

**BEFORE THE OIL CONSERVATION COMMISSION  
EXAMINER HEARING JUNE 13, 2019**

**CASE No. 20518**

*CHORIZO 12 STATE COM No. 601H WELL*

**LEA COUNTY, NEW MEXICO**



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

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

**CASE NO. 20518**

**AFFIDAVIT OF GAVIN SMITH**

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

1. My name is Gavin Smith. I work for Centennial Resource Production, LLC ("Centennial") as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case and familiar with the status of the lands in the subject area.
4. None of the parties proposed to be pooled in this case has indicated opposition, therefore I do not expect any opposition at the hearing.
5. Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation (Ojo Chiso; Bone Spring Pool (96553)) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. This standard horizontal spacing unit will be dedicated to the **Chorizo 12 State Com No. 601H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1.

6. **Centennial Exhibit No. A-1** contains a draft Form C-102 for the proposed well.
7. The completed interval for this well will remain within the standard setback required by the Division's Statewide rules for horizontal oil wells.
8. **Centennial Exhibit No. A-2** identifies the tracts of land comprising the proposed horizontal spacing unit that are encompassed within the Ojo Chiso; Bone Spring Pool (96553), and the tracts of land within the proposed horizontal spacing unit that are encompassed within the Gramma Ridge; Northeast Bone Spring Pool (28435). The subject acreage consists only of state lands.
9. **Centennial Exhibit No. A-3** reflects the ownership interests in the proposed horizontal spacing unit. Centennial has also identified on this exhibit the only record title owner that Centennial seeks to pool in these proceedings.
10. No ownership depth severances exist within this proposed horizontal spacing unit.
11. Centennial has conducted a diligent search of all public records in Lea County, including phone directories and computer databases, for valid addresses the mineral interests that Centennial seeks to pool.
12. **Centennial Exhibit No. A-4** contains a copy of the well proposal letter along with an AFE provided to the working interest owners in the proposed horizontal spacing unit. In addition to submitting this letter, Centennial subsequently undertook good faith efforts to reach agreement with the party it is seeking to pool.
13. The costs reflected in the AFE submitted with the well proposal letter are consistent with what other operators have incurred for drilling similar horizontal wells in the area in the Bone Spring formation.

14. Centennial has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$7,000 per month while drilling and \$700 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

15. I provided the law firm of Holland & Hart LLP a list of names and addresses for the interest owners Centennial seeks to pool and instructed that they be notified of this hearing.

16. Centennial Exhibit Nos. A-1 through A-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Gavin Smith  
Gavin Smith

STATE OF COLORADO )  
COUNTY OF Denver )

SUBSCRIBED and SWORN to before me this 10<sup>th</sup> day of June 2019 by Gavin Smith.

Carl J. Messina III  
NOTARY PUBLIC

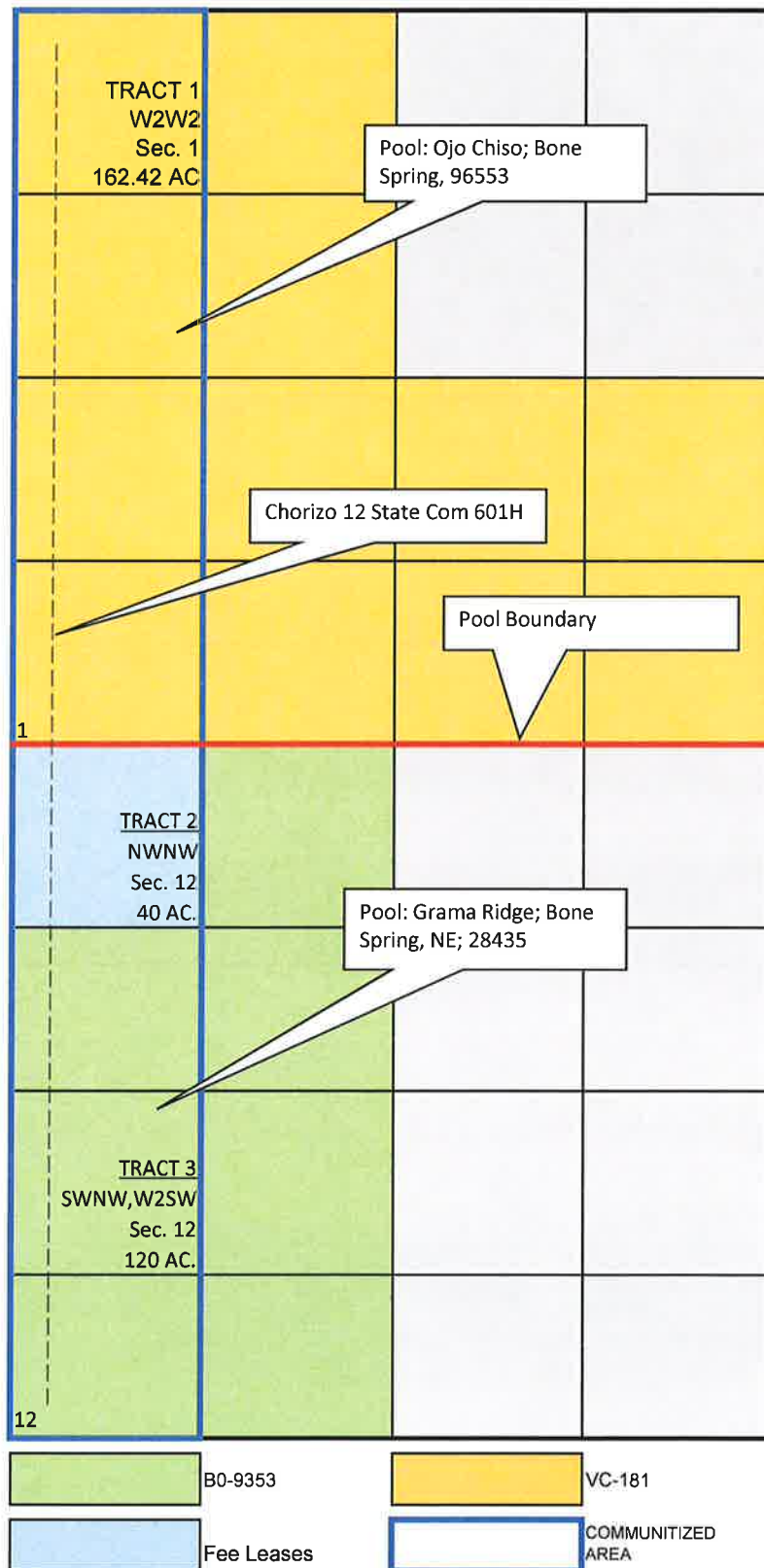
My Commission Expires:

