delta$ : 0.00005871
- Enclosed herewith is 1) a map that displays the leases and the location of the subject wells, 2) a map that displays the location of the proposed CTB, (3) a process flow diagram, (4) allocation methodology and example, and (5) the C-102 plat for each of the wells.
- All leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities.
- The approval of this commingling application will not negatively affect the royalty revenue of the federal government due to the allocation methodology described in the application. The approval of this application will also provide for reduced surface disturbance in this development area.
- All meters will meet API Standard 14.3/AGA Report No 3 or Onshore API Standard 18.2.

## PRORATED ALLOCATION

## GAS ALLOCATION

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

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

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

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

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

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

1. Net Well Production is base amount of production not used for gas lift plus VRU Volume and is calculated by:
  - a.  $\text{Net Well Production} = \text{WH Meter} - \text{GL Meter} + \text{Allocated VRU Volume}$
2. HP Flare is volume of gas flared from the CTB, allocated to wells by:
  - a.  $\text{Theoretical \% for each well} * \text{HP FL volume}$
  - b.  $\text{Theoretical \% for each well} = \text{Well's Net Well Production} / (\text{Sum of all well's Net Well Production})$
3. MP Flare is volume of gas flared from Heater Treaters at the CTB, allocated to wells by:
  - a.  $\text{MP Flare Allocation} = \text{MP Flare} * \text{Theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of Oil Production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
4. LP Flare is volume of gas flared from Tank Vapors, allocated to wells by:
  - a.  $\text{LP Flare Allocation} = \text{LP Flare} * \text{Theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of Oil Production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
5. VRU measures the gas from the oil tanks, is allocated based on allocated oil production for each well. VRU is an allocation meter.
  - a.  $\text{VRU Allocation} = \text{VRU} * \text{theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of oil production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
6. Lease use is the volume of gas used by the equipment on the CTB allocated to the wells by:
  - a.  $\text{Allocated Lease Use Volume} = \text{Lease Use Volume} * (\text{Well's Hours On} / \text{total hours produced by all wells})$
7. Theoretical % used for the allocation of production/Sales is calculated by:
  - a.  $\text{Well's Net Well Production} / (\text{Sum of all well's Net Well Production})$
8. CTB FC (FMP) Meter measures the volume of gas for royalty purposes. This volume of gas is the total that is sold from the CTB. CTB FC volumes are allocated to each well by:

- a. Allocated Well Production + Well's Beginning Inventory
4. Theoretical % Available to Transfer is calculated by:
  - a. Well's Available to Transfer / (Sum of all wells' available water to transfer)
5. Allocated Water Transfers is total water volume allocated to each well and is calculated by:
  - a. Water Transfer Meter \* Theoretical % Available to Transfer for each well
6. Total Transferred Volume is the volume of water transferred and metered by the Water Transfer Meter.
7. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
8. Ending Inventory for each well is calculated by:
  - a. Well's Beginning Inventory + Allocated Well Production – Well's Allocated Water Transfer

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

Well Name	Water Meter	Theoretical % of Production	Allocated Well Production	Available to Transfer	Theoretical % Available to Transfer	Allocated Water Transfers	Beginning Inventory	Ending Inventory
Mozzarella 602H	2,322.00	0.2624	2,558.90	2,643.86	0.2605	2,554.77	84.96	89.09
Mozzarella 603H	1,770.00	0.2000	1,950.59	2,048.15	0.2018	1,979.13	97.56	69.02
Mozzarella 604H	2,374.00	0.2683	2,616.21	2,721.87	0.2682	2,630.15	105.66	91.72
Gouda 605H	2,383.00	0.2693	2,626.13	2,735.12	0.2695	2,642.95	108.99	92.17
Facility Totals:	8,849.00	1.0000	9,751.83	10,149.00	1.0000	9,807.00	397.17	342.00
CTB Allocated Production								
CTB Available for Transfer	9,751.83							
Water Transfer Meter	10,149.00							
Beginning Tank Inventory	9,807.00							
Ending Tank Inventory	397.17							
	342.00							

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

Well Name	Oil Meter	Theoretical % of Production	Allocated Well Production	Available Sales	Theoretical % Available for Sale	Allocated Sales	Beginning Inventory	Ending Inventory
Mozzarella 602H	316.00	0.1341	330.18	630.833	0.200	490.65	300.65	140.19
Mozzarella 603H	344.00	0.1459	359.44	418.790	0.133	325.73	59.35	93.06
Mozzarella 604H	993.00	0.4213	1037.57	1206.129	0.383	938.10	168.56	268.03
Gouda 605H	704.00	0.2987	735.60	894.248	0.284	695.53	158.65	198.72
Facility Totals	2357.00	1.00	2462.79	3150.000	1	2450.00	687.21	700.00

CTB Allocated Production	2462.79
CTB Available for Sale	3150
Pipeline LACT (FMP)	2450
Beginning Inventory	687.21
Ending Inventory	700.00

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

Well Name	WH Meter ID	Wellhead Meter Readings	Gas Lift Meter ID	Gas Lift Meter Readings	Net Well Production	Hours On	Theoretical %	CTB FC Meter (Royalty FMP)	HP Flare	MP Flare	LP Flare	Lease Use	VRU	Allocated Production
Mozzarella 602H	XXXXXXXXXX	614.44	XXXXXXXXXX	486.00	144.528	24	0.106	118.49	13.22	0.67	6.03	7.50	16.09	145.92
Mozzarella 603H	XXXXXXXXXX	685.12	XXXXXXXXXX	400.00	302.634	24	0.222	248.12	27.69	0.73	6.57	7.50	17.51	290.61
Mozzarella 604H	XXXXXXXXXX	879.32	XXXXXXXXXX	410.00	519.876	24	0.381	426.22	47.57	2.11	18.96	7.50	50.56	502.36
Gouda 605H	XXXXXXXXXX	813.21	XXXXXXXXXX	450.00	399.052	24	0.292	327.17	36.51	1.49	13.44	7.50	35.84	386.11
Facility Totals		2992.09		1746.00	1366.090	96	1.000	1120.00	125.00	5.00	45.00	30.00	120.00	1325.00

CTB Meter Name	Meter ID	Meter Readings
FC Meter (FMP)	XXXXXXXXXX	1120.00
88 Meter (FMP)	XXXXXXXXXX	0.00
HP Flare Meter	XXXXXXXXXX	10.00
MP Flare Meter	XXXXXXXXXX	5.00
LP Flare Meter	XXXXXXXXXX	45.00
VRU	XXXXXXXXXX	120.00
Lease Use Equipment	XXXXXXXXXX	30.00
GL Compressor	XXXXXXXXXX	1746.00
Allocated Production		1325



**ECONOMIC JUSTIFICATION**

Single Well Production

Federal Lease NMNM-131588 Royalty Rate: 12.5%

	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Mozzarella Fed Com 602H	390	42	\$90	1097	1174	\$4
2	Mozzarella Fed Com 603H	427	42	\$90	1164	1245	\$4
3	Mozzarella Fed Com 604H	575	42	\$90	970	1038	\$4
4	Gouda Fed Com 605H	511	42	\$90	998	1068	\$4

Combined Production

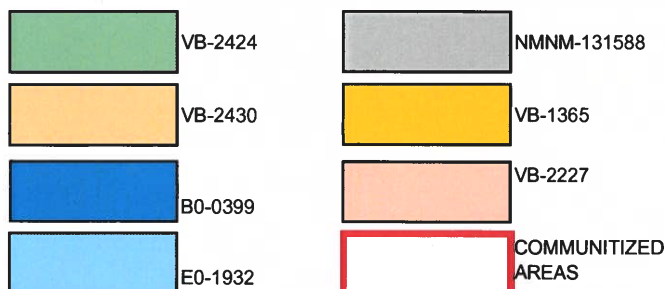
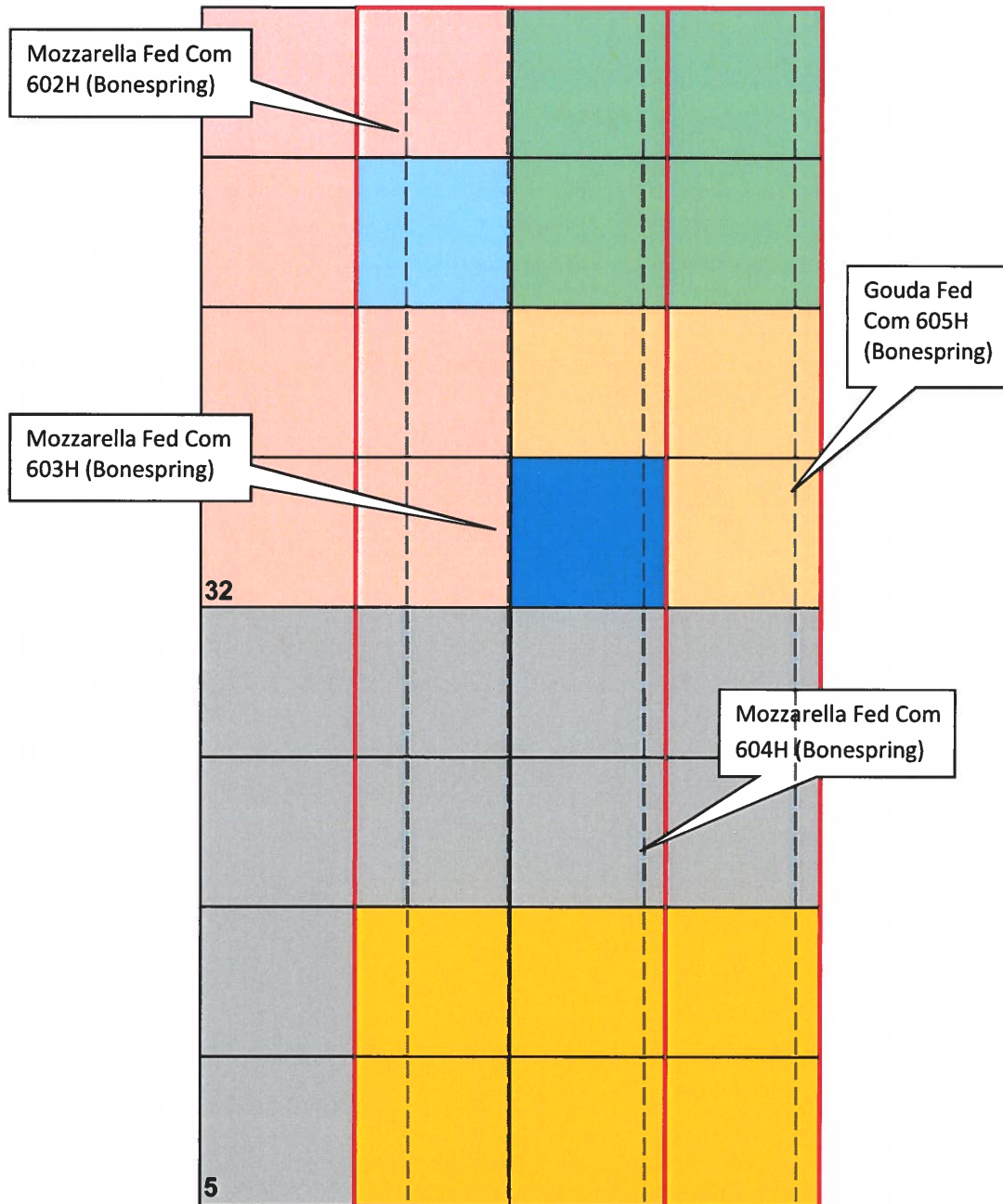
Federal Lease NMNM-131588 Royalty Rate: 12.5%

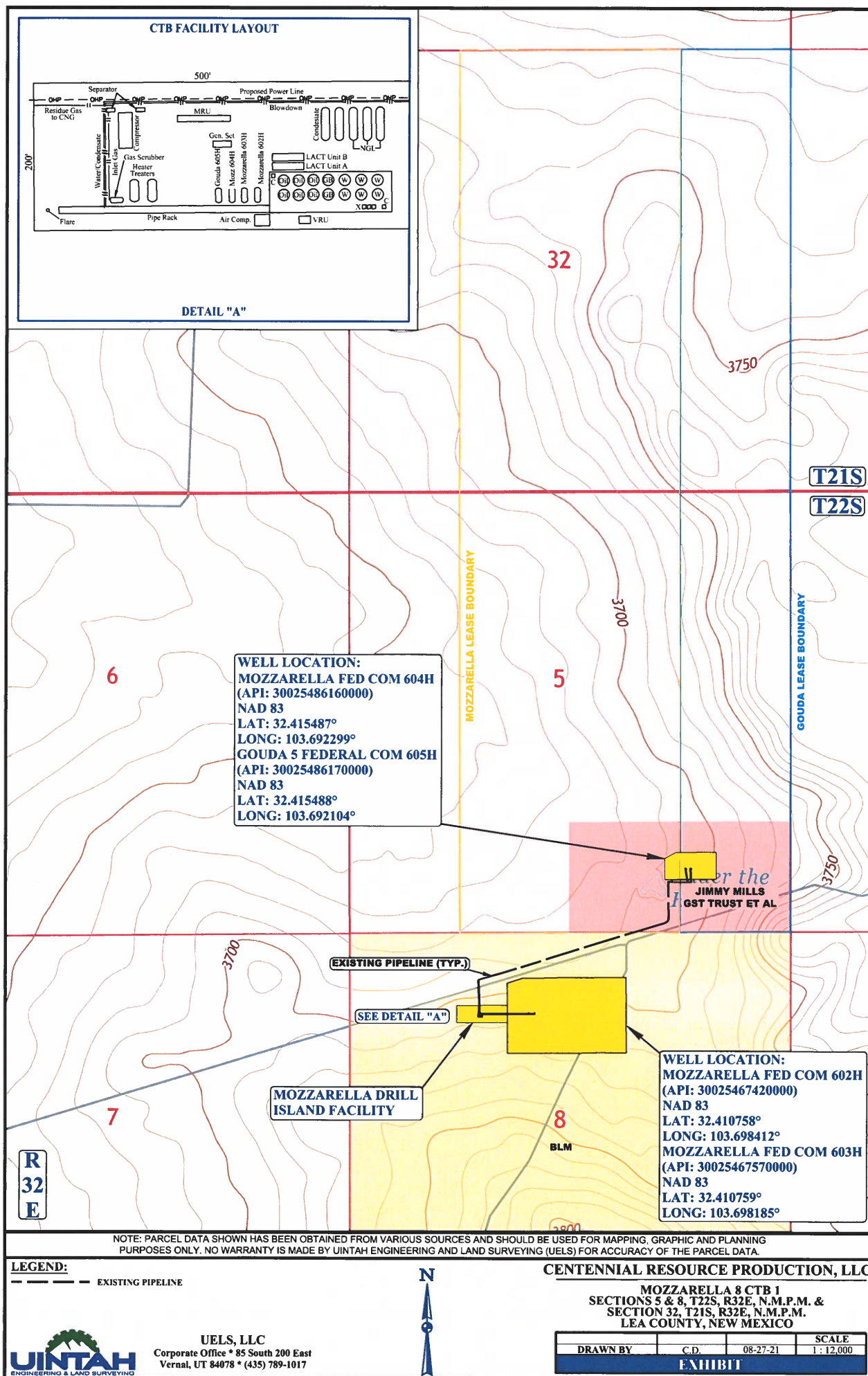
	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Mozzarella 8 CTB 1	1903	42	\$90	4229	4525	\$4

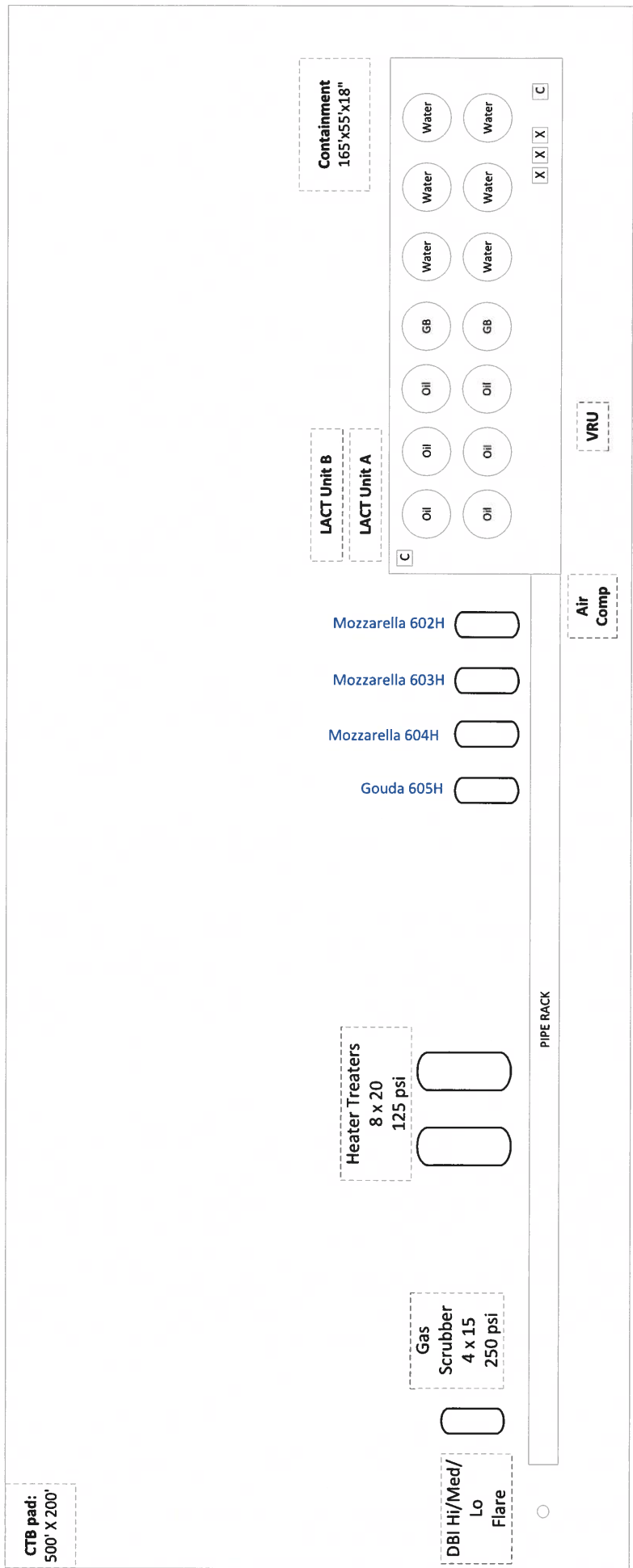
\*Current values are estimates. CRP will provide actual Gravities, Oil BOPD, BTU, and MCFPD upon completion of the wells.

Mozzarella-Gouda Lease Map

Mozzarella Fed Com #602H, Mozzarella Fed Com #603H, Mozzarella Fed Com #604H Gouda Fed Com #605H  
Commingleing Application

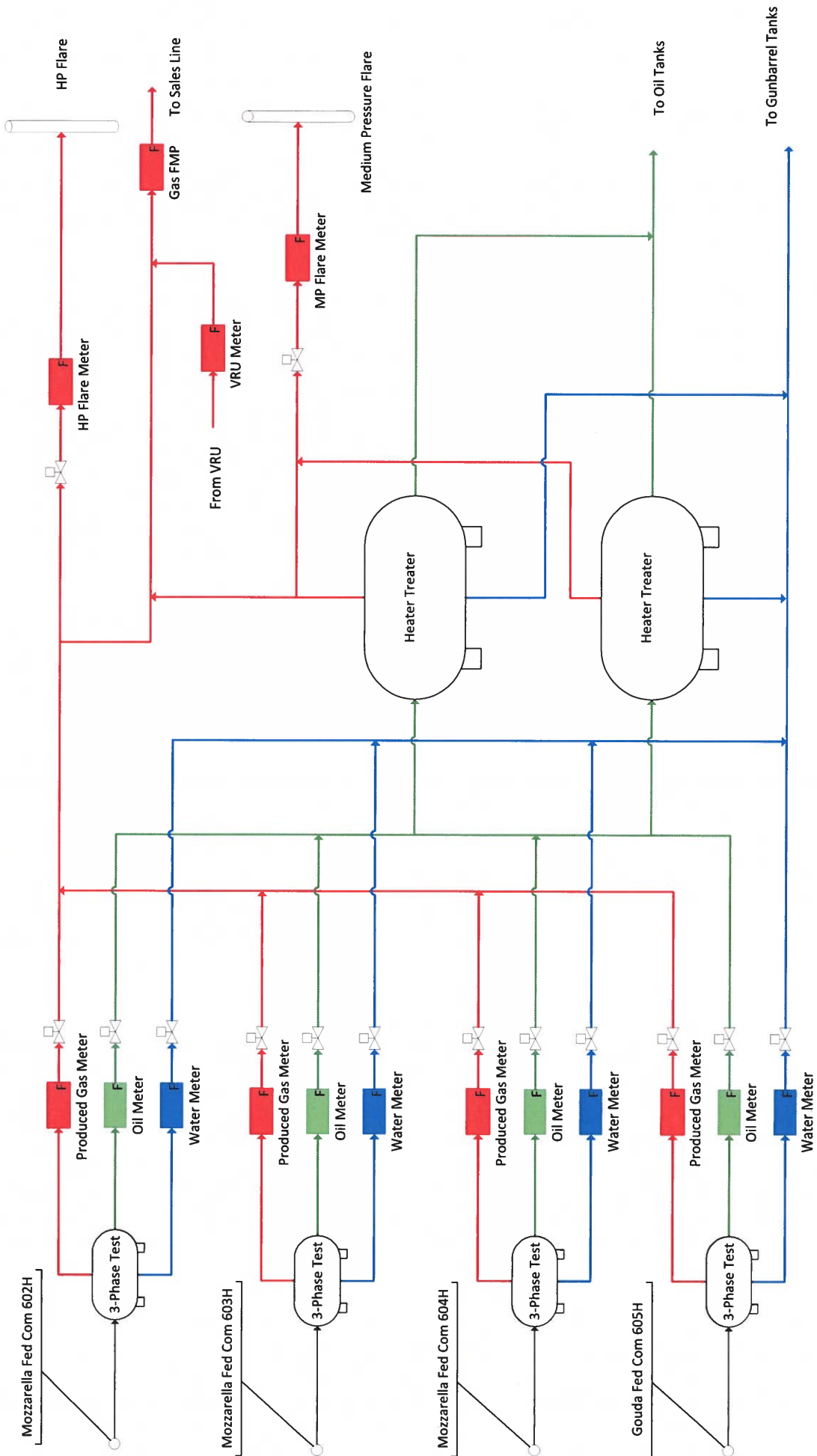


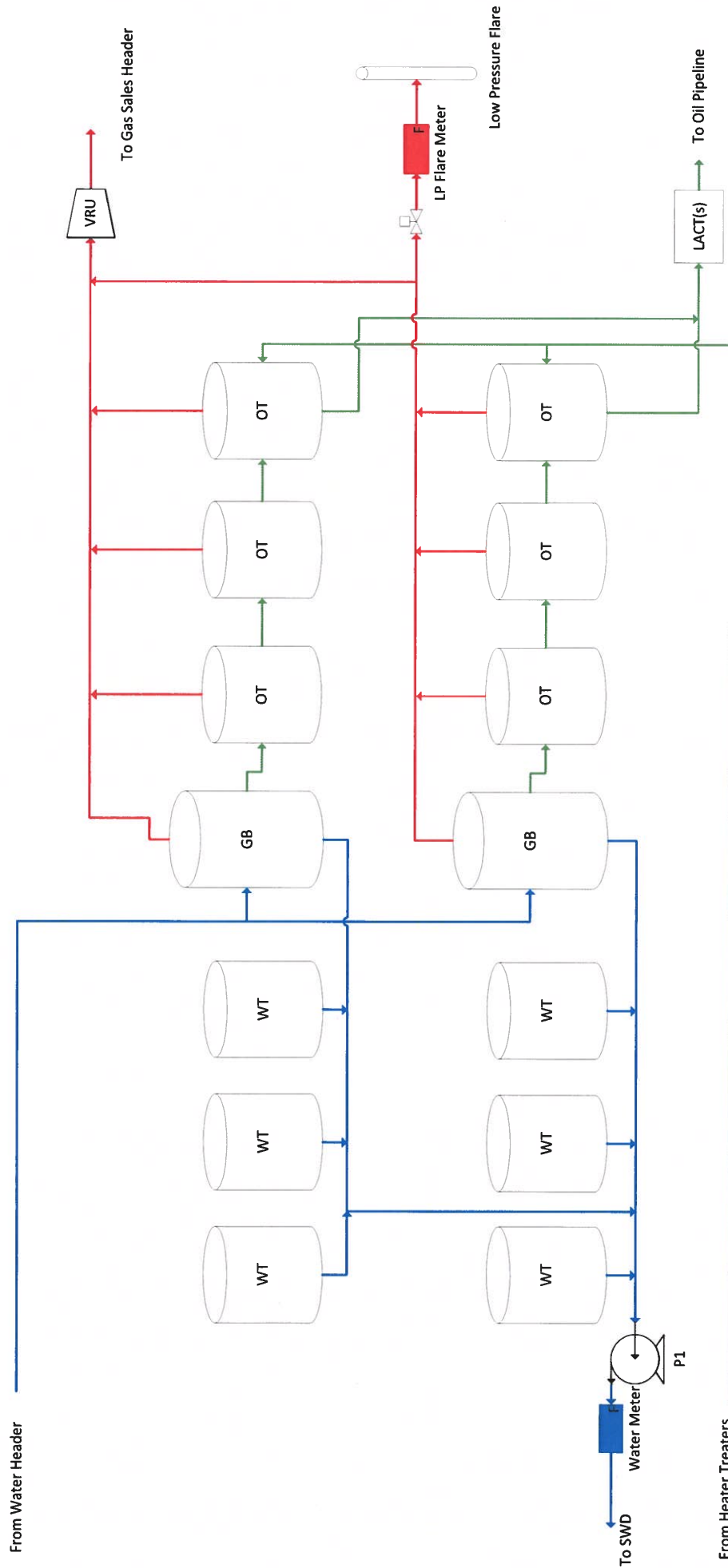




**Electrical Loads**

- Transfer Pumps: 3 x 30hp
- Circulating Pumps: 2 x 5hp
- Flare Blower: 1 x 7.5hp
- LACT Charge Pump: 2 x 5hp
- LACT Pipeline Pumps: 2 x 50hp
- Tank VRU: 1 x 100hp
- Air Compressors: 2 x 5hp







**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Date/Time: 12/20/2021 14:33 PM

Page 1 Of 3

**01 12-22-1987;101STAT1330;30USC181 ET SEQ**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres:**  
**886.410**

**Serial Number**  
**NMNM 131588**

Case File Juris:

						<b>Serial Number: NMNM-- 131588</b>	
<b>Name &amp; Address</b>						<b>Int Rel</b>	<b>% Interest</b>
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	LESSEE		30.000000000
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	OPERATING RIGHTS		0.000000000
CENTENNIAL RESOURCES PRODUCTION LLC	1001 17TH ST STE 1800	DENVER	CO	802022058	OPERATING RIGHTS		0.000000000
CENTENNIAL RESOURCES PRODUCTION LLC	1001 17TH ST STE 1800	DENVER	CO	802022058	LESSEE		70.000000000
OXY Y-1 CO	5 GREENWAY PLZ STE 110	HOUSTON	TX	770460521	OPERATING RIGHTS		0.000000000
OXY USA INC	5 GREENWAY PLZ STE 110	HOUSTON	TX	770460521	OPERATING RIGHTS		0.000000000

							<b>Serial Number: NMNM-- 131588</b>	
<b>Mer Twp Rng</b>	<b>Sec</b>	<b>SType</b>	<b>Nr</b>	<b>Suff</b>	<b>Subdivision</b>	<b>District/ Field Office</b>	<b>County</b>	<b>Mgmt Agency</b>
23	0220S 0320E	005	ALIQ	02	S2N2,W2SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S 0320E	005	LOTS	01	1-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S 0320E	006	ALIQ	04	S2NE,E2SW,SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S 0320E	006	LOTS	03	1,2,6,7;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**Relinquished/Withdrawn Lands**

Serial Number: NMNM-- 131588

				<b>Serial Number: NMNM-- 131588</b>	
<b>Act Date</b>	<b>Act Code</b>	<b>Action Txt</b>	<b>Action Remarks</b>	<b>Pending Off</b>	
11/20/2013	387	CASE ESTABLISHED	201310012;		
11/21/2013	143	BONUS BID PAYMENT RECD	\$1774.00;		
11/21/2013	191	SALE HELD			
11/21/2013	267	BID RECEIVED	\$8337800.00;		
12/05/2013	143	BONUS BID PAYMENT RECD	\$8336026.00;		
01/22/2014	237	LEASE ISSUED			
01/22/2014	974	AUTOMATED RECORD VERIF	DME		
02/01/2014	496	FUND CODE	05;145003		
02/01/2014	530	RLTY RATE - 12 1/2%			
02/01/2014	868	EFFECTIVE DATE			
04/07/2014	140	ASGN FILED	FEDERAL A/DEVON ENE;1		
05/08/2014	139	ASGN APPROVED	EFF 05/01/14;		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Date/Time: 12/20/2021 14:33 PM

Page 2 Of 3

Serial Number: NMNM-- 131588

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
05/08/2014	974	AUTOMATED RECORD VERIF	LBO	
04/06/2017	140	ASGN FILED	DEVON ENE/CROWN OIL;1	
05/11/2017	139	ASGN APPROVED	EFF 05/01/17;	
05/11/2017	974	AUTOMATED RECORD VERIF	RCC	
05/01/2018	246	LEASE COMMITTED TO CA	NMNM138602	
08/07/2018	650	HELD BY PROD - ACTUAL	/1/	
08/07/2018	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM138602;#1H	
10/05/2018	932	TRF OPER RGTS FILED	DEVON ENE/CENTENNIA;1	
03/07/2019	140	ASGN FILED	CROWN OIL/MARATHON;1	
03/07/2019	932	TRF OPER RGTS FILED	CROWN OIL/MARATHON;1	
03/12/2019	933	TRF OPER RGTS APPROVED	EFF 11/01/18;	
03/12/2019	974	AUTOMATED RECORD VERIF	JY	
03/25/2019	140	ASGN FILED	CROWN OIL/CENTENNIA;1	
05/09/2019	643	PRODUCTION DETERMINATION	/1/	
05/24/2019	932	TRF OPER RGTS FILED	DEVON ENERG/OXY USA;1	
06/05/2019	140	ASGN FILED	DEVON ENE/CENTENNIA;1	
07/02/2019	139	ASGN APPROVED	EFF 04/01/19;1	
07/02/2019	269	ASGN DENIED	CROWN/CENT NO RT;	
07/02/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
07/02/2019	974	AUTOMATED RECORD VERIF	AMV	
08/16/2019	933	TRF OPER RGTS APPROVED	EFF 06/01/19;	
08/16/2019	974	AUTOMATED RECORD VERIF	PM	
09/09/2019	139	ASGN APPROVED	EFF 07/01/19;	
09/09/2019	974	AUTOMATED RECORD VERIF	KB	
09/20/2021	899	TRF OF ORR FILED	1	

Line Number	Remark Text	Serial Number: NMNM-- 131588
0002	STIPULATIONS ATTACHED TO LEASE:	
0003	NM-11-LN SPECIAL CULTURAL RESOURCE	
0004	SENM-S-1 POTASH STIPULATION	
0005	SENM-S-15 WILDLIFE HABITAT PROJECTS	
0006	SENM-S-17 SLOPES OR FRAGILE SOILS	
0007	SENM-S-22 PRAIRIE CHICKENS	
0008	SENM-S-34 ZONE 3 - POD	
0009	03/12/2019 RENTAL PAID 02/01/2019	
0010	08/16/2019 - OR WORKSHEET DONE	
0011	08/16/2019 - OXY USA SW/NM CFO BOND NMB001508	

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**DEPARTMENT OF THE INTERIOR  
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**Page 3 Of 3**

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-46742</b>		2 Pool Code <b>5695</b>		3 Pool Name <b>Bilbry Basin; Bone Spring</b>	
4 Property Code <b>326979</b>		5 Property Name <b>MOZZARELLA FED COM</b>			
6 Well Number <b>602H</b>		7 Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>			
8 Elevation <b>3704.0'</b>		9 OGRID No. <b>372165</b>			

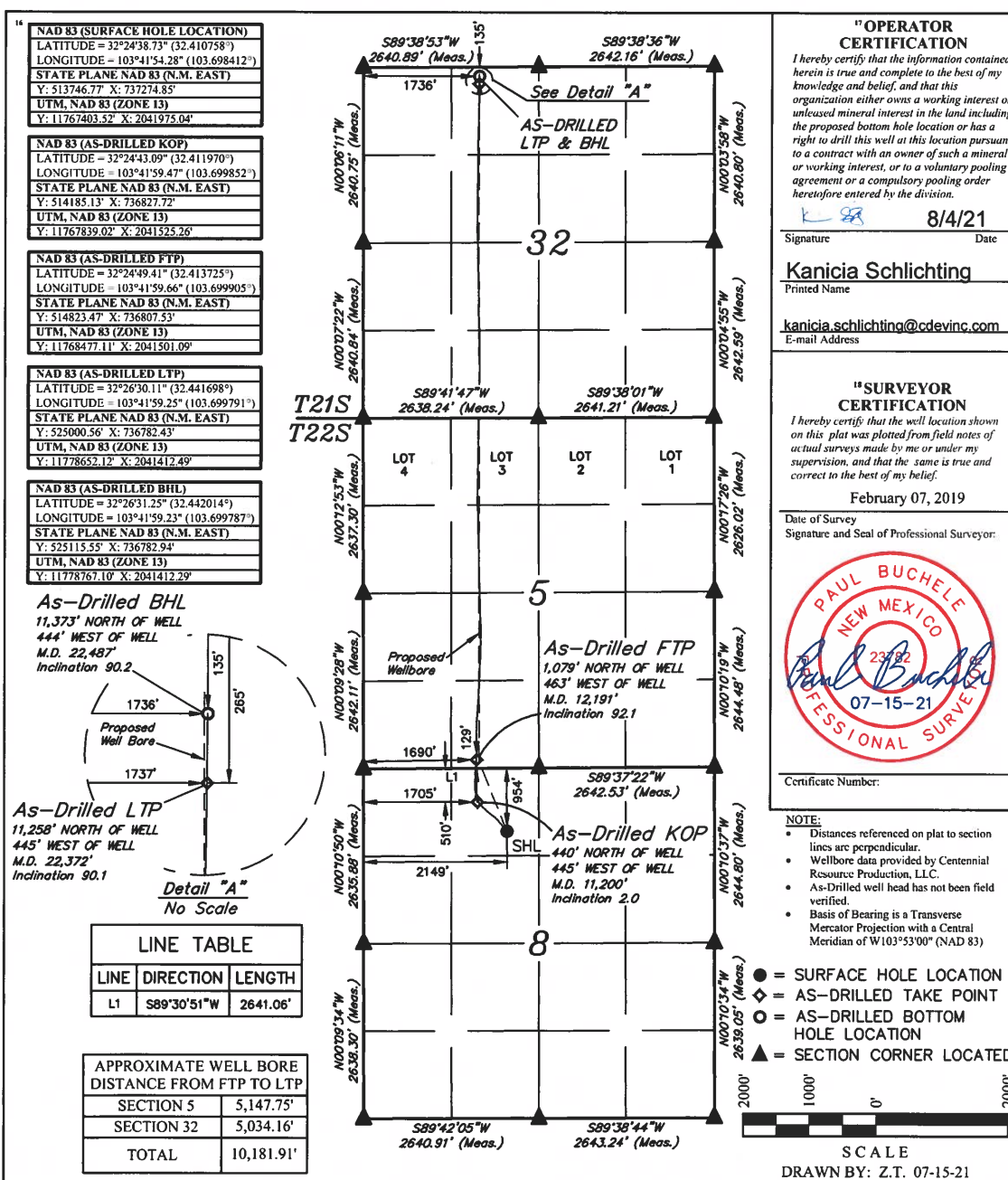
" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	22S	32E		954	NORTH	2149	WEST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	21S	32E		135	NORTH	1736	WEST	LEA
12 Dedicated Acres <b>639.34</b>		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46757	<sup>2</sup> Pool Code 5695	<sup>3</sup> Pool Name Bilbry Basin; Bone Spring
<sup>4</sup> Property Code 326979	<sup>5</sup> Property Name MOZZARELLA FED COM	<sup>6</sup> Well Number 603H
<sup>7</sup> OGRID No. 372165	<sup>8</sup> Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3703.2'

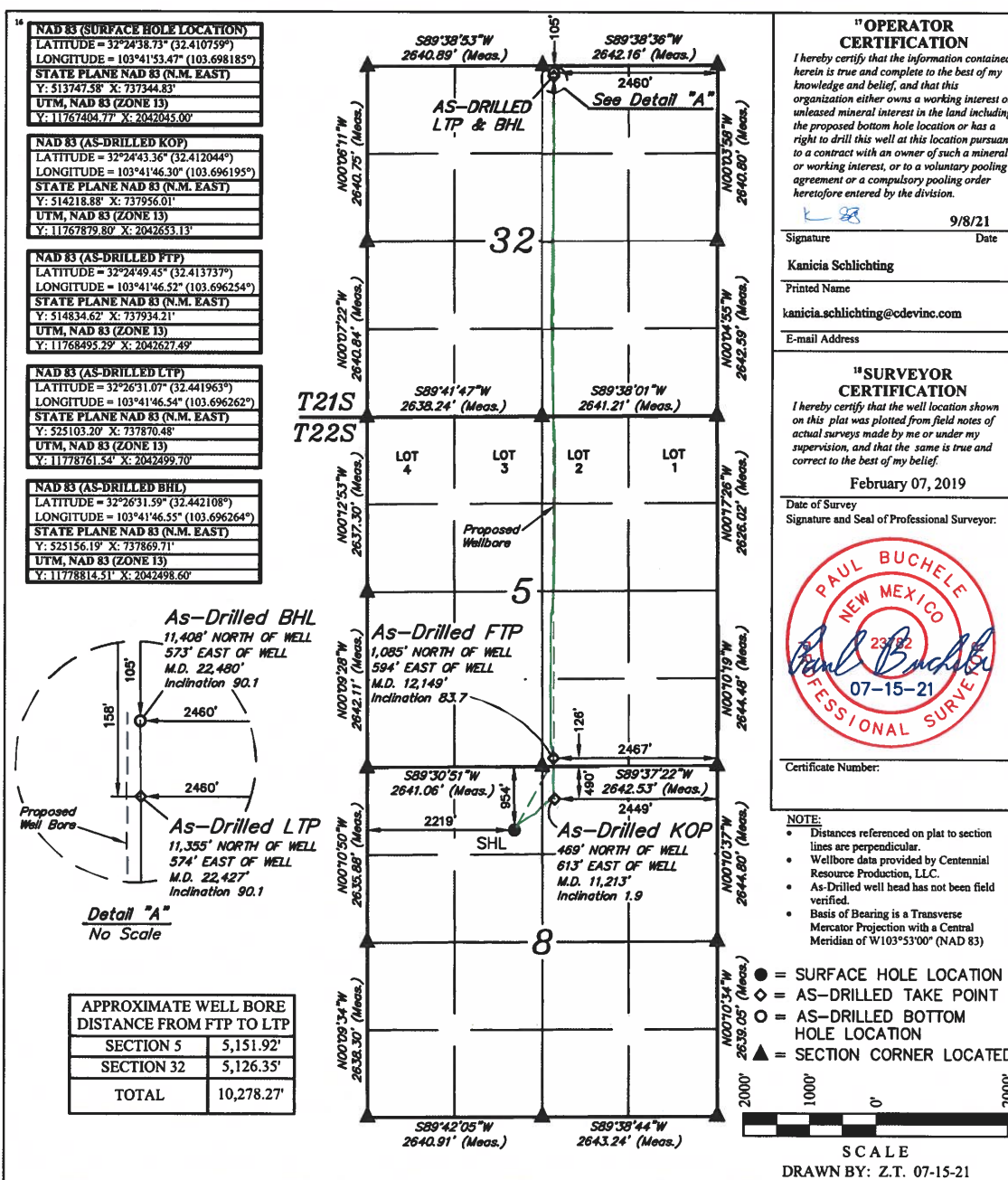
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	22S	32E		954	NORTH	2219	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	21S	32E		105	NORTH	2460	EAST	LEA
<sup>12</sup> Dedicated Acres 639.34	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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





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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-48616</b>	<sup>2</sup> Pool Code <b>5695</b>	<sup>3</sup> Pool Name <b>Bilbrey Basin; Bone Spring</b>
<sup>4</sup> Property Code <b>330440</b>	<sup>5</sup> Property Name <b>MOZZARELLA FED COM</b>	<sup>6</sup> Well Number <b>604H</b>
<sup>7</sup> OGRID No. <b>372165</b>	<sup>8</sup> Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	<sup>9</sup> Elevation <b>3694.8'</b>

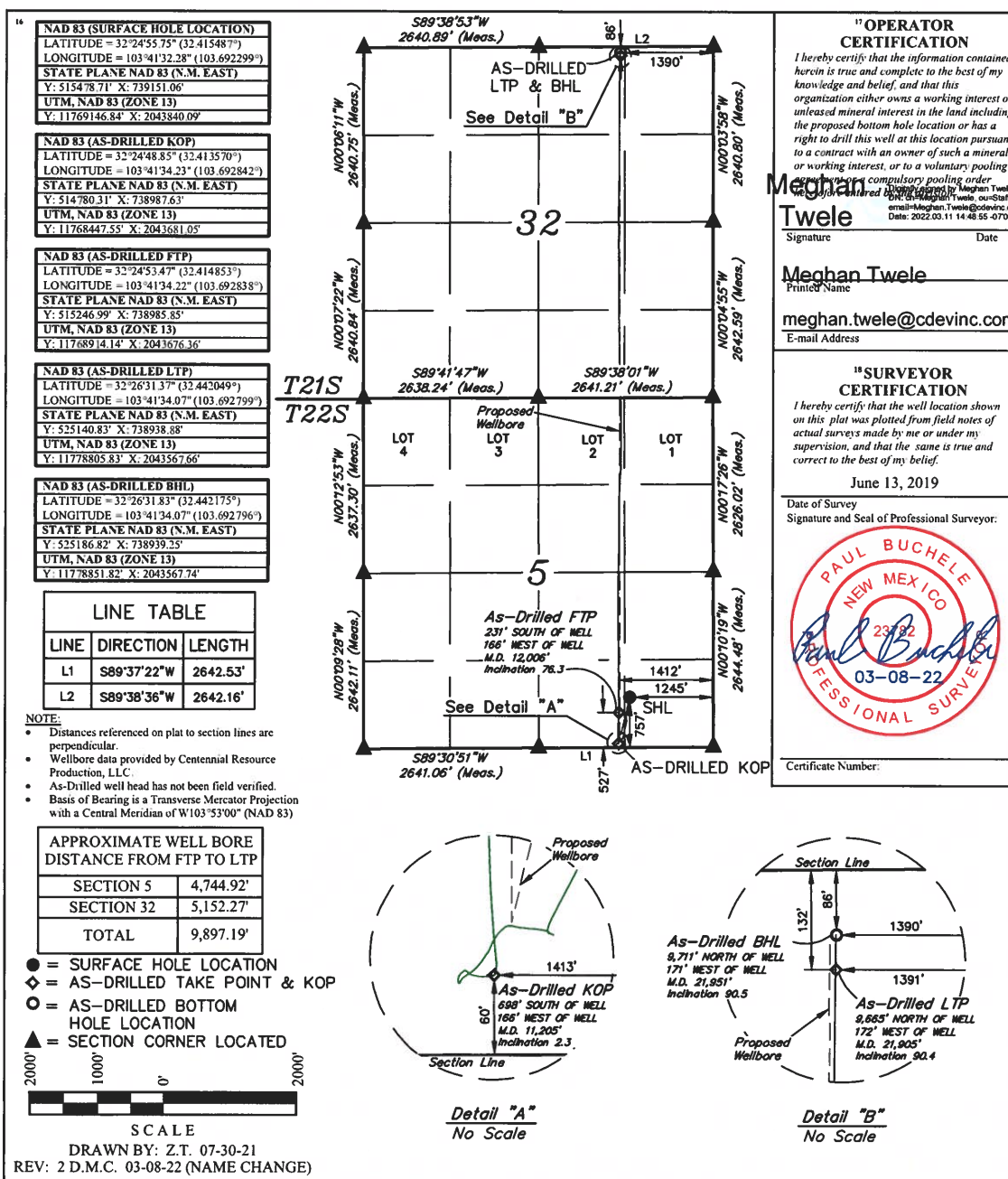
<sup>10</sup> Surface Location

UL or lot no. P	Section 5	Township 22S	Range 32E	Lot Idn	Feet from the 757	North/South line SOUTH	Feet from the 1245	East/West line EAST	County LEA
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. B	Section 32	Township 21S	Range 32E	Lot Idn	Feet from the 86	North/South line NORTH	Feet from the 1390	East/West line EAST	County LEA
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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





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1220 South St. Francis Dr.  
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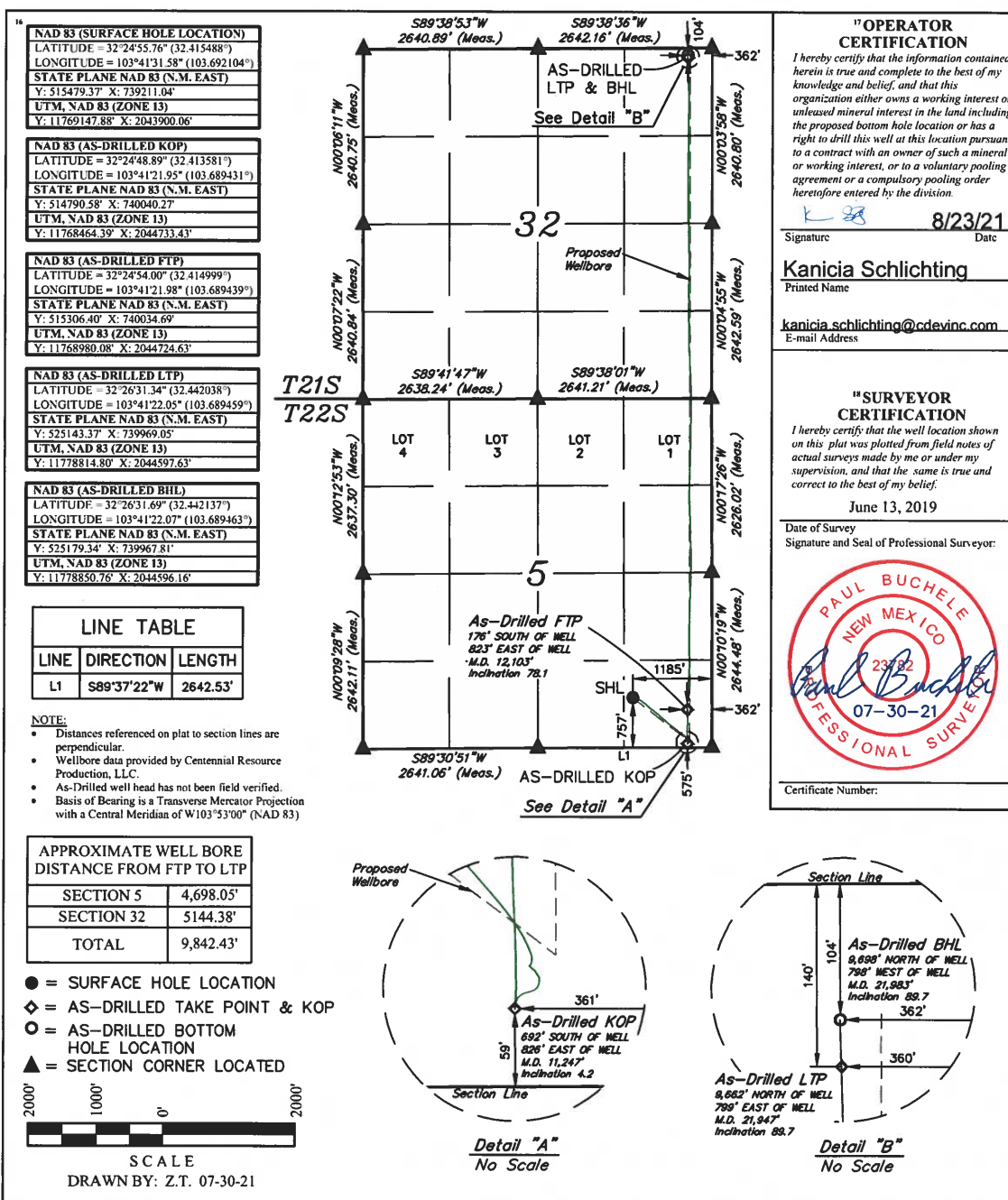
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-48617</b>	<sup>2</sup> Pool Code <b>5695</b>	<sup>3</sup> Pool Name <b>Bilbrey Basin; Bone Spring</b>
<sup>4</sup> Property Code <b>330440</b>	<sup>5</sup> Property Name <b>GOUDA 5 FEDERAL COM</b>	<sup>6</sup> Well Number <b>605H</b>
<sup>7</sup> OGRID No. <b>372165</b>	<sup>8</sup> Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	<sup>9</sup> Elevation <b>3695.9'</b>

<sup>10</sup> Surface Location									
UL or lot no. <b>P</b>	Section <b>5</b>	Township <b>22S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>757</b>	North/South line <b>SOUTH</b>	Feet from the <b>1185</b>	East/West line <b>EAST</b>	County <b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>A</b>	Section <b>32</b>	Township <b>21S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>104</b>	North/South line <b>NORTH</b>	Feet from the <b>362</b>	East/West line <b>EAST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>319.66</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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



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

Notice of Intent

Sundry ID: 2648280

Type of Submission: Notice of Intent

Date Sundry Submitted: 12/10/2021

Date proposed operation will begin: 12/10/2021

Type of Action: Commingling (Surface) and Off-Lease Measurement

Time Sundry Submitted: 02:02

**Procedure Description:** Centennial Resource Production, LLC requests to surface and pool commingle the Raider Fed Com 502H and 701H wells.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Raider\_Fed\_Com\_502H\_701H\_Surface\_Commingling\_App\_Final\_20211210140147.pdf

Operator Certification

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

**Operator Electronic Signature:** KATIE BIERSMITH

**Signed on:** DEC 10, 2021 02:01 PM

**Name:** CENTENNIAL RESOURCE PRODUCTION LLC

**Title:** Regulatory Analyst

**Street Address:** 1001 17th Street, Suite 1800

**City:** Denver**State:** CO

**Phone:** (720) 499-1522

**Email address:** Katie.Biersmith@cdevinc.com

Field Representative

**Representative Name:**

**Street Address:**

**City:****State:****Zip:**

**Phone:**

**Email address:**



March 17, 2022

Scott Dawson  
New Mexico State Land Office  
Oil and Gas Division  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

Re: Mozzarella 8 CTB Commingle Application Fee:

Mozzarella Fed Com 602H  
API# 30-025-46742  
Sec 8, T22S, R32E, Unit C  
954' FNL & 2149' FWL  
Lea County, New Mexico

Mozzarella Fed Com 603H  
API# 30-025-46757  
Sec 8, T22S, R32E, Unit C  
954' FNL & 2219' FWL  
Lea County, New Mexico

Mozzarella Fed Com 604H  
API# 30-025-48616  
Sec 5, T22S, R32E, Unit P  
757' FSL & 1245' FEL  
Lea County, New Mexico

Gouda Fed Com 605H  
API# 30-025-48617  
Sec 5, T22S, R32E, Unit P  
757' FSL & 1185' FEL  
Lea County, New Mexico

Mr. Dawson,

Centennial Resource Production, LLC respectfully requests approval for surface commingling and off-lease storage on our Mozzarella and Gouda wells listed above.

Please see the attached full copy of the commingle application and the application fee of \$150.00. Please see the enclosed check number 24439 for the commingle application fee.

If you have any questions or concerns, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Biersmith". The signature is fluid and cursive, with a long, sweeping underline.

Katie Biersmith  
Sr. Regulatory Analyst  
720-499-1522  
katie.biersmith@cdevinc.com

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

**NEW MEXICO  
STATE  
LAND OFFICE**

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



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

**Applicant:** Centennial Resource Production, LLC  
**Well Name:** Mozzarella Fed Com 602H, 603H, 604H and Gouda Federal Com 605H  
**Pool:** Bilbrey Basin; Bone Spring (5695)

**OGRID #:** 372165  
**API #:** 30-025-46742, 30-025-46757  
30-025-48616, 30-025-48617

**OPERATOR NAME:** Centennial Resource Production, LLC

**OPERATOR ADDRESS:** 1001 17th Street, Suite 1800, Denver, CO 80202

**APPLICATION REQUIREMENTS – SUBMIT:**

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

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

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

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

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

Sarah Ferreyros

Print or Type Name

Sarah Ferreyros  
Signature

720-499-1454

Phone Number

3/17/22

Date

sarah.ferreyros@cdevinc.com

e-mail Address

**Submit application to:**  
 Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

Questions?  
 Contact the Commingling Manager:  
 505.827.5791

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



**Mozzarella Fed Com 602H, 603H, 604H and Gouda Fed Com 605H Notice List**

<b>Name</b>	<b>Addresss</b>	<b>Certified Mail Number</b>
<b>Allene B. Novy-Portnoy</b> <b>Trustee of the Allene Novy-Portnoy Exempt</b> <b>Lifetime Trust</b>	3606 Highland View Drive Austin, TX 78731	7022 0410 0003 2274 3559
<b>Amarco Energy, LLC</b>	3051 Wolfcreek Ranch Road Burnet, TX 78611	7022 0410 0003 2274 3597
<b>Brian M. . Novy</b> <b>Trustee of the Brian M. Novy Exempt Lifetime</b> <b>Trust</b>	3913 Edgerock Drive Austin, TX 78731	7022 0410 0003 2274 3535
<b>Bureau of Land Management</b> <b>Attn: Mr. Johnathon Shepard</b>	620 E. Green Street Carlsbad, NM 88220	Via BLM AFMSS 2
<b>ConocoPhillips Company</b>	16930 Park Row Drive Houston, TX 77084	7022 0410 0003 2274 3733
<b>Darren Printz</b>	190 East Stacy Road #306373 Allen, TX 75002	7022 0410 0003 2274 3658
<b>Elaine Novy Shapiro</b>	1305 Silver Hill Drive Austin, TX 78746	7022 0410 0003 2274 3566
<b>Fasken Acquisitions 02, Ltd.</b>	6101 Holiday Hill Road Midland, TX 79707	7022 0410 0003 2274 3696
<b>Finwing Corporation Retirement Trust</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3603
<b>Jeffrey L. Novy</b> <b>Trustee of the Jeffrey L. Novy Exempt Lifetime</b> <b>Trust</b>	4226 St. Ives Sugar Land, TX 77479	7022 0410 0003 2274 3542
<b>Laurey Simons Karotkin</b>	605 Cumberland Drive Hurst, TX 76054	7022 0410 0003 2274 3504
<b>Loro Corporation Retirement Trust 401K</b>	101 Brookline Drive Ashville, NC 28803	7022 0410 0003 2274 3634
<b>Marcia Simmons</b>	3228 Maroneal Street Houston, TX 77025	7022 0410 0003 2274 3511
<b>Michael D. Hayes and Kathryn A. Hayes,</b> <b>Co-Trustees of the Hayes Revocable Trust</b>	3608 Meadowridge Lane Midland, TX 79707	7022 0410 0003 2274 3610
<b>Michael J. Pertritis</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3672
<b>New Mexico Oil Conservation Division</b> <b>Attn: Mr. Dean McClure</b>	1220 South St. Francis Drive Santa Fe, NM 87505	Via OCD Online
<b>Paladin Energy Corp</b>	10290 Monroe Dr., Suite 301 Dallas, TX 75229	7022 0410 0003 2274 3702
<b>Paul S. Simmons</b>	10 Bon Aire Drive Olivette, MO 63132	7022 0410 0003 2274 3528
<b>PBEX, LLC</b>	223 West Wall Street, Ste. 900 Midland, TX 79701	7022 0410 0003 2274 3641
<b>Printz II, LLC</b>	190 E. Stacy Road 306-373 Allen, TX 75002	7022 0410 0003 2274 3580
<b>Pro Deo Energy, Inc.</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3573
<b>Quientesa Royalty LP</b>	508 W. Wall Ave., Suite 500 Midland, TX 79701	7022 0410 0003 2274 3627
<b>Raven Resources, LLC</b>	13220 N. MacArthur Oklahoma City, OK 73142	7022 0410 0003 2274 3665
<b>RKC, Inc.</b>	1527 Hillside Rd. Fairfield, CT 06430	7021 0950 0001 0195 4583



**LEGAL NOTICE**  
**March 18, 2022**

Centennial Resource Production, LLC is applying to surface commingle four wells to a central tank battery in Lea County, New Mexico. The central tank battery is located West of the Mozzarella Drill Island. The four wells, details and locations are the following:

Mozzarella Fed Com 602H located in the northwest quarter of section 8, T22S, R32E, Unit C, 954 FNL & 2149 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 603H located in the northwest quarter of section 8, T22S, R32E, Unit C, 954 FNL & 2219 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 604H located in the southeast quarter of section 5, T22S, R32E, Unit P, 757 FSL & 1245 FEL. Bilbrey Basin; Bone Spring

Gouda Federal Com 605H located in the southeast quarter of section 5, T22S, R32E, Unit P, 757 FSL & 1185 FEL. Bilbrey Basin; Bone Spring

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days. Additional information can be obtained by contacting Katie Biersmith, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1522.

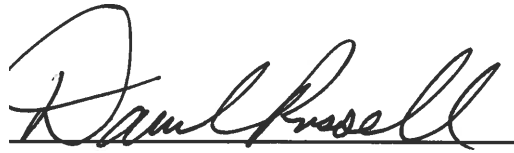
**#37445**

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

, Daniel Russell, Publisher of the Hobbs  
Jews-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).

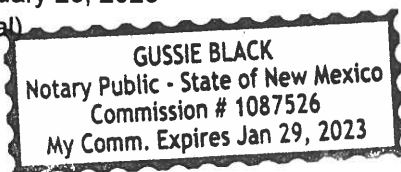
Beginning with the issue dated  
March 18, 2022  
and ending with the issue dated  
March 18, 2022.

  
Publisher

worn and subscribed to before me this  
8th day of March 2022.

  
Business Manager

My commission expires  
January 29, 2023  
Seal



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

LEGAL

LEGAL

**LEGAL NOTICE**  
**March 18, 2022**

Centennial Resource Production, LLC is applying to  
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2149 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 603H located in the northwest  
quarter of section 8, T22S, R32E, Unit C, 954 FNL &  
2219 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 604H located in the southeast  
quarter of section 5, T22S, R32E, Unit P, 757 FSL &  
1245 FEL. Bilbrey Basin; Bone Spring

Gouda Federal Com 605H located in the southeast  
quarter of section 5, T22S, R32E, Unit P, 757 FSL &  
1185 FEL. Bilbrey Basin; Bone Spring

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Centennial Resource Production, LLC, 1001 17th  
Street, Suite 1800, Denver, CO 80202. Phone  
number is 720-499-1522.

#37445

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KANICIA CASTILLO  
CENTENNIAL RESOURCE DEVELOPMENT, INC  
1001 17TH STREET, STE 1800  
DENVER, CO 80202

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Katie Biersmith](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order CTB-1057  
**Date:** Monday, February 20, 2023 8:20:36 AM  
**Attachments:** [CTB1057 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1057 which authorizes Permian Resources Operating, LLC (372165) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46742	Mozzarella Federal Com #602H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-46757	Mozzarella Federal Com #603H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-48616	Mozzarella Federal Com #604H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-48617	Gouda Federal Com #605H	E/2 E/2	32-21S-32E	5695
		E/2 E/2	5-22S-32E	

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

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

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



**Stephanie Garcia Richard**  
COMMISSIONER

**State of New Mexico**  
**Commissioner of Public Lands**

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**

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

March 29, 2022

Centennial Resources Production, LLC  
ATTN: Katie Biersmith  
1001 17<sup>th</sup> St, Suite 1800  
Denver, CO 80202

Re: Request to Surface Commingle  
Mozzarella Federal Com #602H, API No. 30-025-46742  
Mozzarella Federal Com #603H, API No. 30-025-46757  
Mozzarella Federal Com #604H, API No. 30-025-48616  
Gouda Federal Com #605H, API No. 30-025-48617  
POOL: [5695] Bilbrey Basin; Bone Spring  
Lea County, New Mexico

Dear Ms. Biersmith,

We have received your \$150 application fee and request for surface commingling for the above-captioned wells.

Since it appears that all the rules and regulations for the New Mexico Oil Conservation Division and the State Land Office have been compiled with and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved.

Our approval

- is subject to approval from all relevant agencies,
- does not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

If you have any questions or if we may be of further assistance, please contact Commingling Manager Scott Dawson at 505.827.5791 or [sdawson@slo.state.nm.us](mailto:sdawson@slo.state.nm.us).

Respectfully,

A handwritten signature in blue ink, appearing to read "SGR" followed by a stylized flourish.

Stephanie Garcia Richard  
Commissioner of Public Lands

SGR/sd

cc: OCD-Leonard Lowe  
OGMD and Units Reader Files

Form 3160-5  
(June 2019)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**5. Lease Serial No. **MULTIPLE**6. If Indian, Allottee or Tribe Name  
**MULTIPLE****SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other7. If Unit of CA/Agreement, Name and/or No.  
**MULTIPLE**8. Well Name and No. **MULTIPLE**2. Name of Operator **CENTENNIAL RESOURCE PRODUCTION LLC**9. API Well No. **MULTIPLE**3a. Address **1001 17TH STREET, SUITE 1800, DENVER, CO** 3b. Phone No. (include area code)  
**(720) 499-1400**10. Field and Pool or Exploratory Area  
**MULTIPLE**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**MULTIPLE**11. Country or Parish, State  
**MULTIPLE****12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Centennial Resource Production, LLC requests approval for surface commingling of production per 43 CFR 3173.14(a)(1) iii and Off-lease Measurement/Storage on our Mozzarella Federal Com 602H, 603H, 604H and Gouda Federal Com 605H wells. Please find detailed application attached.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
**KATIE BIERSMITH / Ph: (720) 499-1522**

Title **Regulatory Analyst**

Signature

Date

**07/20/2022****THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**Jonathon W Shepard / Ph: (575) 234-5972 / Approved**

Title **Petroleum Engineer**

Date **07/15/2022**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **CARLSBAD**

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

## GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

## SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13*: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

## Additional Information

### Batch Well Data

MOZZARELLA FEDERAL COM 603H, US Well Number: 3002546757, Case Number: NMNM131588, Lease Number: NMNM131588,  
Operator:CENTENNIAL RESOURCE PRODUCTION LLC

MOZZARELLA FEDERAL COM 602H, US Well Number: 3002546742, Case Number: NMNM131588, Lease Number: NMNM131588,  
Operator:CENTENNIAL RESOURCE PRODUCTION LLC

MOZZARELLA FED COM 604H, US Well Number: 3002548616, Case Number: NMNM131588, Lease Number: NMNM131588,  
Operator:CENTENNIAL RESOURCE PRODUCTION LLC

GOUDA FEDERAL COM 605H, US Well Number: 3002548617, Case Number: NMNM131588, Lease Number: NMNM131588,  
Operator:CENTENNIAL RESOURCE PRODUCTION LLC

CONFIDENTIAL



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
MOZZARELLA	604H	3002548616	NMNM131588	NMNM131588	CENTENNIAL
MOZZARELLA	602H	3002546742	NMNM131588	NMNM131588	CENTENNIAL
GOUDA FEDERAL	605H	3002548617	NMNM131588	NMNM131588	CENTENNIAL
MOZZARELLA	603H	3002546757	NMNM131588	NMNM131588	CENTENNIAL

Notice of Intent

Sundry ID: 2662651

Type of Submission: Notice of Intent

Date Sundry Submitted: 03/17/2022

Date proposed operation will begin: 03/17/2022

Type of Action: Commingling (Surface) and Off-Lease Measurement

Time Sundry Submitted: 12:22

**Procedure Description:** Centennial Resource Production, LLC requests approval for surface commingling of production per 43 CFR 3173.14(a)(1) iii and Off-lease Measurement/Storage on our Mozzarella Federal Com 602H, 603H, 604H and Gouda Federal Com 605H wells. Please find detailed application attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Mozzarella\_8\_CTB\_BLM\_Commingle\_Application\_20220317122143.pdf

Conditions of Approval

Specialist Review

Surface\_Commingling\_COA\_20220922232014.pdf

Operator

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

**Operator Electronic Signature:** KATIE BIERSMITH

**Signed on:** JUL 20, 2022 01:00 PM

**Name:** CENTENNIAL RESOURCE PRODUCTION LLC

**Title:** Regulatory Analyst

**Street Address:** 1001 17th Street, Suite 1800

**City:** Denver**State:** CO

**Phone:** (720) 499-1522

**Email address:** Katie.Biersmith@cdevinc.com

Field

**Representative Name:**

**Street Address:**

**City:****State:****Zip:**

**Phone:**

**Email address:**

BLM Point of Contact

**BLM POC Name:** Jonathon W Shepard

**BLM POC Title:** Petroleum Engineer

**BLM POC Phone:** 5752345972

**BLM POC Email Address:** jshepard@blm.gov

**Disposition:** Approved

**Disposition Date:** 09/22/2022

**Signature:** Jonathon Shepard

## Bureau of Land Management

Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972

### Conditions of Approval Off-Lease Storage and Lease/CA/PA Commingling of Measurement and Sales of Oil and Gas Production

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
  - a. All well tests for allocation shall be performed per NMOCD requirements.
2. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the public's interest (surface and/or subsurface).
3. Submittal of a new surface commingling sundry is required if:
  - a. There are any changes to the allocation methodology
  - b. Proposed Communitization Agreements (CA) or Participating Areas (PA) are not approved or are approved with changes to the original proposal
4. If new surface disturbance on BLM managed land is proposed, the operator shall submit appropriate surface use plan of operations and right-of-way grant applications to the Carlsbad Field Office for approval prior to any construction.
5. Off-lease measurement, storage, and sales from sources in this package are approved.
6. Non-FMP meters will meet the standards the operator proposed in the sundry.
7. Within 30 days of implementing the allocation methodology in this application, the operator shall submit a new site facility diagram via Sundry Notice which meets the requirements of **43 CFR 3173.11**. Include the effective date for the allocation methodology with the sundry notice.
  - a. In lieu of FMP numbers on the site facility diagram, include all meter serial numbers or assign unique meter ID numbers that are reflected and identifiable in the field. This is to include allocation meters.
8. This approval does not allow for a variance from 43 CFR 3170.4. This approval does not authorize bypasses around any approved measurement point, nor does it approve the use of headers capable of acting as a bypass.
9. This approval does not authorize royalty-free fuel usage at the compressor station downstream of the CTB's FMPs; it must be an additional request separate from this application:
  - a. Submit an additional Sundry Notice containing the information required under **43 CFR 3178.9**. Note: A variance to 43 CFR 3178.7(b)(2) may be granted as long as the fuel gas is being metered and is allocable back to the participating wells.

**APPLICATION FOR SURFACE COMMINGLING AND OFF LEASE MEASUREMENT**

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

	API	WELL NAME	WELL #	LOCATION	POOL CODE/NAME	STATUS
1	30-025-46742	MOZZARELLA FED COM	#602H	C-8-22S-32E	[[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
2	30-025-46757	MOZZARELLA FED COM	#603H	C-8-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
3	30-025-48616	MOZZARELLA FED COM	#604H	P-5-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED
4	30-025-48617	GOUDA FED COM	#605H	P-5-22S-32E	[5695] BILBREY BASIN; BONE SPRING	PERMIT APPROVED

**GENERAL INFORMATION:****Spacing Unit for Mozzarella Fed Com #602H, Mozzarella Fed Com #603H and Mozzarella Fed Com #604H:**

E/2 W/2, W/2 E/2 Section 32, T21S R32E

E/2 W/2, W/2 E/2 Section 5, T22S R32E

Total of 639.37 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2227	Oil and Gas	20%	280 acres being N2 NW/4, SWNW, SW Section 32, T21S R32E, Lea County, NM	18.77%	120.00
2	State	E0-1932	Oil and Gas	12.5%	1,680 acres, including SENW Section 32 T21S R32E, Lea County, NM	6.26%	40.00
3	State	VB-2424	Oil and Gas	20%	160 acres, being NE Section 32, T21S R32E, Lea County, NM	12.51%	80.00
4	State	VB-2430	Oil and Gas	20%	120 acres, being E/2 SE, NWSE Section 32, T21S R32E, Lea County, NM	6.26%	40.00
5	State	B0-399	Oil and Gas	12.5%	40 acres, being SWSE Section 32, T21S R32E, Lea County, NM	6.26%	40.00
5	Federal	NMNM-131588	Oil and Gas	12.5%	886.41 acres including N/2, W2SW Section 5, T22S R32E, Lea County, NM	24.93%	159.37
6	State	VB-1365	Oil and Gas	12.5%	240 acres, including E2SW, SE Section 5, T22S R32E, Lea County, NM	25.02%	160.00
		Total				100.00%	639.37

**\*The Communitization Agreement for the Mozzarella Fed Com #602H, Mozzarella Fed Com #603H and Mozzarella Fed Com #604H has been submitted to the BLM for approval.**

**Spacing Unit for the Gouda Fed Com #605H:**

E/2 E/2 Section 32, T21S R32E

E/2 E/2 Section 5, T22S R32E

Total of 319.66 acres, all in Lea County, NM

	Lease Type	Lease Number	Type of Production	Royalty	Description	% of Comm	Acres in Comm
1	State	VB-2424	Oil and Gas	20%	160 acres, being NE Section 32, T21S R32E, Lea County, NM	25.03%	80.00
2	State	VB-2430	Oil and Gas	20%	120 acres, being E/2 SE, NWSE Section 32, T21S R32E, Lea County, NM	25.03%	80.00
5	Federal	NMNM-131588	Oil and Gas	12.5%	886.41 acres including N/2, W2SW Section 5, T22S R32E, Lea County, NM	24.92%	79.66
6	State	VB-1365	Oil and Gas	12.5%	240 acres, including E2SW, SE Section 5, T22S R32E, Lea County, NM	25.03%	80.00
		Total				100.00%	319.66

**\*The Communitization Agreement for the Gouda Fed Com #605H has been submitted to the BLM for approval.**

- This application will fall under 43 CFR 3173.14(a)(1) iii (Federal unit PA or CA where each unit PA or CA proposed for commingling has the same proportion of Federal interest, and which interest is subject to the same fixed royalty rate and revenue distribution.)
- The central tank battery to service the subject wells is located off-lease, on C-8-22S-32E (NMNM 069373), just West of the approved drill island No. DA-2018-001. The facility was reviewed and approved in the APDs for the Mozzarella wells (APD ID 10400041204 and 10400041229). Storing and measuring from this off-lease facility reduces the amount of trucking or pipelines since it is next to the drill pad. So, although it is off-lease, it reduces our environmental impact by producing closer to the drill pad. Please see the attached map for reference.
- There is no new surface disturbance included as part of the proposed CAA.
- Ownership in the two spacing units is not identical and notices to all owners have been mailed out. Some owners are unlocatable, so notification has also been published.
- Federal Ownership differs between the two spacing units due to lots in Section 5, T22S R32E: 602H, 603H, 604H: 0.2493    605H: 0.2492     $\Delta$ : 0.00005871
- Enclosed herewith is 1) a map that displays the leases and the location of the subject wells, 2) a map that displays the location of the proposed CTB, (3) a process flow diagram, (4) allocation methodology and example, and (5) the C-102 plat for each of the wells.
- All leases, unit PAs, or CAs in the proposed CAA are capable of production in paying quantities.
- The approval of this commingling application will not negatively affect the royalty revenue of the federal government due to the allocation methodology described in the application. The approval of this application will also provide for reduced surface disturbance in this development area.
- All meters will meet API Standard 14.3/AGA Report No 3 or Onshore API Standard 18.2.

## PRORATED ALLOCATION

## GAS ALLOCATION

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

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

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

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

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

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

1. Net Well Production is base amount of production not used for gas lift plus VRU Volume and is calculated by:
  - a.  $\text{Net Well Production} = \text{WH Meter} - \text{GL Meter} + \text{Allocated VRU Volume}$
2. HP Flare is volume of gas flared from the CTB, allocated to wells by:
  - a.  $\text{Theoretical \% for each well} * \text{HP FL volume}$
  - b.  $\text{Theoretical \% for each well} = \text{Well's Net Well Production} / (\text{Sum of all well's Net Well Production})$
3. MP Flare is volume of gas flared from Heater Treaters at the CTB, allocated to wells by:
  - a.  $\text{MP Flare Allocation} = \text{MP Flare} * \text{Theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of Oil Production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
4. LP Flare is volume of gas flared from Tank Vapors, allocated to wells by:
  - a.  $\text{LP Flare Allocation} = \text{LP Flare} * \text{Theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of Oil Production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
5. VRU measures the gas from the oil tanks, is allocated based on allocated oil production for each well. VRU is an allocation meter.
  - a.  $\text{VRU Allocation} = \text{VRU} * \text{theoretical \% of oil production}$
  - b.  $\text{Theoretical \% of oil production} = \text{Oil Meter} / (\text{Sum of all Oil Meters at CTB})$
6. Lease use is the volume of gas used by the equipment on the CTB allocated to the wells by:
  - a.  $\text{Allocated Lease Use Volume} = \text{Lease Use Volume} * (\text{Well's Hours On} / \text{total hours produced by all wells})$
7. Theoretical % used for the allocation of production/Sales is calculated by:
  - a.  $\text{Well's Net Well Production} / (\text{Sum of all well's Net Well Production})$
8. CTB FC (FMP) Meter measures the volume of gas for royalty purposes. This volume of gas is the total that is sold from the CTB. CTB FC volumes are allocated to each well by:



- a. Allocated Well Production + Well's Beginning Inventory
- 4. Theoretical % Available to Transfer is calculated by:
  - a. Well's Available to Transfer / (Sum of all wells' available water to transfer)
- 5. Allocated Water Transfers is total water volume allocated to each well and is calculated by:
  - a. Water Transfer Meter \* Theoretical % Available to Transfer for each well
- 6. Total Transferred Volume is the volume of water transferred and metered by the Water Transfer Meter.
- 7. Beginning Inventory comes from previous accounting period's allocated Ending Inventory for each well.
- 8. Ending Inventory for each well is calculated by:
  - a. Well's Beginning Inventory + Allocated Well Production – Well's Allocated Water Transfer

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

Well Name	Water Meter	Theoretical % of Production	Allocated Well Production	Available to Transfer	Theoretical % Available to Transfer	Allocated Water Transfers	Beginning Inventory	Ending Inventory
Mozzarella 602H	2,322.00	0.2624	2,558.90	2,643.86	0.2605	2,554.77	84.96	89.09
Mozzarella 603H	1,770.00	0.2000	1,950.59	2,048.15	0.2018	1,979.13	97.56	69.02
Mozzarella 604H	2,374.00	0.2683	2,616.21	2,721.87	0.2682	2,630.15	105.66	91.72
Gouda 605H	2,383.00	0.2693	2,626.13	2,735.12	0.2695	2,642.95	108.99	92.17
Facility Totals:	8,849.00	1.0000	9,751.83	10,149.00	1.0000	9,807.00	397.17	342.00
CTB Allocated Production								
CTB Available for Transfer	9,751.83							
Water Transfer Meter	10,149.00							
Beginning Tank Inventory	9,807.00							
Ending Tank Inventory	397.17							
	342.00							

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

Well Name	Oil Meter	Theoretical % of Production	Allocated Well Production	Available Sales	Theoretical % Available for Sale	Allocated Sales	Beginning Inventory	Ending Inventory
Mozzarella 602H	316.00	0.1341	330.18	630.833	0.200	490.65	300.65	140.19
Mozzarella 603H	344.00	0.1459	359.44	418.790	0.133	325.73	59.35	93.06
Mozzarella 604H	993.00	0.4213	1037.57	1206.129	0.383	938.10	168.56	268.03
Gouda 605H	704.00	0.2987	735.60	894.248	0.284	695.53	158.65	198.72
Facility Totals	2357.00	1.00	2462.79	3150.000	1	2450.00	687.21	700.00

CTB Allocated Production	2462.79
CTB Available for Sale	3150
Pipeline LACT (FMP)	2450
Beginning Inventory	687.21
Ending Inventory	700.00

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

Well Name	WH Meter ID	Wellhead Meter Readings	Gas Lift Meter ID	Gas Lift Meter Readings	Net Well Production	Hours On	Theoretical %	CTB FC Meter (Royalty FMP)	HP Flare	MP Flare	LP Flare	Lease Use	VRU	Allocated Production
Mozzarella 602H	XXXXXXXXXX	614.44	XXXXXXXXXX	486.00	144.528	24	0.106	118.49	13.22	0.67	6.03	7.50	16.09	145.92
Mozzarella 603H	XXXXXXXXXX	685.12	XXXXXXXXXX	400.00	302.634	24	0.222	248.12	27.69	0.73	6.57	7.50	17.51	290.61
Mozzarella 604H	XXXXXXXXXX	879.32	XXXXXXXXXX	410.00	519.876	24	0.381	426.22	47.57	2.11	18.96	7.50	50.56	502.36
Gouda 605H	XXXXXXXXXX	813.21	XXXXXXXXXX	450.00	399.052	24	0.292	327.17	36.51	1.49	13.44	7.50	35.84	386.11
Facility Totals		2992.09		1746.00	1366.090	96	1.000	1120.00	125.00	5.00	45.00	30.00	120.00	1325.00

CTB Meter Name	Meter ID	Meter Readings
FC Meter (FMP)	XXXXXXXXXX	1120.00
88 Meter (FMP)	XXXXXXXXXX	0.00
HP Flare Meter	XXXXXXXXXX	10.00
MP Flare Meter	XXXXXXXXXX	5.00
LP Flare Meter	XXXXXXXXXX	45.00
VRU	XXXXXXXXXX	120.00
Lease Use Equipment	XXXXXXXXXX	30.00
GL Compressor	XXXXXXXXXX	1746.00
Allocated Production		1325

**ECONOMIC JUSTIFICATION**

Single Well Production

Federal Lease NMNM-131588 Royalty Rate: 12.5%

	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Mozzarella Fed Com 602H	390	42	\$90	1097	1174	\$4
2	Mozzarella Fed Com 603H	427	42	\$90	1164	1245	\$4
3	Mozzarella Fed Com 604H	575	42	\$90	970	1038	\$4
4	Gouda Fed Com 605H	511	42	\$90	998	1068	\$4

Combined Production

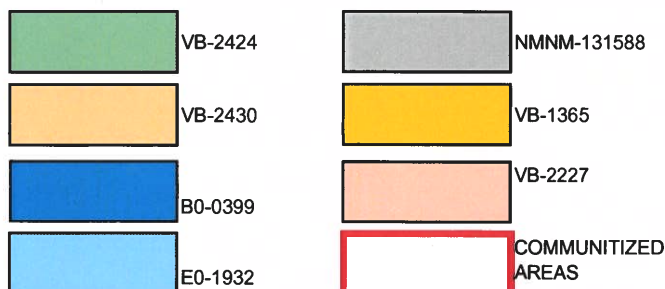
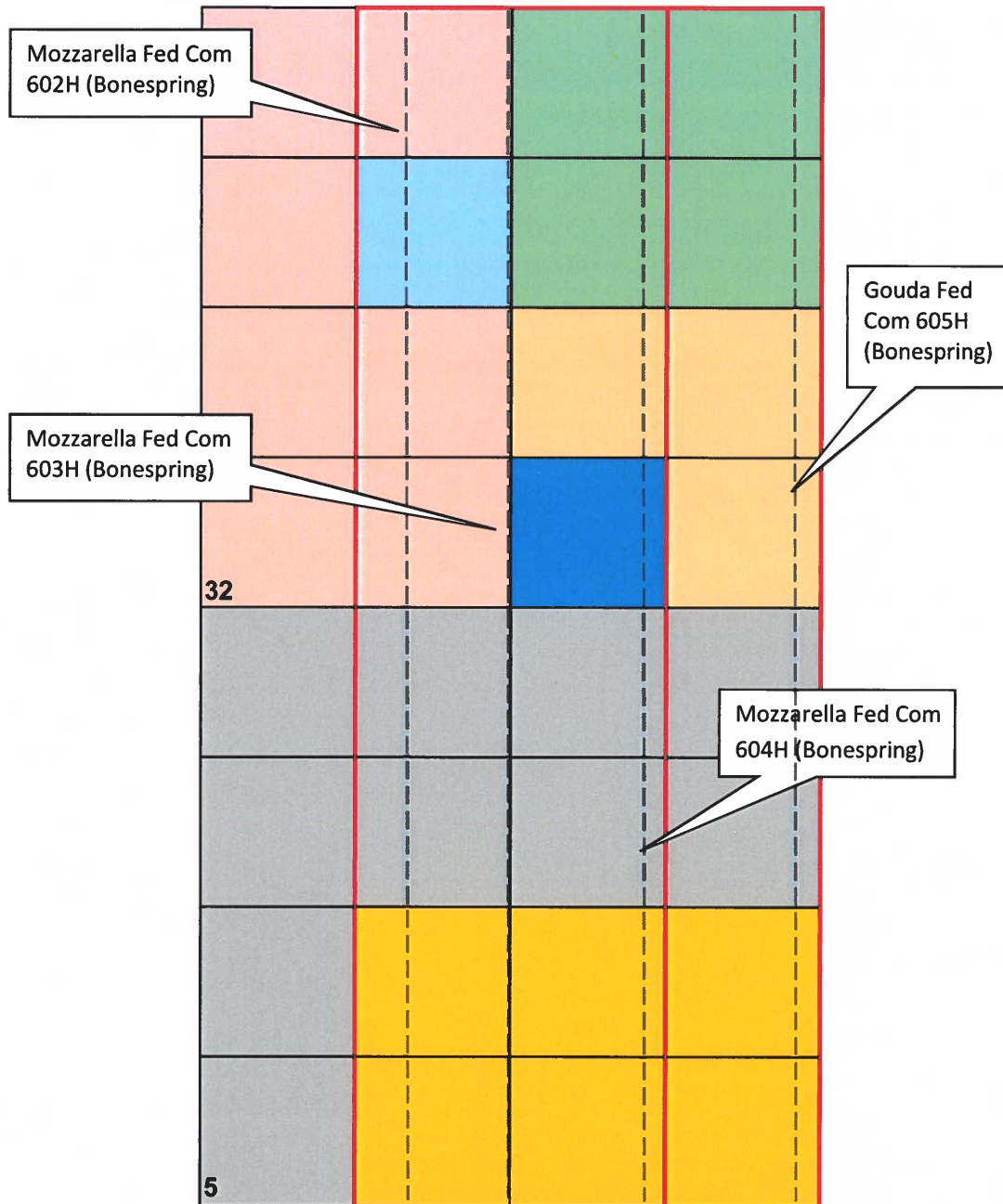
Federal Lease NMNM-131588 Royalty Rate: 12.5%

	Well Name	*Oil BPD	*Gravity	*Value/BBL	*MCFPD	*BTU	*Value/MCF
1	Mozzarella 8 CTB 1	1903	42	\$90	4229	4525	\$4

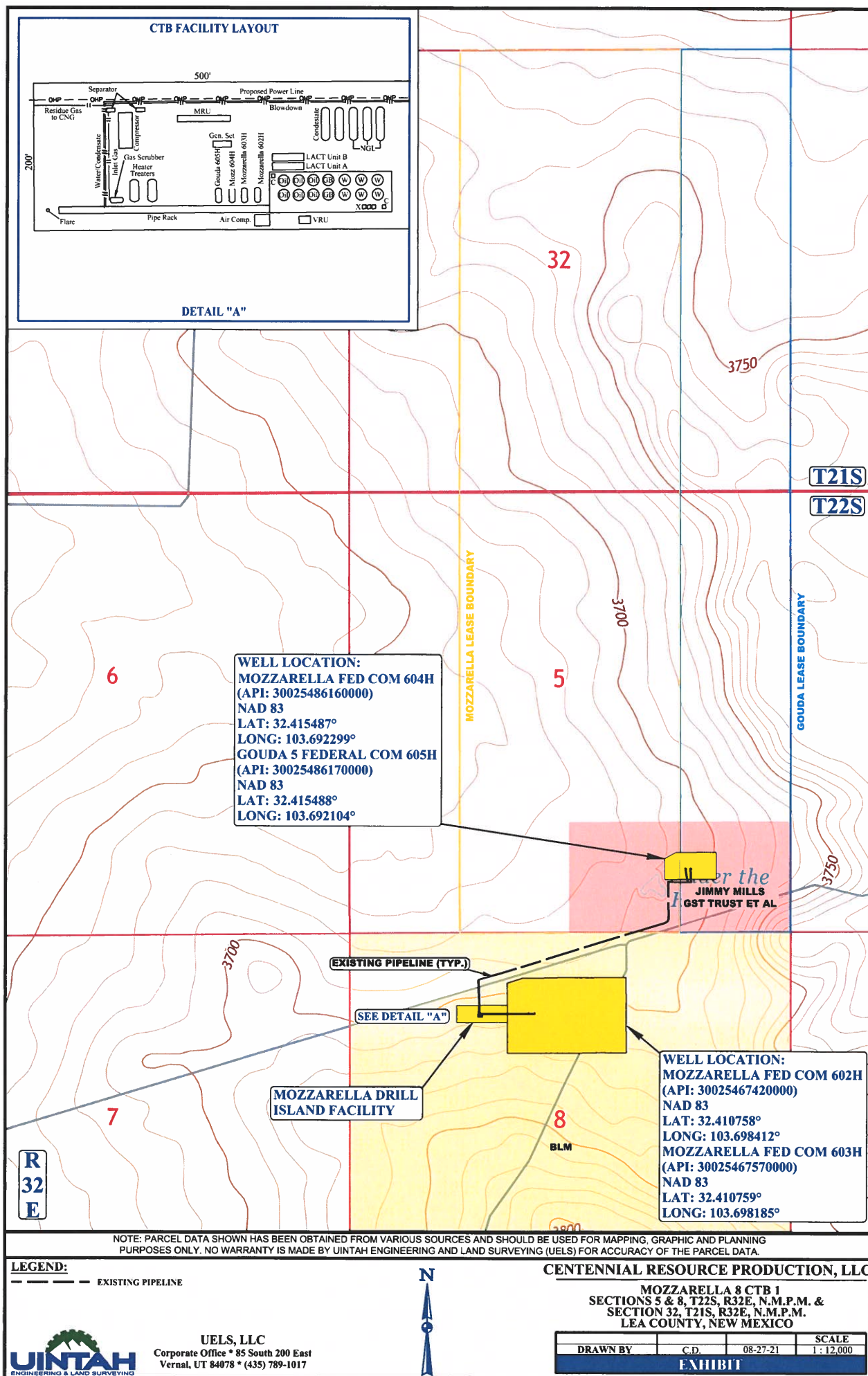
\*Current values are estimates. CRP will provide actual Gravities, Oil BOPD, BTU, and MCFPD upon completion of the wells.

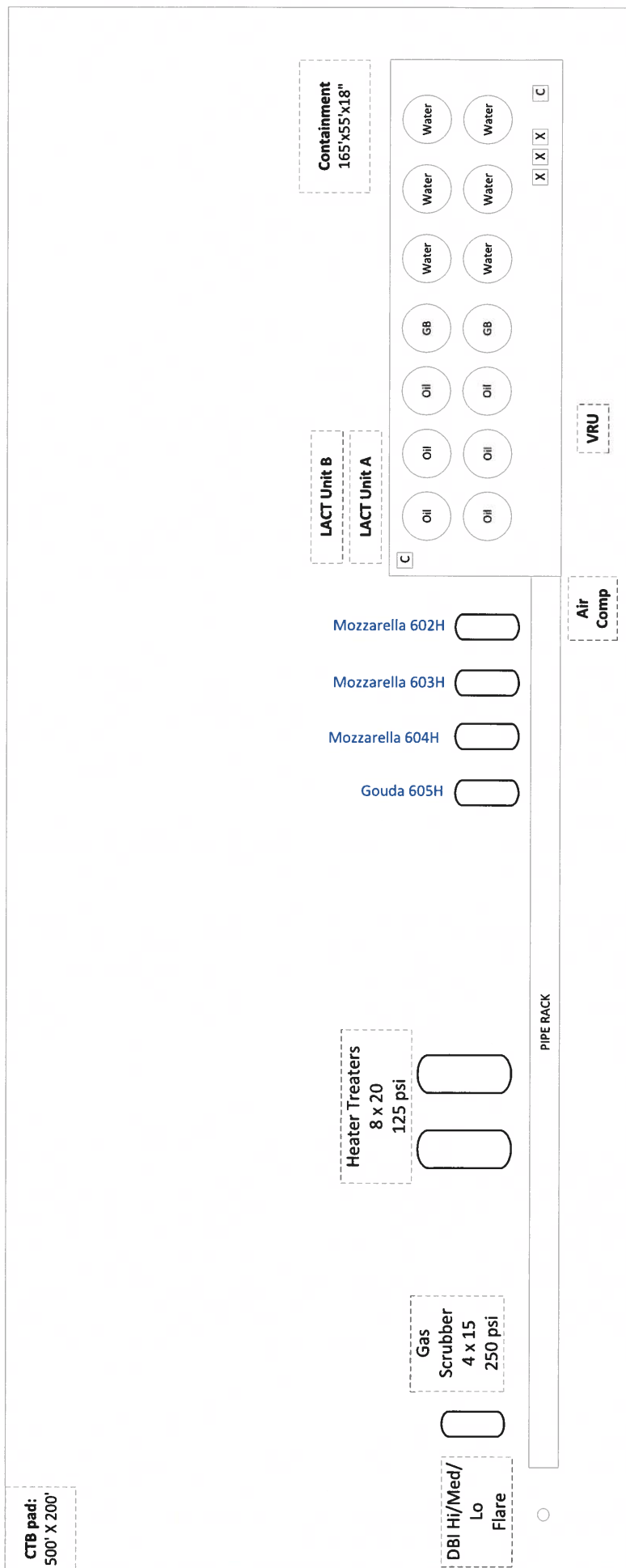
Mozzarella-Gouda Lease Map

Mozzarella Fed Com #602H, Mozzarella Fed Com #603H, Mozzarella Fed Com #604H Gouda Fed Com #605H  
Commingleing Application



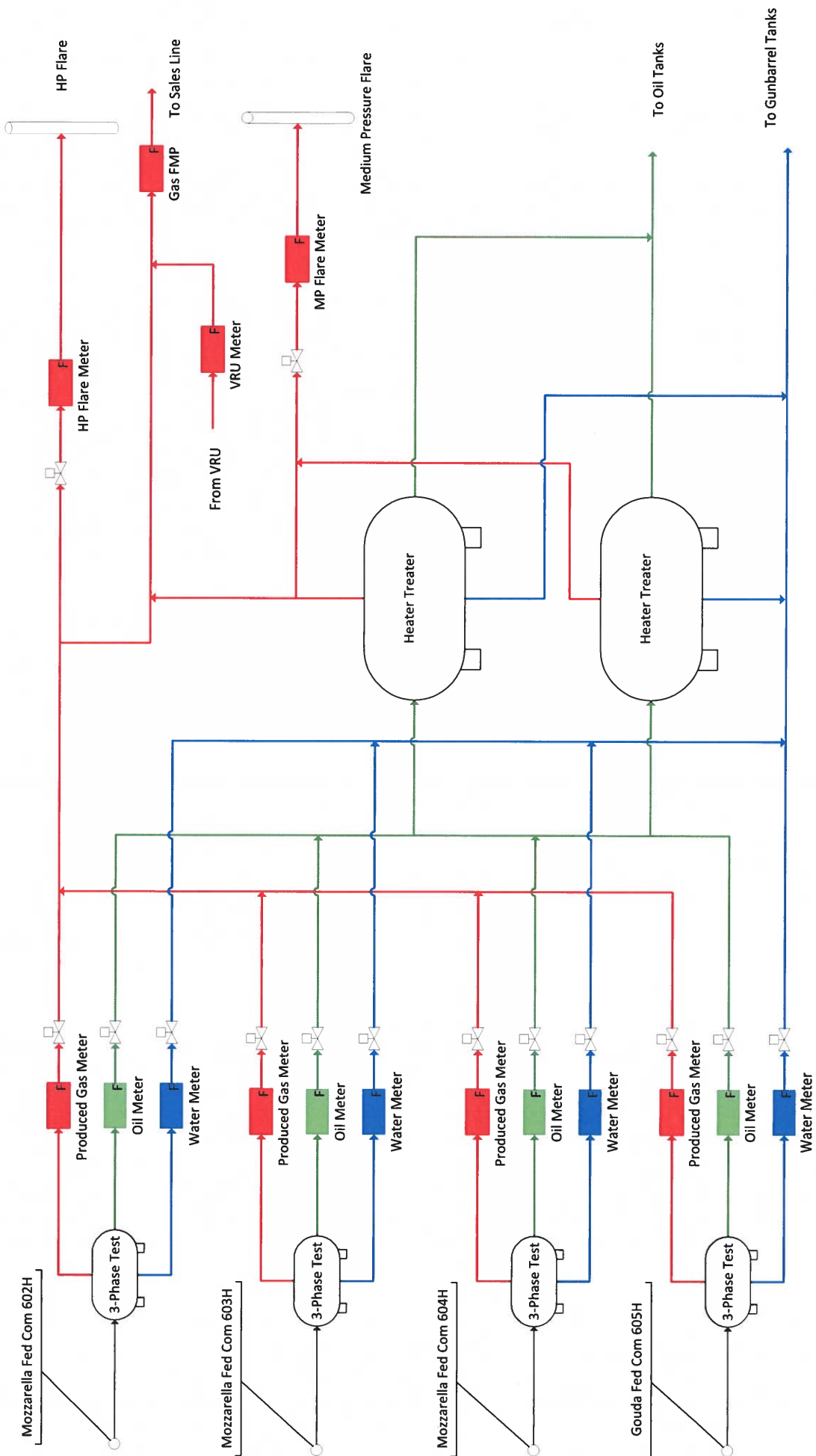


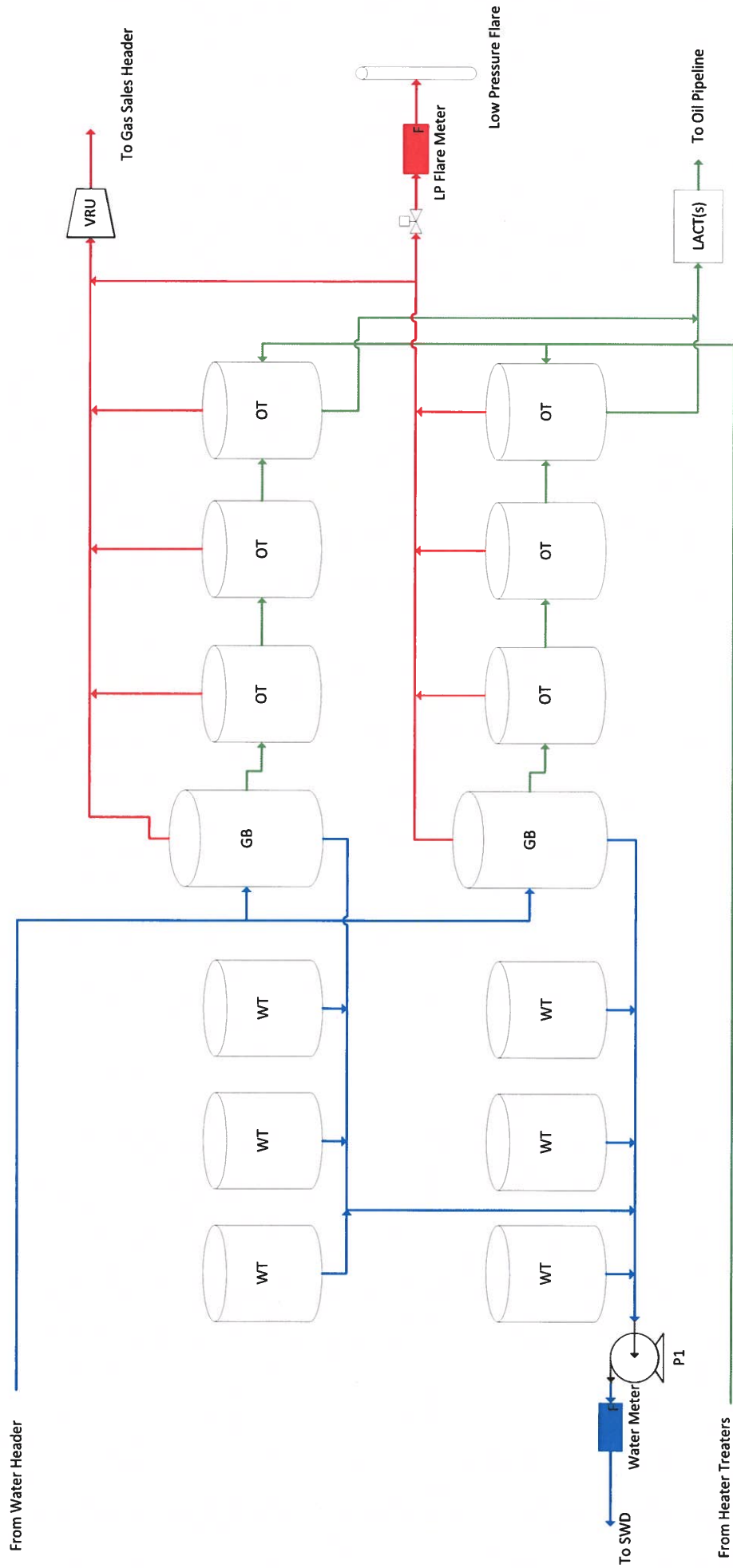




### Electrical Loads

- Transfer Pumps: 3 x 30hp
- Circulating Pumps: 2 x 5hp
- Flare Blower: 1 x 7.5hp
- LACT Charge Pump: 2 x 5hp
- LACT Pipeline Pumps: 2 x 50hp
- Tank VRU: 1 x 100hp
- Air Compressors: 2 x 5hp





**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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Page 1 Of 3

**01 12-22-1987;101STAT1330;30USC181 ET SEQ**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres:**  
**886.410**

**Serial Number**  
**NMNM 131588**

Case File Juris:

						<b>Serial Number: NMNM-- 131588</b>	
<b>Name &amp; Address</b>						<b>Int Rel</b>	<b>% Interest</b>
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	LESSEE		30.000000000
MARATHON OIL PERMIAN LLC	5555 SAN FELIPE ST	HOUSTON	TX	770562701	OPERATING RIGHTS		0.000000000
CENTENNIAL RESOURCES PRODUCTION LLC	1001 17TH ST STE 1800	DENVER	CO	802022058	OPERATING RIGHTS		0.000000000
CENTENNIAL RESOURCES PRODUCTION LLC	1001 17TH ST STE 1800	DENVER	CO	802022058	LESSEE		70.000000000
OXY Y-1 CO	5 GREENWAY PLZ STE 110	HOUSTON	TX	770460521	OPERATING RIGHTS		0.000000000
OXY USA INC	5 GREENWAY PLZ STE 110	HOUSTON	TX	770460521	OPERATING RIGHTS		0.000000000

									Serial Number: NMNM-- 131588		
Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0220S	0320E	005	ALIQ		02	S2N2,W2SW;		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0320E	005	LOTS		01	1-4;		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0320E	006	ALIQ		04	S2NE,E2SW,SE;		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0320E	006	LOTS		03	1,2,6,7;		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

**Relinquished/Withdrawn Lands**

Serial Number: NMNM-- 131588

				<b>Serial Number: NMNM-- 131588</b>	
<b>Act Date</b>	<b>Act Code</b>	<b>Action Txt</b>	<b>Action Remarks</b>	<b>Pending Off</b>	
11/20/2013	387	CASE ESTABLISHED	201310012;		
11/21/2013	143	BONUS BID PAYMENT RECD	\$1774.00;		
11/21/2013	191	SALE HELD			
11/21/2013	267	BID RECEIVED	\$8337800.00;		
12/05/2013	143	BONUS BID PAYMENT RECD	\$8336026.00;		
01/22/2014	237	LEASE ISSUED			
01/22/2014	974	AUTOMATED RECORD VERIF	DME		
02/01/2014	496	FUND CODE	05;145003		
02/01/2014	530	RLTY RATE - 12 1/2%			
02/01/2014	868	EFFECTIVE DATE			
04/07/2014	140	ASGN FILED	FEDERAL A/DEVON ENE;1		
05/08/2014	139	ASGN APPROVED	EFF 05/01/14;		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Date/Time: 12/20/2021 14:33 PM

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Serial Number: NMNM-- 131588

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
05/08/2014	974	AUTOMATED RECORD VERIF	LBO	
04/06/2017	140	ASGN FILED	DEVON ENE/CROWN OIL;1	
05/11/2017	139	ASGN APPROVED	EFF 05/01/17;	
05/11/2017	974	AUTOMATED RECORD VERIF	RCC	
05/01/2018	246	LEASE COMMITTED TO CA	NMNM138602	
08/07/2018	650	HELD BY PROD - ACTUAL	/1/	
08/07/2018	658	MEMO OF 1ST PROD-ACTUAL	/1/NMNM138602;#1H	
10/05/2018	932	TRF OPER RGTS FILED	DEVON ENE/CENTENNIA;1	
03/07/2019	140	ASGN FILED	CROWN OIL/MARATHON;1	
03/07/2019	932	TRF OPER RGTS FILED	CROWN OIL/MARATHON;1	
03/12/2019	933	TRF OPER RGTS APPROVED	EFF 11/01/18;	
03/12/2019	974	AUTOMATED RECORD VERIF	JY	
03/25/2019	140	ASGN FILED	CROWN OIL/CENTENNIA;1	
05/09/2019	643	PRODUCTION DETERMINATION	/1/	
05/24/2019	932	TRF OPER RGTS FILED	DEVON ENERG/OXY USA;1	
06/05/2019	140	ASGN FILED	DEVON ENE/CENTENNIA;1	
07/02/2019	139	ASGN APPROVED	EFF 04/01/19;1	
07/02/2019	269	ASGN DENIED	CROWN/CENT NO RT;	
07/02/2019	933	TRF OPER RGTS APPROVED	EFF 04/01/19;	
07/02/2019	974	AUTOMATED RECORD VERIF	AMV	
08/16/2019	933	TRF OPER RGTS APPROVED	EFF 06/01/19;	
08/16/2019	974	AUTOMATED RECORD VERIF	PM	
09/09/2019	139	ASGN APPROVED	EFF 07/01/19;	
09/09/2019	974	AUTOMATED RECORD VERIF	KB	
09/20/2021	899	TRF OF ORR FILED	1	

Line Number	Remark Text	Serial Number: NMNM-- 131588
0002	STIPULATIONS ATTACHED TO LEASE:	
0003	NM-11-LN SPECIAL CULTURAL RESOURCE	
0004	SENM-S-1 POTASH STIPULATION	
0005	SENM-S-15 WILDLIFE HABITAT PROJECTS	
0006	SENM-S-17 SLOPES OR FRAGILE SOILS	
0007	SENM-S-22 PRAIRIE CHICKENS	
0008	SENM-S-34 ZONE 3 - POD	
0009	03/12/2019 RENTAL PAID 02/01/2019	
0010	08/16/2019 - OR WORKSHEET DONE	
0011	08/16/2019 - OXY USA SW/NM CFO BOND NMB001508	

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**DEPARTMENT OF THE INTERIOR  
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CASE RECORDATION  
(MASS) Serial Register Page**

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**Page 3 Of 3**

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-025-46742</b>		2 Pool Code <b>5695</b>		3 Pool Name <b>Bilbry Basin; Bone Spring</b>	
4 Property Code <b>326979</b>		5 Property Name <b>MOZZARELLA FED COM</b>			
6 Well Number <b>602H</b>		7 Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>			
8 Elevation <b>3704.0'</b>		9 OGRID No. <b>372165</b>			

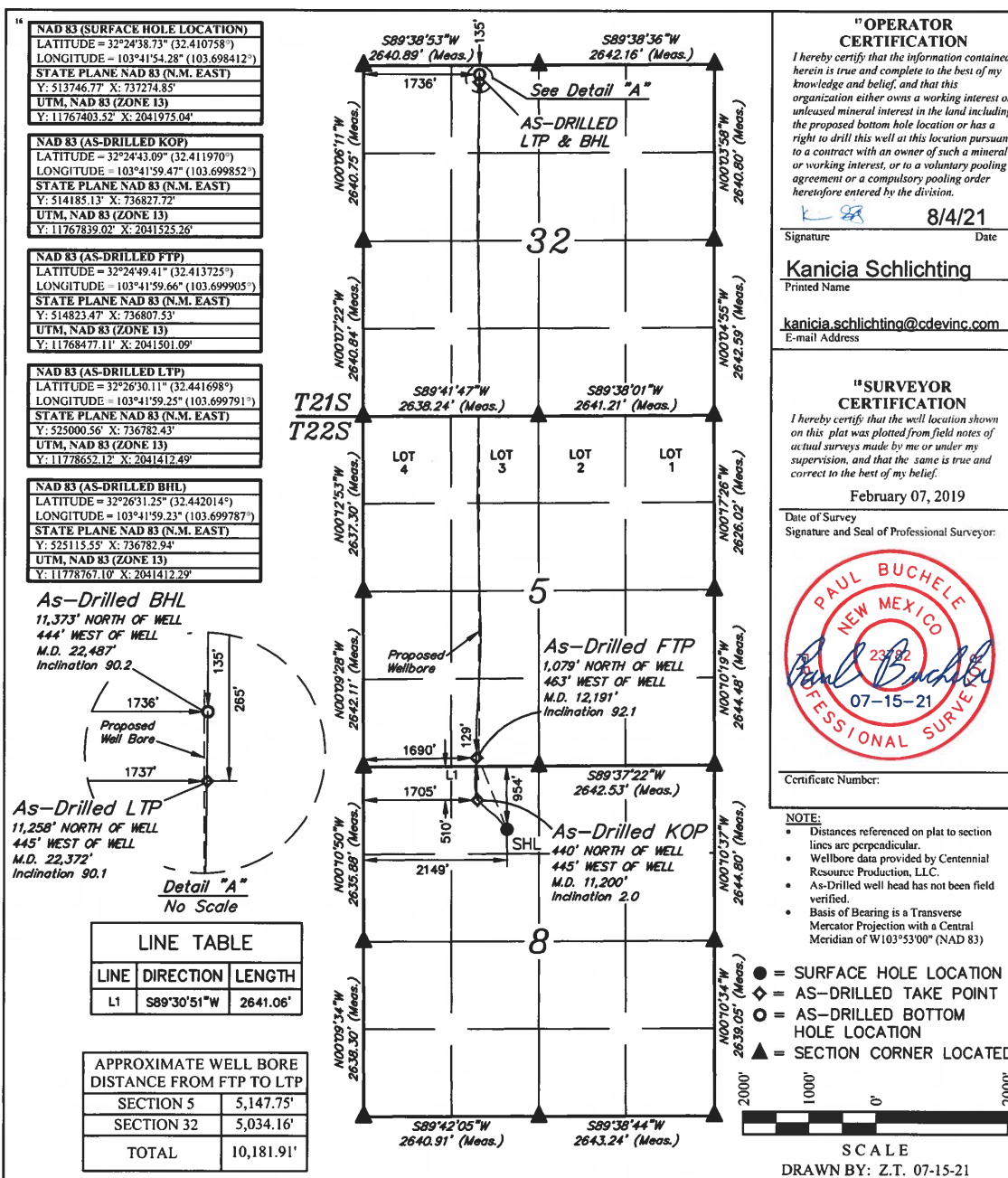
" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	22S	32E		954	NORTH	2149	WEST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	21S	32E		135	NORTH	1736	WEST	LEA
12 Dedicated Acres <b>639.34</b>		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-46757	<sup>2</sup> Pool Code 5695	<sup>3</sup> Pool Name Bilbry Basin; Bone Spring
<sup>4</sup> Property Code 326979	<sup>5</sup> Property Name MOZZARELLA FED COM	<sup>6</sup> Well Number 603H
<sup>7</sup> OGRID No. 372165	<sup>8</sup> Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	<sup>9</sup> Elevation 3703.2'

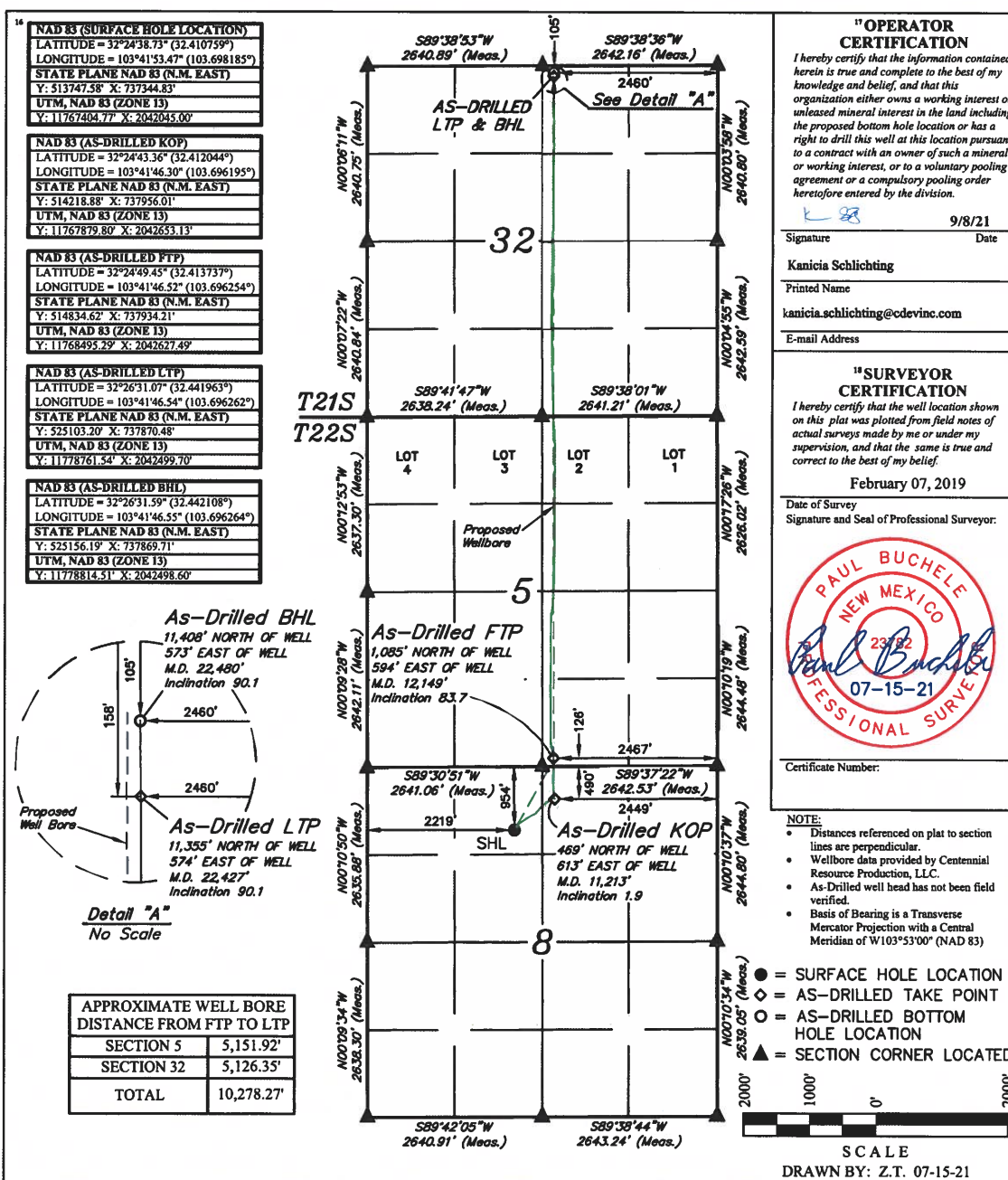
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	8	22S	32E		954	NORTH	2219	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	21S	32E		105	NORTH	2460	EAST	LEA
<sup>12</sup> Dedicated Acres 639.34	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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



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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  
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-48616</b>	<sup>2</sup> Pool Code <b>5695</b>	<sup>3</sup> Pool Name <b>Bilbrey Basin; Bone Spring</b>
<sup>4</sup> Property Code <b>330440</b>	<sup>5</sup> Property Name <b>MOZZARELLA FED COM</b>	<sup>6</sup> Well Number <b>604H</b>
<sup>7</sup> OGRID No. <b>372165</b>	<sup>8</sup> Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	<sup>9</sup> Elevation <b>3694.8'</b>

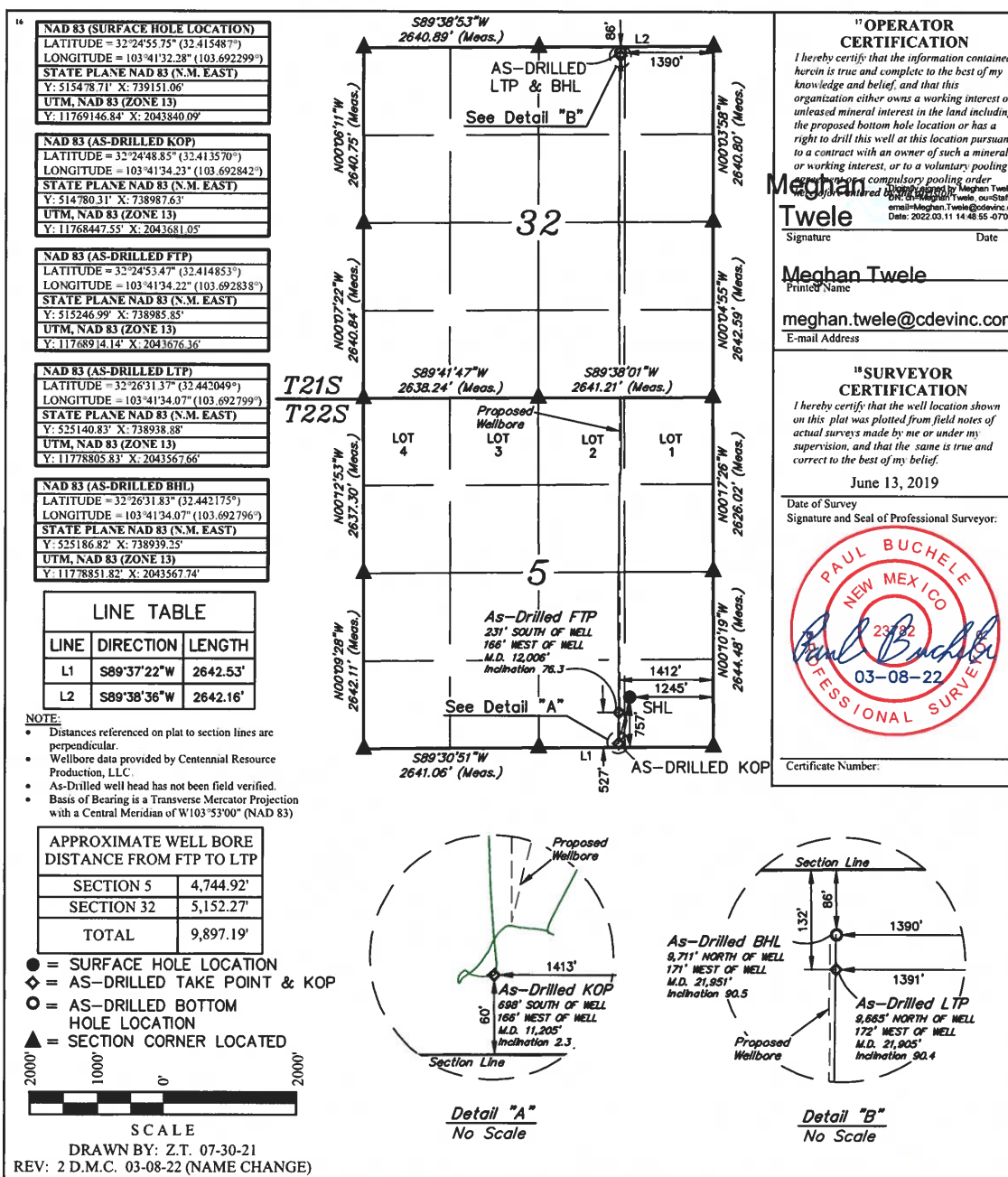
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	5	22S	32E		757	SOUTH	1245	EAST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	21S			86	NORTH	1390	EAST	LEA
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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





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1220 South St. Francis Dr.  
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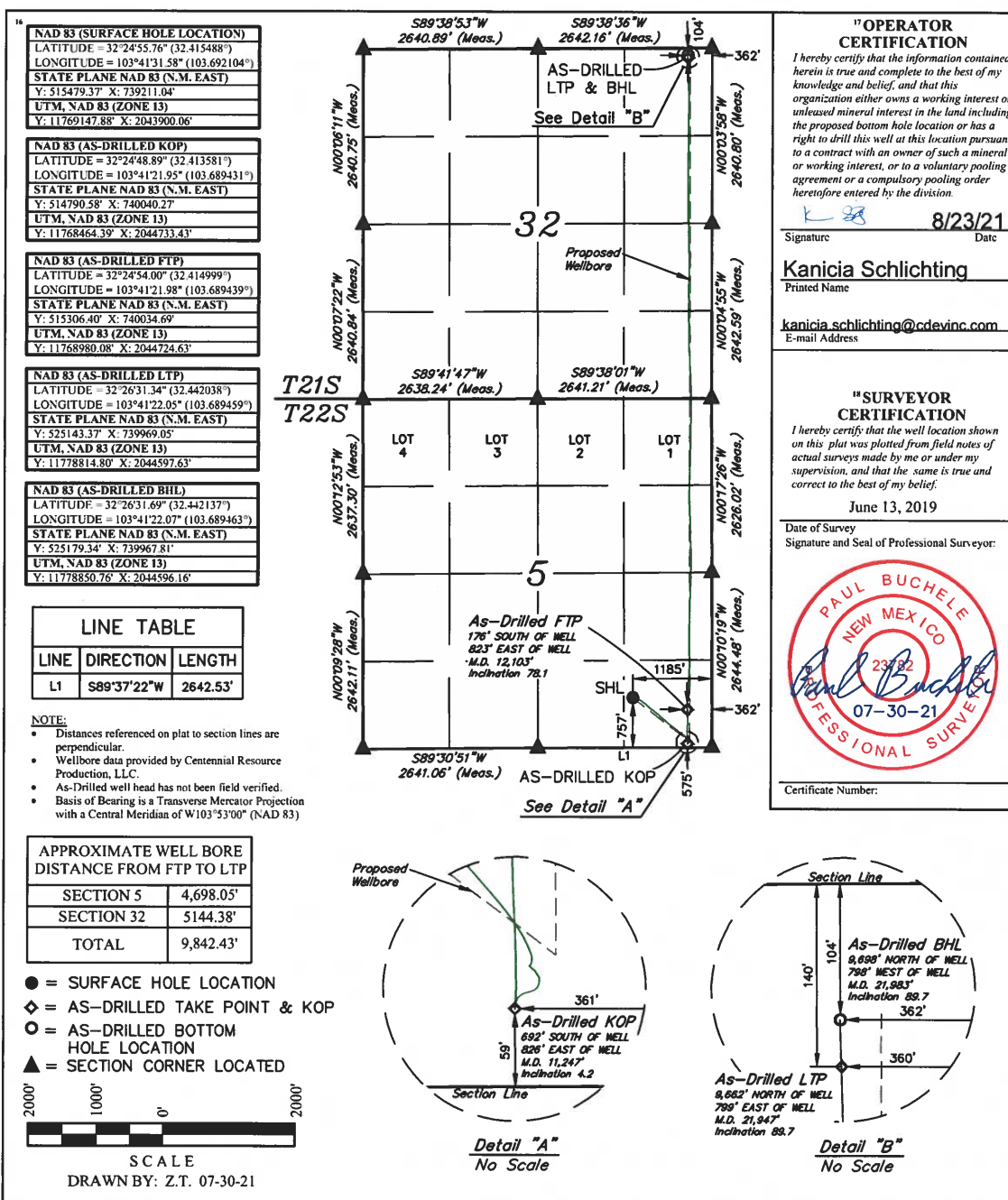
WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-48617</b>	<sup>2</sup> Pool Code <b>5695</b>	<sup>3</sup> Pool Name <b>Bilbrey Basin; Bone Spring</b>
<sup>4</sup> Property Code <b>330440</b>	<sup>5</sup> Property Name <b>GOUDA 5 FEDERAL COM</b>	<sup>6</sup> Well Number <b>605H</b>
<sup>7</sup> OGRID No. <b>372165</b>	<sup>8</sup> Operator Name <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	<sup>9</sup> Elevation <b>3695.9'</b>

<sup>10</sup> Surface Location									
UL or lot no. <b>P</b>	Section <b>5</b>	Township <b>22S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>757</b>	North/South line <b>SOUTH</b>	Feet from the <b>1185</b>	East/West line <b>EAST</b>	County <b>LEA</b>

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>A</b>	Section <b>32</b>	Township <b>21S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>104</b>	North/South line <b>NORTH</b>	Feet from the <b>362</b>	East/West line <b>EAST</b>	County <b>LEA</b>
<sup>12</sup> Dedicated Acres <b>319.66</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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



**NEW MEXICO  
STATE  
LAND OFFICE**

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



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

**Applicant:** Centennial Resource Production, LLC  
**Well Name:** Mozzarella Fed Com 602H, 603H, 604H and Gouda Federal Com 605H  
**Pool:** Bilbrey Basin; Bone Spring (5695)

**OGRID #:** 372165  
**API #:** 30-025-46742, 30-025-46757  
30-025-48616, 30-025-48617

**OPERATOR NAME:** Centennial Resource Production, LLC

**OPERATOR ADDRESS:** 1001 17th Street, Suite 1800, Denver, CO 80202

**APPLICATION REQUIREMENTS – SUBMIT:**

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

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

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

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

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

Sarah Ferreyros

Print or Type Name

Sarah Ferreyros  
Signature

720-499-1454

Phone Number

3/17/22

Date

sarah.ferreyros@cdevinc.com

e-mail Address

**Submit application to:**  
 Commissioner of Public Lands  
 Attn: Commingling Manager  
 PO Box 1148  
 Santa Fe, NM 87504-1148

**Questions?**  
**Contact the Commingling Manager:**  
 505.827.5791

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



Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

**Applicant:** Centennial Resource Production, LLC **OGRID Number:** 372165  
**Well Name:** Mozzarella Fed Com 602H, 603H, 604H & Gouda Fed Com 605H **API:** 30-025-46742, 30-025-46757, 30-025-48616, 30-025-48617  
**Pool:** Bilbrey Basin; Bone Spring **Pool Code:** 5695

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

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

[I] Commingling – Storage – Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☒ OLS ☒ OLM

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

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☒ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☒ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

- ☐ Notice Complete  
☐ Application  
 Content  
 Complete

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

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

Sarah Ferreyros

Print or Type Name

Signature

3/17/2022

Date

720-499-1454

Phone Number

sarah.ferreyros@cdevinc.com

e-mail Address

**District I**

1625 N. French Drive, Hobbs, NM 88240

**District II**

811 S. First St., Artesia, NM 88210

**District III**

1000 Rio Brazos Road, Aztec, NM 87410

**District IV**

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

**OIL CONSERVATION DIVISION**1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

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

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**OPERATOR NAME: Centennial Resource Production, LLCOPERATOR ADDRESS: 1001 17th Street, Suite 1800, Denver, CO 80202

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: ☐ Fee ☒ State ☒ FederalIs this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC653

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.(4) Measurement type: ☐ Metering ☐ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Bilbrey Basin; Bone Spring 5695(2) Is all production from same source of supply? ☒ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☒ Metering ☐ Other (Specify)**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

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

Please attached sheets with the following information

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

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

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

Please attach sheets with the following information

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

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

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

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

SIGNATURE: Katie BiersmithTITLE: Sr. Regulatory AnalystDATE: 3/17/22TYPE OR PRINT NAME Katie BiersmithTELEPHONE NO.: 720-499-1522E-MAIL ADDRESS: katie.biersmith@cdevinc.com

**Mozzarella Fed Com 602H, 603H, 604H and Gouda Fed Com 605H Notice List**

<b>Name</b>	<b>Addresss</b>	<b>Certified Mail Number</b>
<b>Allene B. Novy-Portnoy</b> <b>Trustee of the Allene Novy-Portnoy Exempt</b> <b>Lifetime Trust</b>	3606 Highland View Drive Austin, TX 78731	7022 0410 0003 2274 3559
<b>Amarco Energy, LLC</b>	3051 Wolfcreek Ranch Road Burnet, TX 78611	7022 0410 0003 2274 3597
<b>Brian M. . Novy</b> <b>Trustee of the Brian M. Novy Exempt Lifetime</b> <b>Trust</b>	3913 Edgerock Drive Austin, TX 78731	7022 0410 0003 2274 3535
<b>Bureau of Land Management</b> <b>Attn: Mr. Johnathon Shepard</b>	620 E. Green Street Carlsbad, NM 88220	Via BLM AFMSS 2
<b>ConocoPhillips Company</b>	16930 Park Row Drive Houston, TX 77084	7022 0410 0003 2274 3733
<b>Darren Printz</b>	190 East Stacy Road #306373 Allen, TX 75002	7022 0410 0003 2274 3658
<b>Elaine Novy Shapiro</b>	1305 Silver Hill Drive Austin, TX 78746	7022 0410 0003 2274 3566
<b>Fasken Acquisitions 02, Ltd.</b>	6101 Holiday Hill Road Midland, TX 79707	7022 0410 0003 2274 3696
<b>Finwing Corporation Retirement Trust</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3603
<b>Jeffrey L. Novy</b> <b>Trustee of the Jeffrey L. Novy Exempt Lifetime</b> <b>Trust</b>	4226 St. Ives Sugar Land, TX 77479	7022 0410 0003 2274 3542
<b>Laurey Simons Karotkin</b>	605 Cumberland Drive Hurst, TX 76054	7022 0410 0003 2274 3504
<b>Loro Corporation Retirement Trust 401K</b>	101 Brookline Drive Ashville, NC 28803	7022 0410 0003 2274 3634
<b>Marcia Simmons</b>	3228 Maroneal Street Houston, TX 77025	7022 0410 0003 2274 3511
<b>Michael D. Hayes and Kathryn A. Hayes,</b> <b>Co-Trustees of the Hayes Revocable Trust</b>	3608 Meadowridge Lane Midland, TX 79707	7022 0410 0003 2274 3610
<b>Michael J. Pertritis</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3672
<b>New Mexico Oil Conservation Division</b> <b>Attn: Mr. Dean McClure</b>	1220 South St. Francis Drive Santa Fe, NM 87505	Via OCD Online
<b>Paladin Energy Corp</b>	10290 Monroe Dr., Suite 301 Dallas, TX 75229	7022 0410 0003 2274 3702
<b>Paul S. Simmons</b>	10 Bon Aire Drive Olivette, MO 63132	7022 0410 0003 2274 3528
<b>PBEX, LLC</b>	223 West Wall Street, Ste. 900 Midland, TX 79701	7022 0410 0003 2274 3641
<b>Printz II, LLC</b>	190 E. Stacy Road 306-373 Allen, TX 75002	7022 0410 0003 2274 3580
<b>Pro Deo Energy, Inc.</b>	P.O. Box 10886 Midland, TX 79702	7022 0410 0003 2274 3573
<b>Quientesa Royalty LP</b>	508 W. Wall Ave., Suite 500 Midland, TX 79701	7022 0410 0003 2274 3627
<b>Raven Resources, LLC</b>	13220 N. MacArthur Oklahoma City, OK 73142	7022 0410 0003 2274 3665
<b>RKC, Inc.</b>	1527 Hillside Rd. Fairfield, CT 06430	7021 0950 0001 0195 4583

**LEGAL NOTICE**  
**March 18, 2022**

Centennial Resource Production, LLC is applying to surface commingle four wells to a central tank battery in Lea County, New Mexico. The central tank battery is located West of the Mozzarella Drill Island. The four wells, details and locations are the following:

Mozzarella Fed Com 602H located in the northwest quarter of section 8, T22S, R32E, Unit C, 954 FNL & 2149 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 603H located in the northwest quarter of section 8, T22S, R32E, Unit C, 954 FNL & 2219 FWL. Bilbrey Basin; Bone Spring

Mozzarella Fed Com 604H located in the southeast quarter of section 5, T22S, R32E, Unit P, 757 FSL & 1245 FEL. Bilbrey Basin; Bone Spring

Gouda Federal Com 605H located in the southeast quarter of section 5, T22S, R32E, Unit P, 757 FSL & 1185 FEL. Bilbrey Basin; Bone Spring

Interested parties must file objections or requests for hearing with the New Mexico Oil Conservation Division, 1220 South Saint Francis Dr., Santa Fe, NM 87505, within 20 days. Additional information can be obtained by contacting Katie Biersmith, Centennial Resource Production, LLC, 1001 17th Street, Suite 1800, Denver, CO 80202. Phone number is 720-499-1522.

**#37445**

**From:** [Katie Biersmith](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Cc:** [Lowe, Leonard, EMNRD](#); [Kautz, Paul, EMNRD](#)  
**Subject:** RE: [EXTERNAL] RE: -EXTERNAL- surface commingling application CTB-1057  
**Date:** Friday, September 30, 2022 2:55:16 PM  
**Attachments:** [Mozzarella 604H APVD C-103A Dedicated Acreage Update 9.19.22.pdf](#)  
[Mozzarella 602-604 Fed Com Approved.pdf](#)  
[HO 21541 \(Mozzarella 602H, Mozzarella 603H, Gouda 604H\).pdf](#)

Happy Friday!

Please see my comments in red below, and related attachments. Let me know if you need any additional information.

Thank you,

**Katie Biersmith** | Regulatory Specialist  
 O 720.499.1522 | C 707.391.3334

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Tuesday, September 6, 2022 11:20 AM  
**To:** Katie Biersmith <Katie.Biersmith@cdevinc.com>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>  
**Subject:** RE: [EXTERNAL] RE: -EXTERNAL- surface commingling application CTB-1057

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

Hello Katie,

Please note that within the OCD system, the following wells have the indicated HSUs:

30-025-46742	Mozzarella Federal Com #602H	W/2	32-21S-32E	5695
		W/2	5-22S-32E	
30-025-46757	Mozzarella Federal Com #603H	E/2	32-21S-32E	5695
		E/2	5-22S-32E	
30-025-48616	Mozzarella Federal Com #604H	W/2 E/2	32-21S-32E	5695
		W/2 E/2	5-22S-32E	

Based off the included CA packet, it seems that Centennial's intent had been for these wells to instead be assigned a HSU that includes the E/2 W/2 and W/2 E/2 of these sections. Please perform the following:

- Submit a stand alone C-102 for both the #602H and #603H wells with the intended acreage clearly depicted.
  - Once submitted please email me the Action IDs.
    - **Mozzarella 602H: 140819**
    - **Mozzarella 603H: 62374**
- Submit a change of plans (C-103A) for the #604H requesting that the acreage be changed including a C-102 which has the intended acreage clearly depicted.
  - It appears that an attempt had been made to do this using Action ID: 24660, but it was rejected on 7/13/2022 and Centennial was instructed to refile it as a C-103A.
    - **This was resubmitted as a C-103A: Action status ID #140809 (approval attached.)**
- Additionally, I have touched base with our District Geologist and because this requested spacing

unit is including tracts from 2 different half sections, a NSP will be needed. As such, please submit a NSP application for these wells. I believe that one may not be necessary if the working interest is identical in the adjoining spacing units, but please get with Leonard Lowe for more details.

- These half sections were pooled (please see attached pooling order), so the interests here are identical

Once all of the above has been submitted, please notify me so that review of the surface commingling application can proceed.

Additionally, reference is made to the Mozzarella CA being approved, but the BLM system indicates that it is still pending. This could be an error with their system, and if so please provide the approval letter from the BLM.

Please find the approved CA attached.

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

---

**From:** Katie Biersmith <[Katie.Biersmith@cdevinc.com](mailto:Katie.Biersmith@cdevinc.com)>  
**Sent:** Thursday, August 25, 2022 7:48 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** [EXTERNAL] RE: -EXTERNAL- surface commingling application CTB-1057

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

Hi Dean,

Please see the affidavit and the letter of SLO approval attached. I am also attaching the Coms. It looks like only the Federal Mozzarella Comm has been approved so far. Please note that we changed the Gouda 604's name to "Mozzarella Fed Com 604H" (at the request of the state) after this commingling app was made. The application with the updated name is also attached.

Please let me know if there is anything else you need.

Thank you!

Katie Biersmith  
Regulatory Specialist  
O: (720) 499-1522  
C: (707) 391-3334

---

**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Wednesday, August 24, 2022 4:33 PM  
**To:** Katie Biersmith <[Katie.Biersmith@cdevinc.com](mailto:Katie.Biersmith@cdevinc.com)>



**Subject:** -EXTERNAL- surface commingling application CTB-1057

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

Ms. Biersmith,

I am reviewing surface commingling application CTB-1057 which involves a commingling project that includes the Mozzarella 8 Central Tank Battery and is operated by Centennial Resource Production, LLC (372165).

Please provide the CA packets for the CAs which these wells are proposed to be allocated to.

Please provide either the affidavit of publication or confirm that the notifications for the following persons were provided to the correct addresses:

<b>4/6/2022</b>	<b>Elaine Novy Shapiro</b>	<b>7022 0410 0003 2274 3566</b>	<b>Returned</b>
<b>4/1/2022</b>	<b>Paladin Energy Corp</b>	<b>7022 0410 0003 2274 3702</b>	<b>Returned</b>
<b>4/12/2022</b>	<b>Paul S. Simmons</b>	<b>7022 0410 0003 2274 3528</b>	<b>Returned</b>
<b>5/1/2022</b>	<b>Raven Resources, LLC</b>	<b>7022 0410 0003 2274 3665</b>	<b>Returned?</b>

Additionally, please confirm that the NMSLO has received notification of this application.

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

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

**From:** [Katie Biersmith](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] RE: -EXTERNAL- surface commingling application CTB-1057  
**Date:** Thursday, August 25, 2022 7:49:47 AM  
**Attachments:** [Affidavit of Publication Mozz CTB Commingling.pdf](#)  
[APVD SLO Commingle Mozzarella 8 CTB.pdf](#)  
[Mozzarella Signed Comm Partners Unapproved Updated Name.pdf](#)  
[Mozzarella 602-604 Fed Com Approved.pdf](#)  
[Gouda 605H - Fed Comm Agmt.pdf](#)  
[Gouda 605H State Comm Signed Unapproved.pdf](#)

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

Hi Dean,

Please see the affidavit and the letter of SLO approval attached. I am also attaching the Coms. It looks like only the Federal Mozzarella Comm has been approved so far. Please note that we changed the Gouda 604's name to "Mozzarella Fed Com 604H" (at the request of the state) after this commingling app was made. The application with the updated name is also attached.

Please let me know if there is anything else you need.

Thank you!

Katie Biersmith  
 Regulatory Specialist  
 O: (720) 499-1522  
 C: (707) 391-3334

---

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**Sent:** Wednesday, August 24, 2022 4:33 PM  
**To:** Katie Biersmith <Katie.Biersmith@cdevinc.com>  
**Subject:** -EXTERNAL- surface commingling application CTB-1057

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Ms. Biersmith,

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<b>4/12/2022</b>	<b>Paul S. Simmons</b>	<b>7022 0410 0003 2274 3528</b>	<b>Returned</b>
<b>5/1/2022</b>	<b>Raven Resources, LLC</b>	<b>7022 0410 0003 2274 3665</b>	<b>Returned?</b>

Additionally, please confirm that the NMSLO has received notification of this application.

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

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

## 3160-9 – COMMUNITIZATION

Model Form of a Federal Communitization Agreement

Contract No. \_\_\_\_\_

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

## WITNESSETH:

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

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

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

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

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

Township 21 South, Range 32 East, Lea County, New Mexico

Section 32: E/2 E/2

And

Township 22 South, Range 32 East, Lea County, New Mexico

Section 5: E/2 E/2

Containing 319.66 acres, being further described on Exhibit A attached hereto, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil, natural gas, and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized areas.

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

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



15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**Operator & Working Interest Owner:**  
Centennial Resource Production, LLC

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

Name: Skylar Fast

Title: Land Manager

Date: \_\_\_\_\_

THE STATE OF COLORADO       §  
                                                     §  
COUNTY OF DENVER           §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2021, by Sean W. Marshall, as Vice President of Land of Centennial Resource Production, LLC, a Delaware corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**Record Title Owner:**

Marathon Oil Permian, LLC

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

THE STATE OF           §  
                                  §  
COUNTY OF           §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2021,  
by \_\_\_\_\_, as \_\_\_\_\_ of  
\_\_\_\_\_, a \_\_\_\_\_ corporation.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**Record Title Owner:**

Devon Energy Production Co LP

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

Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

THE STATE OF           §  
                                  §  
COUNTY OF           §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2021,  
by \_\_\_\_\_, as \_\_\_\_\_ of  
\_\_\_\_\_, a \_\_\_\_\_ corporation.

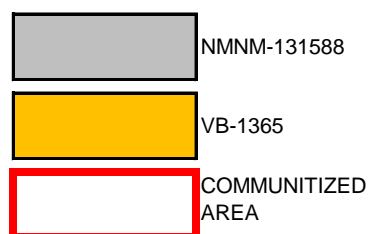
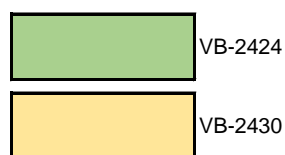
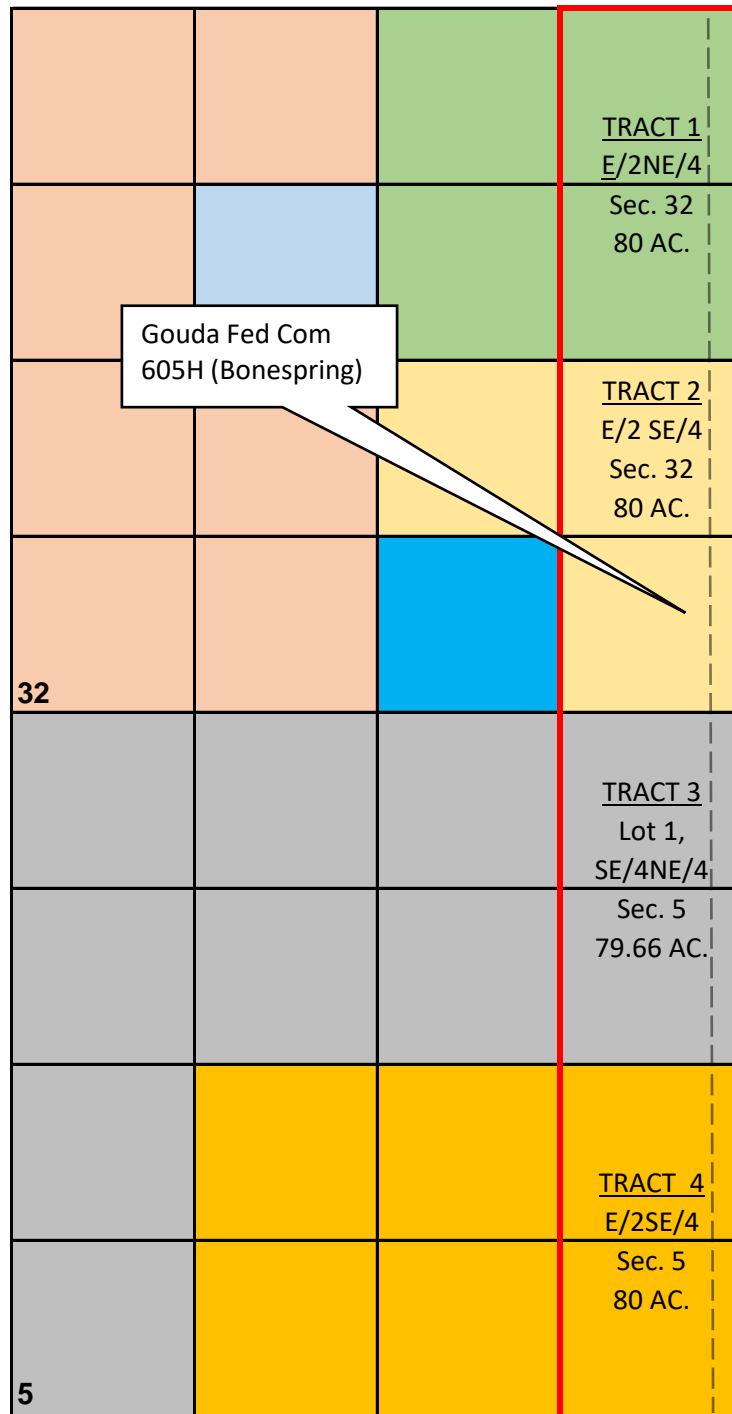
\_\_\_\_\_  
Notary Public in and for the State of Texas

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.00	25.03%
2	80.00	25.03%
3	79.66	24.92%
4	80.00	25.03%
<b>Total</b>	319.66	<b>100.000000%</b>

## Exhibit A

To Communitization Agreement dated June 1, 2021 embracing E/2 E/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and E/2 E/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico



## Exhibit B

To Communitization Agreement dated June 1, 2021 embracing E/2 E/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and E/2 E/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico

**Operator of Communitized Area: Centennial Resource Production, LLC****Tract No. 1**

Lease Serial No.: VB-2424

Description of Lands Committed: Insofar as lease covers E/2 NE/4 Section 32, T21S, R32E, Lea County, NM

Number of Acres: 80.00

Lessor of Record: State of New Mexico

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ 100.00000%

**Tract No. 2**

Lease Serial No.: VB-2430

Description of Lands Committed: Insofar as lease covers E/2 SE/4 Section 32, T21S, R32E, Lea County, NM

Number of Acres: 80.00

Lessor of Record: State of New Mexico

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ 100.00000%

**Tract No. 3**

Lease Serial No.: NMNM-131588

Description of Lands Committed: Insofar as lease covers Lot 1, SE/4 NE/4 Section 5, T22S, R32E, Lea County, NM

Number of Acres: 79.66

Lessor of Record: USA - Bureau of Land Management

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ 100.00000%



**Tract No. 4**

Lease Serial No.:	VB-1365
Description of Lands Committed:	Insofar as lease covers E/2 SE/4 Section 5, T22S, R32E, Lea County, NM
Number of Acres:	80.00
Lessor of Record:	State of New Mexico
Name and Percent WI Owners:	Centennial Resource Production, LLC _ _ _ _ 100.00000



Needs signature from  
Devon for lease. V8-1365-0  
1-31-22 (B)

Date: December 27, 2021

To: New Mexico State Land Office

Re: **Communitization Agreement** – E/2 E/2 Section 32, Township 21 South, Range 32 East & E/2 E/2 Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico  
**Gouda Fed Com 605H; API #30-025-48617**

To whom it may concern:

Please find enclosed duplicate original copies of the referenced communitization agreement and a check for the corresponding fee for \$200.00 . This agreement has been drafted to cover the **Bone Spring** formation. The Bone Spring pool for this area is [5695] Bilbrey Basin; Bone Spring; and is based on 319.66 acre spacing in the E/2 E/2 Section 32, T21S, R32E, and E/2 E/2 Section 5, T22S, R32E. Once this communitization agreement is approved please send a copy to the address above. Should you have any questions please contact me at [Frances.Ivers@cdevinc.com](mailto:Frances.Ivers@cdevinc.com) or at 720-499-1505.

Thank you,

Centennial Resource Production, LLC

Frances Ivers  
Contract Land Coordinator

2022 DEC 27 11:03

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR  
STATE/FEDERAL/FEE**

Revised August, 2021

ONLINE Version  
**COMMUNITIZATION AGREEMENT**

API Initial Well: 30-025-48617

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

**WITNESSETH:**

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions E/2 E/2 of SEC 32, T21S R32E & E/2 E/2 of SEC 5, T22S R32E,

Sect(s) \_\_\_\_\_, T \_\_\_\_\_, R \_\_\_\_\_, NMPM \_\_\_\_\_ Lea \_\_\_\_\_ County, NM

containing 319.66 acres, more or less, and this agreement shall include only the

Bone Spring Formation

or pool, underlying said lands and the Oil, gas and other minerals

(hereinafter referred to as "communitized substances") producible from such formation.

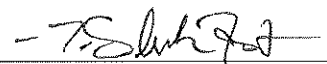
2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "B" designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June Month 01 Day, 2021 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Centennial Resource Production, LLC Lessees of Record \_\_\_\_\_  
 By Skylar Fast  \_\_\_\_\_  
Print name of person  
Land Manager \_\_\_\_\_  
Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_)

County of \_\_\_\_\_) SS)

This instrument was acknowledged before me on \_\_\_\_\_

DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in a Representative Capacity**State of Colorado)County of Denver) SS)This instrument was acknowledged before me on 12/06/2021

DATE

By Skyler Fast

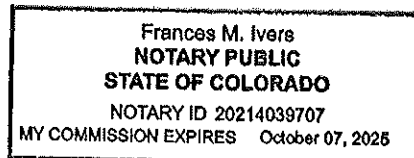
Name(s) of Person(s)

as Land Manager of Centennial Resource Production, LLC

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Signature of Notarial Officer

My commission expires: 10/07/2025

2021 DEC 23 PM 11:04



Partner Marathon Oil Permian, LLC

Lessees of Record \_\_\_\_\_

By

Print name of person

Type of authority

Clayton Rule  
Attorney-in-Fact

## Acknowledgment in an Individual Capacity

State of \_\_\_\_\_)

County of \_\_\_\_\_) SS)

This instrument was acknowledged before me on \_\_\_\_\_

DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

## Acknowledgment in a Representative Capacity

State of Texas)County of Harris) SS)This instrument was acknowledged before me on 10/27/2021

DATE

By

Clayton Rule

Name(s) of Person(s)

as

Attorney-in-Fact

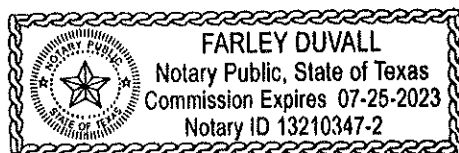
of

Marathon Oil Permian, LLC

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)



Signature of Notarial Officer

My commission expires: \_\_\_\_\_

2021 OCT 25 11:11:34  
 40-11111-53-2371701

**EXHIBIT A**To Communitization Agreement dated June 01, 2021

Plat of communitized area covering the:

Subdivisions E/2 E/2 of SEC 32, T21S R32E & E/2 E/2 of SEC 5, T22S R32E,of Sect(s).           , T           , R           , NMPM,            Lea County, NM.**TRACT NO. 1****DESCRIPTION OF LEASES COMMITTED**

Lease Serial No.: VB-2424  
 Lease Date: 9/1/2014  
 Lease Term: 81 Months  
 Lessor: State of New Mexico  
 Original Lessee: GMT Exploration Company, LLC  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions E/2 NE/4,  
 Sect(s) 32, Twp 21S, Rng 32E NMPM,            Lea County, NM  
 Number of Acres: 80 Acres  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: GMT New Mexico Royalty, LLC 3.25%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

**TRACT NO. 2**

Lease Serial No.: VB-2430  
 Lease Date: 9/1/2014  
 Lease Term: 81 Months  
 Lessor: State of New Mexico  
 Original Lessee: Crown Oil Partners V, LP  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions E/2 SE/4,  
 Sect(s) 32, Twp 21S, Rng 32E, NMPM,            Lea County, NM  
 Number of Acres: 40  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: Post Oak Crown IV, LLC 3.25%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

2021 DEC 23 10:11:34

**TRACT NO. 3**

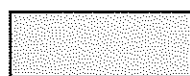
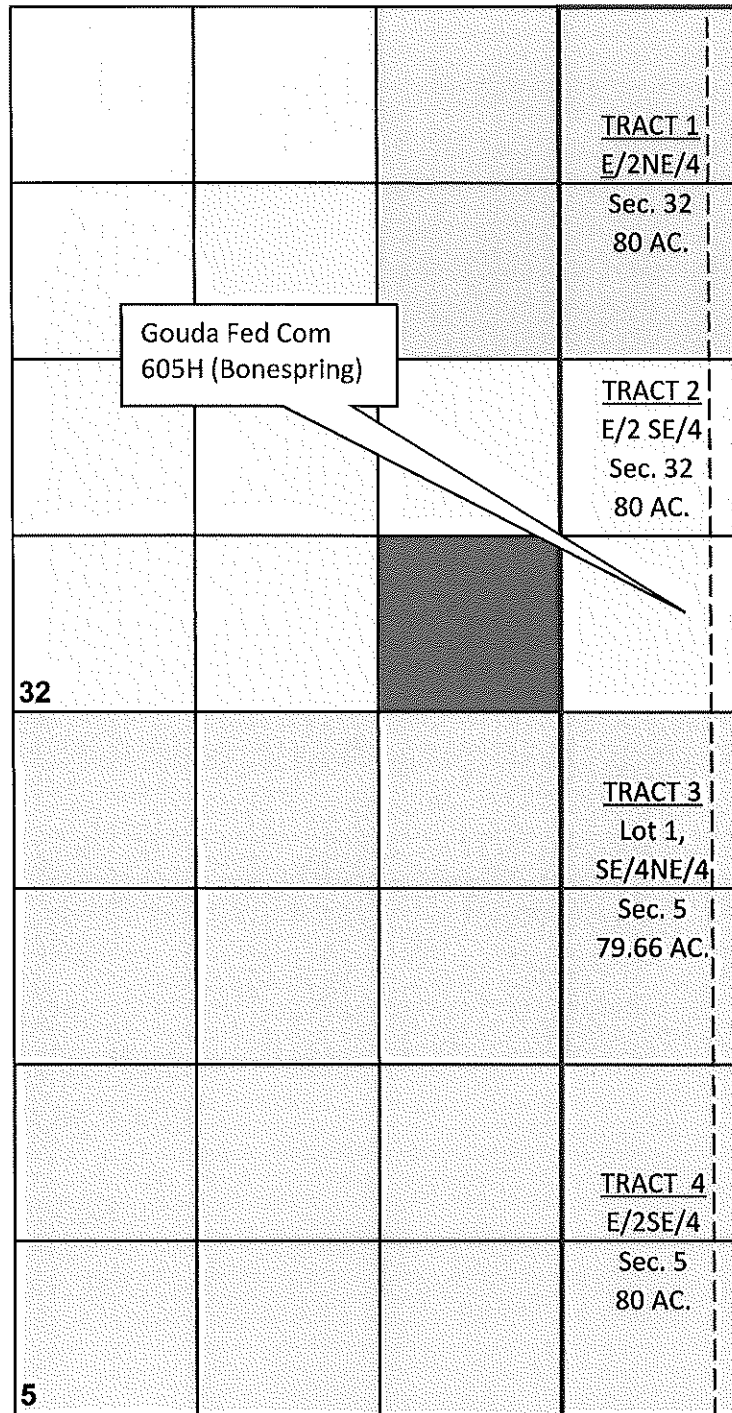
Lease Serial No.: NMNM-131588  
Lease Date: 2/1/2014  
Lease Term: 120  
Lessor: United States of America  
Original Lessee: Federal Abstract Co  
Present Lessee: Centennial Resource Production, LLC  
Description of Land Committed: Subdivisions Lot 1, SE/4 NE/4,  
Sect(s) 5, Twp 22S, Rng 32E, NMPM, Lea County, NM  
Number of Acres: 79.66  
Royalty Rate: 12.5%  
Name and Percent ORRI Owners: Post Oak Crown IV, LLC, et al 4.275%  
Name and Percent WI Owners: Centennial Resource Production, LLC 100%

**TRACT NO. 4**

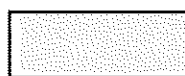
Lease Serial No.: VB-1365  
Lease Date: 03/01/2008  
Lease Term: 60 Months  
Lessor: State of New Mexico  
Original Lessee: Devon Energy Production Company, LP  
Present Lessee: Centennial Resource Production, LP  
Description of Land Committed: Subdivisions E/2 SE/4,  
Sect(s) 5, Twp 22S, Rng 32E, NMPM, Lea County, NM  
Number of Acres: 80  
Royalty Rate: 18.75%  
Name and Percent ORRI Owners: None  
Name and Percent WI Owners: Centennial Resource Production, LLC

## Exhibit B

To Communitization Agreement dated June 1, 2021 embracing E/2 E/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and E/2 E/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico



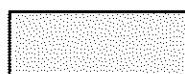
VB-2424



NMNM-131588



VB-2430



VB-1365

COMMUNITIZED  
AREA

**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communized Area</b>
Tract No.1	<u>80.00</u>	<u>25.03%</u>
Tract No.2	<u>80.00</u>	<u>25.03%</u>
Tract No.3	<u>79.66</u>	<u>24.92%</u>
Tract No.4	<u>80.00</u>	<u>25.03%</u>
<b>Total</b>	319.66	100%

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
CENTENNIAL RESOURCES PRODUCTION, LLC**

**CASE NO. 21541  
ORDER NO. R-21564**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Centennial Resources Production, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

CASE NO. 21541  
ORDER NO. R-21564

Page 2 of 7



election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

**Date:** 12/09/2020

CASE NO. 21541  
ORDER NO. R-21564

Page 4 of 7

## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No. 21541</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: December 3, 2020</b>	
Applicant	Centennial Resource Production LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production LLC (OGRID 372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Mozzarella & Gouda Fed Com Wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	639.34-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	639.34-acres
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	E/2 W/2 and the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	<b>Mozzarella Fed Com #603H well</b> will remain within 330 feet of the quarter-quarter line separating the E/2 W/2 from the W/2 E/2 to allow inclusion of these proximity tracts into a standard 640-acre horizontal spacing unit
Applicant's Ownership in Each Tract	Yes
<b>Well(s)</b>	


CASE NO. 21541  
ORDER NO. R-21564

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<b>Mozzarella Fed Com #602H Well</b> , API No. 30-025-46742 SHL:954 feet from the North line and 2159 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 1730 feet from the West line, (Unit C) of Section 32, Township 21 South, Range 32 East, NMPM.  Completion Target: Bone Spring Well Orientation: Standup Completion Location expected to be: standard
Well #2	<b>Mozzarella Fed Com #603H Well</b> , 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 2470 feet from the West line, (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.  Completion Target: Bone Spring Well Orientation: Standup Completion Location expected to be: Proximity tract well
Well #3	<b>Gouda Fed Com #604H Well</b> , API No. 30-025-pending SHL:757 feet from the North line and 1245 feet from the West line, (Unit P) of Section 5, Township 22 South, Range 32 East, NMPM. BHL:100 feet from the North line and 1400 feet from the West line, (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.  Completion Target: Bone Spring Well Orientation: Standup Completion Location expected to be: Non-standard, application for approval of NSL pending with Division.
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4, Exhibit D-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500 (drilling) & \$850 (producing)/month
Production Supervision/Month \$	Exhibit C, C-4
Justification for Supervision Costs	Exhibit C, C-4
Requested Risk Charge	Exhibit C, C-4
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E

CASE NO. 21541  
 ORDER NO. R-21564

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Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3, Exhibit E
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, Exhibit E
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D-1
Target Formation	Exhibit D-2, D-3, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3, D-4
Cross Section (including Landing Zone)	Exhibit D-3, D-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	1-Dec-20

CASE NO. 21541  
ORDER NO. R-21564

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) Serial Register Page

Run Date/Time: 11/18/2021 13:32 PM

Page 1 Of 1

01 02-25-1920;041STAT0437;30USC181

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 459: OIL & GAS

Case Disposition: PENDING

Total Acres:  
639.340

Serial Number  
NMNM-- - 143956

Case File Juris: CARLSBAD FIELD OFFICE

Serial Number: NMNM--- 143956

Name & Address						Int Rel	% Interest
BLM NMSO	301 DINOSAUR TRL	SANTA FE	NM	87508-1560	OFFICE OF RECORD OPERATOR		0.000000000
CENTENNIAL RESOURCES PRODUCTION LLC	1001 17TH ST STE 1800	DENVER	CO	80202-2058			100.000000000

Serial Number: NMNM-- - 143956

Mer	Twp	Rng	Sec	SType	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0210S	0320E	005	ALIQ			SWNE,SENW,E2SW,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0210S	0320E	005	LOTS		2,3;		CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0210S	0320E	032	ALIQ			W2E2,E2W2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 143956

Relinquished / Withdrawn Lands

Serial Number: NMNM-- - 143956  
Pending Office

Act Date	Act Code	Action Txt	Action Remarks
06/01/2021	387	CASE ESTABLISHED	
06/01/2021	516	FORMATION	BONE SPRING;
10/22/2021	580	PROPOSAL RECEIVED	CA RECD;

Serial Number: NMNM-- - 143956

Line Number	Remark Text
-------------	-------------

RECEIVED

OCT 22 2021

BLM, NMSO  
SANTA FE

1001 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

Date: October 20, 2021

NMNM 143956

To: USDI- Bureau of Land Management

Re: **Communitization Agreement** – W/2 E/2, E/2 W/2 Section 32  
Township 21 South, Range 32 East, & W/2 E/2, E/2 W/2 Section 5  
Township 22 South, Range 32 East, N.M.P.M., Lea County, New  
Mexico

**Mozzarella Federal Com 602H; 30-025-46742**

**Mozzarella Federal Com 603H; 30-025-46757**

**Gouda Federal Com 604H; 30-025-48616**

To whom it may concern:

Please find enclosed three original copies of the referenced communitization agreement. This agreement has been drafted to cover the **Bone Spring** formation. The Bone Spring pool for this area is [5695] Bilbrey Basin; Bone Spring; and is based on a 639.34 acre spacing. Should you have any questions please contact me at [Frances.Ivers@cdevinc.com](mailto:Frances.Ivers@cdevinc.com) or at 720-499-1505.

Centennial Resource Production, LLC

By: 

Frances Ivers  
Contract Land Coordinator



RECEIVED

OCT 22 2021

## 3160-9 – COMMUNITIZATION

BLM, NMSO  
SANTA FEModel Form of a Federal Communitization Agreement  
Contract No. NMNM 143956

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

## WITNESSETH:

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

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

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

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

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

Township 21 South, Range 32 East, Lea County, New Mexico

Section 32: W/2 E/2, E/2 W/2

And

Township 22 South, Range 32 East, Lea County, New Mexico

Section 5: ~~W/2 E/2, E/2 W/2~~ *Lots 2, 3, SWNE, W2SE, SE1NW, E2SW.*

Containing 639.34 acres, being further described on Exhibit A attached hereto, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil, natural gas, and associated liquid hydrocarbons, hereinafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized areas.

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

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

15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

**Operator & Working Interest Owner:**  
Centennial Resource Production, LLC

By: [Signature]

Name: Skylar Fast

Title: Land Manager

Date: 10/20/2021

THE STATE OF COLORADO §

§

COUNTY OF DENVER §

§

This instrument was acknowledged before me on this 20<sup>th</sup> day of October, 2021, by Sean W. Marshall, as Vice President of Land of Centennial Resource Production, LLC, a Delaware corporation.

[Signature]  
Notary Public in and for the State of Texas

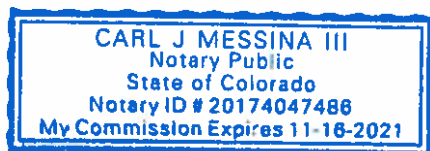


Exhibit A

To Communitization Agreement dated June 1, 2021 embracing W/2 E/2, E/2 W/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and W/2 E/2, E/2 W/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico

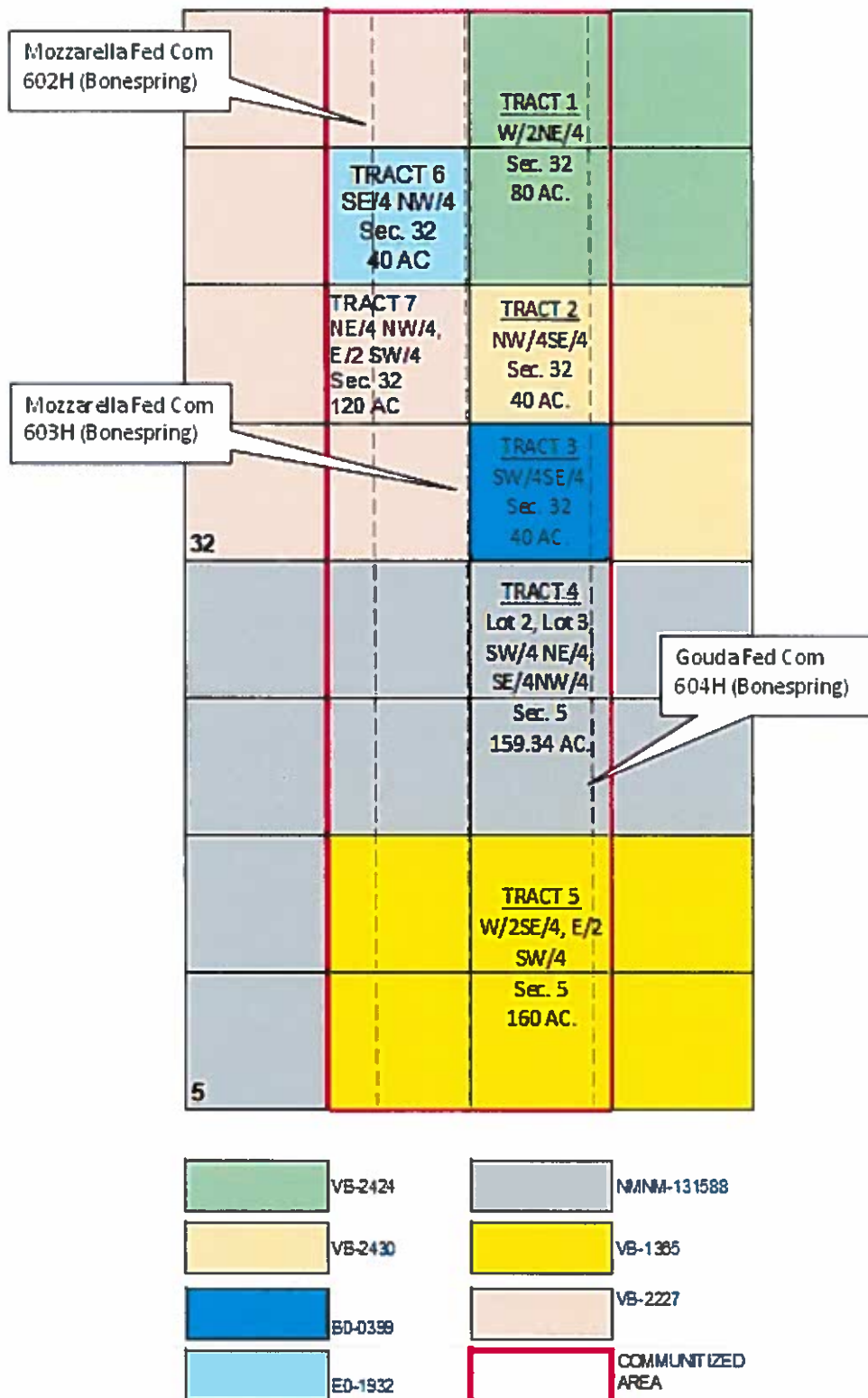


Exhibit B

To Communitization Agreement dated June 1, 2021 embracing W/2 E/2, E/2 W/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and W/2 E/2, E/2 W/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico

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

**Tract No. 1**

Lease Serial No.: VB-2424  
Description of Lands Committed: Insofar as lease covers W/2 NE/4 Section 32, T21S, R32E, Lea County, NM  
Number of Acres: 80.00  
Lessor of Record: State of New Mexico  
Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000%

**Tract No. 2**

Lease Serial No.: VB-2430  
Description of Lands Committed: Insofar as lease covers NW/4 SE/4 Section 32, T21S, R32E, Lea County, NM  
Number of Acres: 40.00  
Lessor of Record: State of New Mexico  
Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000%

**Tract No. 3**

Lease Serial No.: B0-0399  
Description of Lands Committed: Insofar as lease covers SW/4 SE/4 Section 32, T22S, R32E, Lea County, NM  
Number of Acres: 40.00  
Lessor of Record: State of New Mexico  
Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000%



**Tract No. 4**

Lease Serial No.: NMNM-131588

Description of Lands Committed: Insofar as lease covers Lot 2, Lot 3, SW/4 NE/4, SE/4 NW/4 Section 5, T22S, R32E, Lea County, NM

Number of Acres: 159.34

Lessor of Record: USA - Bureau of Land Management

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000%

**Tract No. 5**

Lease Serial No.: VB-1365

Description of Lands Committed: Insofar as lease covers W/2 SE/4, E/2 SW/4 Section 5, T22S, R32E, Lea County, NM

Number of Acres: 160.00

Lessor of Record: State of New Mexico

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000

**Tract No. 6**

Lease Serial No.: E0-1932

Description of Lands Committed: Insofar as lease covers SE/4 NW/4 Section 32, T21S, R32E, Lea County, NM

Number of Acres: 40.00

Lessor of Record: State of New Mexico

Name and Percent WI Owners: ConocoPhillips Company \_ \_ \_ \_ 100.00000

**Tract No. 7**

Lease Serial No.: VB-2227

Description of Lands Committed: Insofar as lease covers NE/4 NW/4, E/2 SW/4 Section 32, T21S, R32E, Lea County, NM

Number of Acres: 120.00

Lessor of Record: State of New Mexico

Name and Percent WI Owners: Centennial Resource Production, LLC \_ \_ \_ \_ 100.00000



RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	80.00	12.5129%
2	40.00	6.2565%
3	40.00	6.2565%
4	159.34	24.9226%
5	160.00	25.0258%
6	40.00	6.2565%
7	120.00	18.7694%
<b>Total</b>	<b>639.34</b>	<b>100.000000%</b>

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

**RECEIVED**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
CENTENNIAL RESOURCES PRODUCTION, LLC**

**CASE NO. 21541  
ORDER NO. R-21564**

**OCT 22 2021  
BLM, NMSO  
SANTA FE**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Centennial Resources Production, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the

election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL**  
**DIRECTOR**  
AES/jag

Date: 12/09/2020

CASE NO. 21541  
ORDER NO. R-21564

Page 4 of 7

## Exhibit A


<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case No. 21541</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: December 3, 2020</b>	
<b>Applicant</b>	Centennial Resource Production LLC
<b>Designated Operator &amp; OGRID (affiliation if applicable)</b>	Centennial Resource Production LLC (OGRID 372165)
<b>Applicant's Counsel:</b>	Holland & Hart LLP
<b>Case Title:</b>	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
<b>Entries of Appearance/Intervenors:</b>	N/A
<b>Well Family</b>	Mozzarella & Gouda Fed Com Wells
<b>Formation/Pool</b>	
<b>Formation Name(s) or Vertical Extent:</b>	Bone Spring
<b>Primary Product (Oil or Gas):</b>	Oil
<b>Pooling this vertical extent:</b>	Bone Spring
<b>Pool Name and Pool Code:</b>	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
<b>Well Location Setback Rules:</b>	Statewide oil
<b>Spacing Unit Size:</b>	639.34-acres
<b>Spacing Unit</b>	
<b>Type (Horizontal/Vertical)</b>	Horizontal
<b>Size (Acres)</b>	639.34-acres
<b>Building Blocks:</b>	40-acre
<b>Orientation:</b>	Standup
<b>Description: TRS/County</b>	E/2 W/2 and the W/2 E/2 of Section 5, Township 22 South, Range 32 East, and the E/2 W/2 and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico
<b>Standard Horizontal Well Spacing Unit (Y/N), If No, describe</b>	Yes
<b>Other Situations</b>	
<b>Depth Severance: Y/N. If yes, description</b>	No
<b>Proximity Tracts: If yes, description</b>	Yes
<b>Proximity Defining Well: if yes, description</b>	Mozzarella Fed Com #603H well will remain within 330 feet of the quarter-quarter line separating the E/2 W/2 from the W/2 E/2 to allow inclusion of these proximity tracts into a standard 640-acre horizontal spacing unit
<b>Applicant's Ownership In Each Tract</b>	Yes
<b>Well(s)</b>	

CASE NO. 21541  
ORDER NO. R-21564

Page 5 of 7

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p>Mozzarella Fed Com #602H Well, API No. 30-025-46742  SHL:954 feet from the North line and 2159 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 1730 feet from the West line,  (Unit C) of Section 32, Township 21 South, Range 32 East, NMPM.</p> <p>Completion Target: Bone Spring  Well Orientation: Standup  Completion Location expected to be: standard</p>
Well #2	<p>Mozzarella Fed Com #603H 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 2470 feet from the West line,  (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.</p> <p>Completion Target: Bone Spring  Well Orientation: Standup  Completion Location expected to be: Proximity tract well</p>
Well #3	<p>Gouda Fed Com #604H Well, API No. 30-025-pending  SHL:757 feet from the North line and 1245 feet from the West line,  (Unit P) of Section 5, Township 22 South, Range 32 East, NMPM.  BHL:100 feet from the North line and 1400 feet from the West line,  (Unit B) of Section 32, Township 21 South, Range 32 East, NMPM.</p> <p>Completion Target: Bone Spring  Well Orientation: Standup  Completion Location expected to be: Non-standard, application for approval of NSL pending with Division.</p>
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-4, Exhibit D-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,500 (drilling) & \$850 (producing)/month
Production Supervision/Month \$	Exhibit C, C-4
Justification for Supervision Costs	Exhibit C, C-4
Requested Risk Charge	Exhibit C, C-4
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E



Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3, Exhibit E
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3, Exhibit E
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates in Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D-1
Target Formation	Exhibit D-2, D-3, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3, D-4
Cross Section (including Landing Zone)	Exhibit D-3, D-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Kaitlyn A. Luck
<b>Signed Name (Attorney or Party Representative):</b>	
<b>Date:</b>	1-Dec-20

CASE NO. 21541  
ORDER NO. R-21564

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Office  
 District I – (575) 393-6161  
 1625 N. French Dr., Hobbs, NM 88240  
 District II – (575) 748-1283  
 811 S. First St., Artesia, NM 88210  
 District III – (505) 334-6178  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV – (505) 476-3460  
 1220 S. St. Francis Dr., Santa Fe, NM  
 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised July 18, 2013

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. <b>30-025-48616</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Mozzarella Fed Com</b>
8. Well Number <b>604H</b>
9. OGRID Number <b>372165</b>
10. Pool name or Wildcat <b>Bilbrey Basin; Bone Spring</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3695 GL</b>

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator <b>CENTENNIAL RESOURCE PRODUCTION, LLC</b>	
3. Address of Operator <b>1001 17TH ST SUITE 1800 DENVER, CO 80202</b>	
4. Well Location Unit Letter <b>P</b> : <b>757</b> feet from the <b>South</b> line and <b>1245</b> feet from the <b>East</b> line Section <b>32</b> Township <b>22S</b> Range <b>32E</b> NMPM County <b>Lea</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3695 GL</b>	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On behalf of Centennial Resource Production, LLC please note the following changes:

- Dedicated acreage is 639.34 acres being the E/2 of W/2 & W/2 of E/2 of Sec. 5 & 32.
- Pryor name change approval from the Gouda Fed Com 604H to the Mozzarella Fed Com 604H
- Well was drilled since previous BLM sundry approval, BHL is now 86' FNL & 1390 FEL.

Please see attached BLM sundry approval, along with updated C-102 Plat.

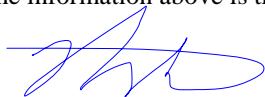
Spud Date:

5/13/21

Rig Release Date:

6/15/21

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

SIGNATURE  TITLE **Sr. Regulatory Analyst** DATE **9/8/22**

Type or print name **Meghan Twele** E-mail address: **meghan.twele@cdevinc.com** PHONE: **720-499-1531**

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

Well Name: GOUDA FEDERAL COM	Well Location: T22S / R32E / SEC 5 / SWSE /	County or Parish/State:
Well Number: 604H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM131588	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002548616	Well Status: Approved Application for Permit to Drill	Operator: CENTENNIAL RESOURCE PRODUCTION LLC

Notice of Intent

Type of Submission: Notice of Intent	Type of Action Other
Date Sundry Submitted: 04/29/2021	Time Sundry Submitted: 10:04
Date proposed operation will begin: 04/28/2021	

**Procedure Description:** Centennial Resource Production LLC, respectfully requests to change our dedicated acreage and BHL as follows: Current: Dedicated acreage 319.67 BHL Unit B, Sec 32, T21S, R32E, 100 FNL, 1484 FEL New: Dedicated acreage 639.34 BHL Unit B, Sec 32, T21S, R32E, 100 FNL, 1400 FEL Please see new plat attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

**Procedure Description**

Gouda\_Fed\_Com\_604H\_C102\_Revised\_20210428161006.pdf

Well Name: GOUDA FEDERAL COIL	Well Location: T22S / R32E / SEC 5 / SWSE /	County or Parish/State:
Well Number: 604H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM131588	Unit or CA Name:	Unit or CA Number:
US Well Number: 3002548616	Well Status: Approved Application for Permit to Drill	Operator: CENTENNIAL RESOURCE PRODUCTION LLC

Operator Certification

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

Operator Electronic Signature: KANICIA SCHLICHTING	Signed on: APR 29, 2021 10:03 AM
Name: CENTENNIAL RESOURCE PRODUCTION LLC	
Title: Sr. Regulatory Analyst	
Street Address: 1001 17th Street, Suite 1800	
City: Denver	State: CO
Phone: (720) 499-1537	
Email address: Kanicia.schlichting@cdevinc.com	

Field Representative

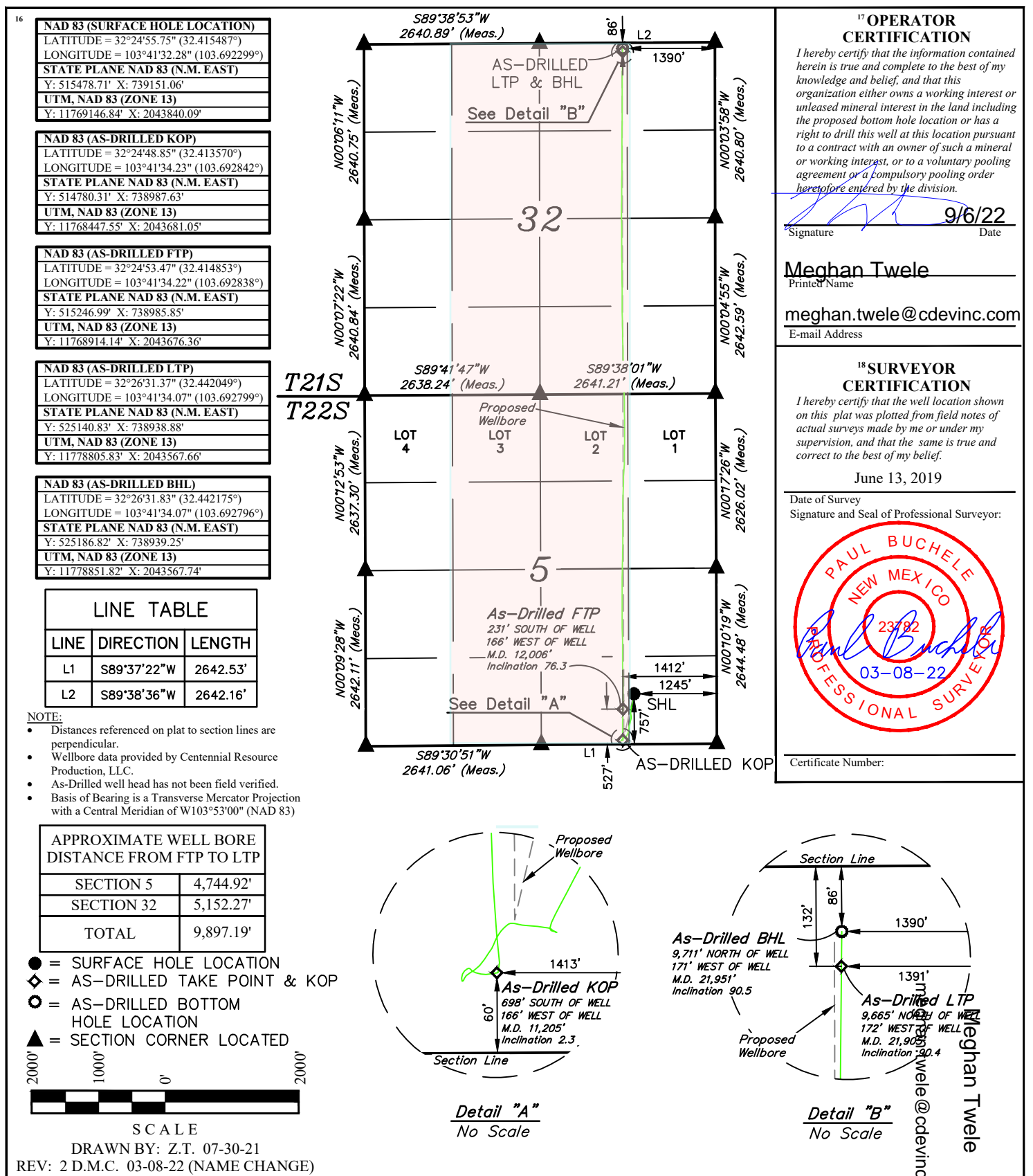
Representative Name: Kanicia Schlichting		
Street Address: 1001 17th Street, Suite 1800		
City: Denver	State: CO	Zip: 80202
Phone: (720)499-1537		
Email address: kanicia.schlichting@cdevinc.com		

BLM Point of Contact

BLM POC Name: JEROMY PORTER	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5752345997	BLM POC Email Address: jjporter@blm.gov
Disposition: Approved	Disposition Date: 04/30/2021
Signature: Jeromy Porter	

☐ AMENDED REPORT

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



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS  
  
Action 140809

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 140809
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
pkautz	NEW SPACING UNIT REQUIRES NSP BEFORE WELL CAN PRODUCE	9/15/2022



**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/FEDERAL OR  
STATE/FEDERAL/FEE**

Revised August, 2021

ONLINE Version

**COMMUNITIZATION AGREEMENT**

API Initial Well: 30-02 - 546742

30-02-546741

30-02-548616

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

**WITNESSETH:**

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

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

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

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

Subdivisions W/2 E/2, E/2 W/2 of Sec 32 T21S, R32E & W/2 E/2, E/2 W/2 of Sec 5 T22S, R32E,

Sect(s) \_\_\_\_\_, T \_\_\_\_\_, R \_\_\_\_\_, NMPM Lea County, NM

containing 639.34 acres, more or less, and this agreement shall include only the

Bonespring Formation

or pool, underlying said lands and the Oil, gas and other minerals

(hereinafter referred to as "communitized substances") producible from such formation.



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

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or is such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is June 01 2021 Month 01 Day, 2021 Year, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the

Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

Operator Centennial Resource Production, LLC

Lessees of Record \_\_\_\_\_

Name Skylar Fast

Print name of person

By

7.8 [Signature]

12/6/21

Land Manager

Type of authority

Attach additional page(s) if needed.

[Acknowledgments are on following page.]

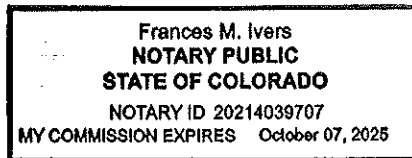
2021 DEC 6 PM 5:00

## Acknowledgment in an Individual Capacity

State of ColoradoCounty of Denver ) SS)This instrument was acknowledged before me on 12/6/21  
DATEBy Skylar Fast

Name(s) of Person(s)

(Seal)



Signature of Notarial Officer

My commission expires: 10/07/2025

## Acknowledgment in a Representative Capacity

State of \_\_\_\_\_)

County of \_\_\_\_\_) SS)

This instrument was acknowledged before me on \_\_\_\_\_  
DATEBy Skylar Fast

Name(s) of Person(s)

as Land Managerof Centennial Resource Production, LLC

Type of authority, e.g., officer, trustee, etc

Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

2021 DEC 29 PM 11:40

Operator Marathon Oil Permian LLCName Clayton Rule  
Print name of personBy C. Rule  
Attorney-in-Fact  
Type of authority

2022-03-17 12:37:47 PM

## Acknowledgment in an Individual Capacity

State of \_\_\_\_\_)

County of \_\_\_\_\_) S S )

This instrument was acknowledged before me on \_\_\_\_\_  
DATEBy \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

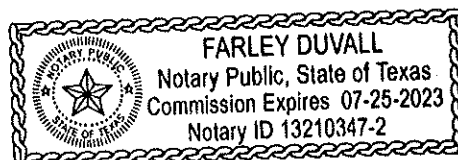
My commission expires: \_\_\_\_\_

## Acknowledgment in a Representative Capacity

State of Texas)County of Harris) S S )This instrument was acknowledged before me on 10/28/2021  
DATEBy Clayton Rule  
Name(s) of Person(s)as Attorney-in-Fact of Marathon Oil Permian, LLC

Type of authority, e.g., officer, trustee, etc Name of party on behalf of whom instrument was executed

(Seal)

R. R. #

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

2021 OCT 23 01:14:50

FASKEN ACQUISITIONS 02, LTD. a  
Texas limited partnership  
By: Fasken Management, LLC its general  
Partner

BY: Tommy E. Taylor  
Tommy E. Taylor, Senior Vice President

*DMW*

#### Acknowledgment in an Individual Capacity

State of \_\_\_\_\_)

County of \_\_\_\_\_) SS)

This instrument was acknowledged before me on \_\_\_\_\_

DATE

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

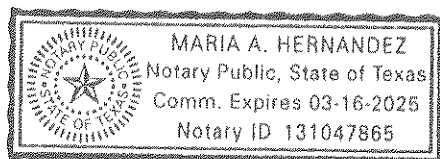
My commission expires: \_\_\_\_\_

#### Acknowledgment in a Representative Capacity

STATE OF TEXAS §

COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 27 day of Oct., 2021,  
by Tommy E. Taylor, Senior Vice President of Fasken Management, LLC., the General Partner of  
Fasken Acquisitions 02, Ltd., a Texas limited partnership, on behalf of said limited liability  
company and said limited partnership.



Maria A. Hernandez  
Notary Public-State of Texas

**EXHIBIT A**

To Communitization Agreement dated June 1, 2021 embracing W/2 E/2, E/2 W/2 Section 32,

Township 21 South, Range 32 East, N.M.P.M, and W/2 E/2, E/2 W/2 Section 5, Township 22

South, Range 32 East, N.M.P.M, Lea County, New Mexico

Operator of Communitized Area: Centennial Resource Production, LLC**DESCRIPTION OF LEASES COMMITTED****TRACT NO. 1**

Lease Serial No.: VB-2424  
 Lease Date: 9/1/2014  
 Lease Term: 81 Months  
 Lessor: State of New Mexico  
 Original Lessee: GMT Exploration Company, LLC  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions W/2 NE/4,  
 Sect(s) 32, Twp 21S, Rng 32E NMPM, Lea County, NM  
 Number of Acres: 80  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: GMT New Mexico Royalty, LLC 3.25%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

**TRACT NO. 2**

Lease Serial No.: VB-2430  
 Lease Date: 9/1/2014  
 Lease Term: 81 Months  
 Lessor: State of New Mexico  
 Original Lessee: Crown Oil Partners V, LP  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions NW/4 SE/4,  
 Sect(s) 32, Twp 21S, Rng 32E NMPM, Lea County, NM  
 Number of Acres: 40  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: Post Oak Crown IV, LLC et al 3.25%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

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**TRACT NO. 3**

Lease Serial No.: B0-0399  
 Lease Date: 11/24/1931  
 Lease Term: 60 Months  
 Lessor: State of New Mexico  
 Original Lessee: Mazel Oil & Gas Company  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions SW/4 SE/4,  
 Sect(s) 32, Twp 21S, Rng 32E, NMPM, Lea, \_\_\_\_\_ County, NM  
 Number of Acres: 40  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: Elaine Novy Shapiro, et al 0.653327%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 1.250844

ConocoPhillips Company 70.642805%  
 RKC, Inc 3.291270%  
 Chevron USA, Inc. 17.501147%

Fasken Acquisitions 02, Ltd. 4.7235805%  
 Paladin Energy Corporation 1.295177%  
 Raven Resources, LLC 0.431726%  
 Sunrise Oil and Gas Properties, LLC 0.863451%

**TRACT NO. 4**

Lease Serial No.: NMNM-131588  
 Lease Date: 2/1/2014  
 Lease Term: 120  
 Lessor: United States of America  
 Original Lessee: Federal Abstract Co  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions Lot 2, Lot 3, SW/4 NE/4, SE/4NW/4,  
 Sect(s) 5, Twp 22S, Rng 32E, NMPM, Lea, \_\_\_\_\_ County, NM  
 Number of Acres: 159.34  
 Royalty Rate: 12.5%  
 Name and Percent ORRI Owners: Post Oak Crown IV, LLC, et al 4.275%  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

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**TRACT NO. 5**

Lease Serial No.: VB-1365  
 Lease Date: 03/01/2008  
 Lease Term: 60 Months  
 Lessor: State of New Mexico  
 Original Lessee: Devon Energy Production Company LP  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions W/2 SE/4, E/2 SW/4,  
 Sect(s) 5, Twp 22S, Rng 32E, NMPM, Lea County, NM  
 Number of Acres: 160  
 Royalty Rate: 18.75%  
 Name and Percent ORRI Owners: None  
 Name and Percent WI Owners: Centennial Resource Production, LLC 100%

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**TRACT NO. 6**

Lease Serial No.: E0-1932  
 Lease Date: 06/10/1948  
 Lease Term: 60 Months  
 Lessor: State of New Mexico  
 Original Lessee: Erle Payen  
 Present Lessee: Centennial Resource Production, LLC  
 Description of Land Committed: Subdivisions SE/4NW/4,  
 Sect(s) 32, Twp 21S, Rng 32E, NMPM, Lea County, NM  
 Number of Acres: 40  
 Royalty Rate: 12.5%  
 Name and Percent ORRI Owners: Elaine Novy Shapiro, et al 2.287992  
 Name and Percent WI Owners: Centennial Resource Production, LLC 23.192646 %

ConocoPhillips Company 51.992273 %  
 Chevron USA, Inc 17.501147%  
 Fasken Acquisitions 02, Ltd 4.72358%  
 Paladin Energy Corporation 1.295177  
 Raven Resources, LLC 0.431726%  
 Sunrise Oil and Gas Properties, LLC 0.863451

**TRACT NO. 7**Lease Serial No.: VB-2227Lease Date: 01/01/2013Lease Term: 60 MonthsLessor: State of New MexicoOriginal Lessee: GMT Exploration Company, LLCPresent Lessee: Centennial Resource Production, LLCDescription of Land Committed: Subdivisions NE/4NW/4, E/2SW/4,Sect(s) 32, Twp 21S, Rng 32E, NMPM, \_\_\_\_\_ Lea \_\_\_\_\_ County, NMNumber of Acres: 120Royalty Rate: 18.75%Name and Percent ORRI Owners: GMT New Mexico Royalty, LLC 3.25%Name and Percent WI Owners: Centennial Resource Production, LLC 100%B3  
B2  
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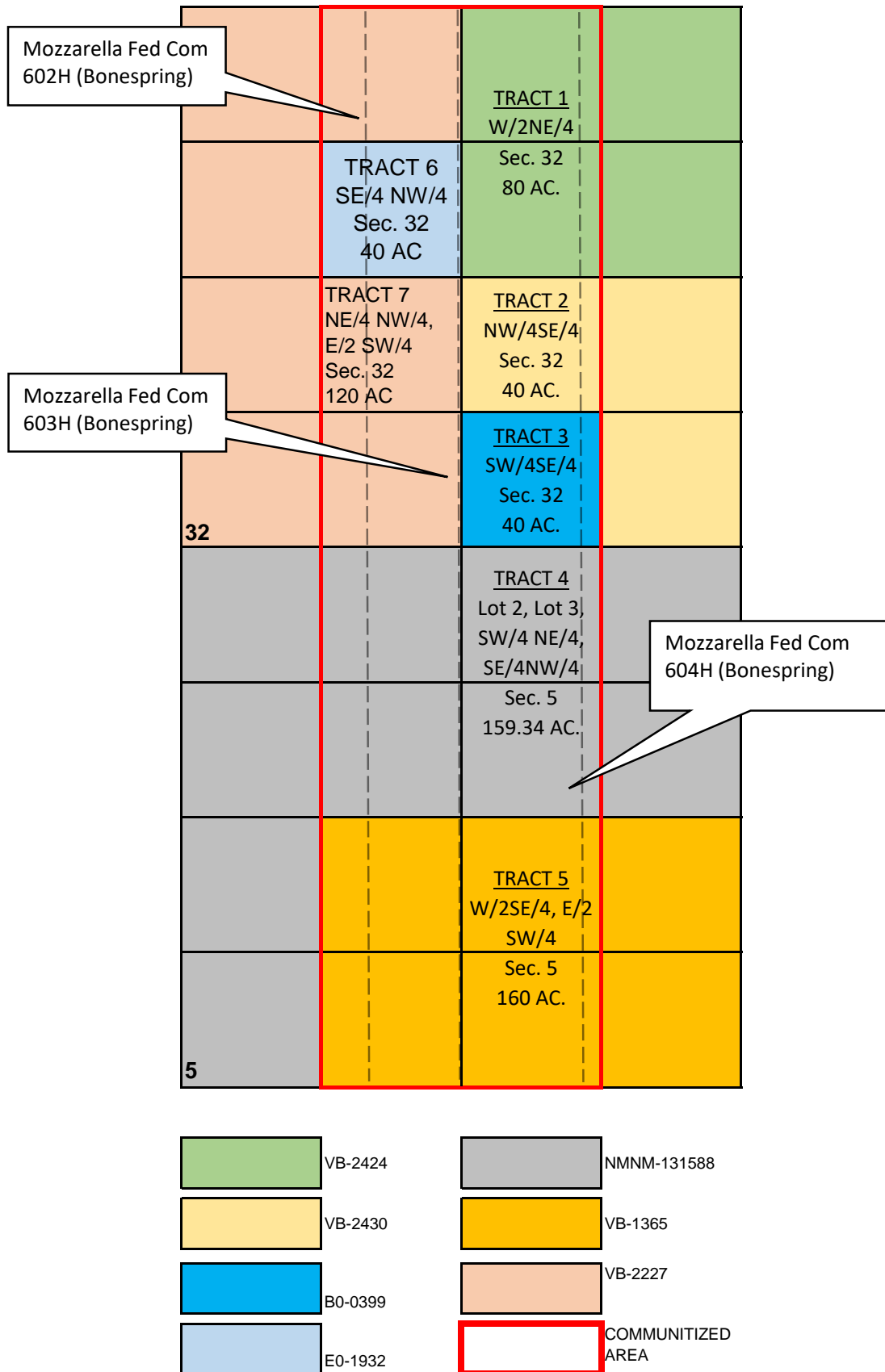
**RECAPITULATION**

<b>Tract numbers</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
Tract No.1	<u>80.00</u>	<u>12.5129%</u>
Tract No.2	<u>40.00</u>	<u>6.2565%</u>
Tract No.3	<u>40.00</u>	<u>6.2565%</u>
Tract No.4	<u>159.34</u>	<u>24.9226%</u>
Tract No.5	<u>160.00</u>	<u>25.0258%</u>
Tract No.6	<u>40.00</u>	<u>6.2565%</u>
Tract No.7	<u>120.00</u>	<u>18.7694%</u>
<b>Total</b>	639.34	100.000000%

130  
131  
132  
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## Exhibit B

To Communitization Agreement dated June 1, 2021 embracing W/2 E/2, E/2 W/2 Section 32, Township 21 South, Range 32 East, N.M.P.M, and W/2 E/2, E/2 W/2 Section 5, Township 22 South, Range 32 East, N.M.P.M, Lea County, New Mexico



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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY PERMIAN RESOURCES OPERATING,  
LLC**

**ORDER NO. CTB-1057**

**ORDER**

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

**FINDINGS OF FACT**

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

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

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

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order PLC-653.
3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

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

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



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

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE  
DIRECTOR (ACTING)**

**DATE:** 2/19/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **CTB-1057**

Operator: **Permian Resources Operating, LLC (372165)**

Central Tank Battery: **Mozzarella 8 Central Tank Battery**

Central Tank Battery Location: **UL C, Section 8, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **UL C, Section 8, Township 22 South, Range 32 East**

### Pools

Pool Name	Pool Code
<b>BILBREY BASIN; BONE SPRING</b>	<b>5695</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105397865 (131588)	A B C F G H	5-22S-32E
VB 1365 0000	I J K N O P	5-22S-32E
VB 2424 0001	A B G H	32-21S-32E
VB 2430 0001	I J P	32-21S-32E
B0 0399 0069	O	32-21S-32E
VB 2227 0001	C K N	32-21S-32E
E0 1932 0001	F	32-21S-32E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46742	Mozzarella Federal Com #602H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-46757	Mozzarella Federal Com #603H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-48616	Mozzarella Federal Com #604H	E/2 W/2, W/2 E/2	32-21S-32E	5695
		E/2 W/2, W/2 E/2	5-22S-32E	
30-025-48617	Gouda Federal Com #605H	E/2 E/2	32-21S-32E	5695
		E/2 E/2	5-22S-32E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: CTB-1057  
Operator: Permian Resources Operating, LLC (372165)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 105727763 (144138)	E/2 E/2 E/2 E/2	32-21S-32E 5-22S-32E	319.66	A
CA Bone Spring NMNM 105725412 (143956)	E/2 W/2, W/2 E/2 E/2 W/2, W/2 E/2	32-21S-32E 5-22S-32E	639.34	B

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VB 2424 0001	A H	32-21S-32E	80	A
VB 2430 0001	I P	32-21S-32E	80	A
NMNM 105397865 (131588)	A H	5-22S-32E	79.66	A
VB 1365 0000	I P	5-22S-32E	80	A
VB 2424 0001	B G	32-21S-32E	80	B
VB 2430 0001	J	32-21S-32E	40	B
B0 0399 0069	O	32-21S-32E	40	B
VB 2227 0001	C K N	32-21S-32E	120	B
E0 1932 0001	F	32-21S-32E	40	B
NMNM 105397865 (131588)	B C F G	5-22S-32E	159.34	B
VB 1365 0000	J K N O	5-22S-32E	160	B

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS  
  
Action 91063

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 91063
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	2/20/2023