11-16-2021



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. A-1**  
Submitted by: **Centennial**  
Hearing Date: June 13, 2019  
Case No 20518

Land Ownership Map  
Chorizo 12 State Com #601H



**Ownership Exhibit**  
**Chorizo 12 State Com #601H**

Name	Address	Interest Type	Working Interest
<b>Owners to be Pooled</b>			
Southwest Royalties, Inc.	6 Desta Drive, Suite 1100 Midland, TX 79705	Record Title	50.000000%
<b>Total:</b>			<b>50.000000%</b>

<b>Owners NOT being Pooled</b>			
V-F Petroleum, Inc.	P.O. Box 1889 Midland, Texas 79702	Record Title	50.000000%
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	100.000000%





April 11, 2019

RE: Chorizo 12 State Com 601H  
SHL: 300' FSL Sec. 12 & 700' FWL Sec. 12 T22S R34E  
BHL: 100' FNL Sec. 1 & 330' FWL Sec. 1 T22S R34E  
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Chorizo 12 State Com 601H as a horizontal well to test the Bone Spring Formation at a planned lateral length of 10,360 feet. The W/2 W/2 of the referenced Sections 12 & 1 will be dedicated to the well as the proration unit being a total of 320 acres. Please see the enclosed AFE in the amount of \$12,935,028.80.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of April 1, 2019, covering Township 22 South, Range 34 East, Sections 12 & 1: W/2 W/2. The JOA contains a proposed overhead rate of \$7500 per day for drilling and \$750 per day for producing and provides for a 100%/300%/300% non-consent penalty.

In the space provided below, please indicate your election and return one original copy of this letter along with an original copy of the enclosed AFE or email me a copy at [carl.messina@cdevinc.com](mailto:carl.messina@cdevinc.com). Should you have any questions, please call me at (720) 499-1411.

Best Regards

Carl Messina  
Land Coordinator



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED CHORIZO 12 STATE COM 601H AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2019.

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

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

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

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED CHORIZO 12 STATE COM 601H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this \_\_\_\_ day of \_\_\_\_\_, 2019.

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

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

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



## Authorization for Expenditure

<b>AFE Number</b>	400336	<b>Property #</b>	
<b>AFE Description</b>		<b>Property Name</b>	Well: Chorizo 12 State Com 601H
<b>AFE Originating Date</b>		<b>State</b>	New Mexico
<b>AFE Type</b>	Drill and Complete	<b>County</b>	Lea
<b>Operator</b>	Centennial Resource Production, LLC	<b>Field</b>	Delaware Basin - TX

### Non Operator Approval

**AFE Total (\$)**

\$12,935,028.8

Company \_\_\_\_\_

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

Title \_\_\_\_\_

Date \_\_\_\_\_

### Cost Estimates

Description	Total (\$)
IDC - PERMITS,LICENSES,ETC	\$9,000.00
IDC - STAKING & SURVEYING	\$10,000.00
IDC - LEGAL, TITLE SERVICES	\$10,000.00
IDC - SURFACE DAMAGE / ROW	\$35,000.00
IDC - ROAD, LOCATIONS, PITS	\$175,000.00
IDC - RIG MOB / TRUCKING	\$175,000.00
IDC - RIG MOB / STANDBY RATE	\$125,000.00
IDC - DAYWORK CONTRACT	\$683,150.00
IDC - FOOTAGE CONTRACT	\$56,000.00
IDC - DIRECTNL DRILL & SURVEY	\$299,000.00
IDC - CONDUCTOR HOLE & SERVICE	\$35,000.00
IDC - WIRELINE SVCS CASED&OPEN	\$0.00
IDC - BITS, TOOLS, STABILIZERS	\$149,983.00
IDC - FUEL / POWER	\$112,500.00
IDC - RIG WATER	\$25,000.00
IDC - MUD/CHEMICALS/ACIDIZING	\$228,542.00



IDC - MUD LOGGING	\$45,000.00
IDC - INSPECTION, TESTING & REPAIR	\$75,000.00
IDC - CORE ANALYSIS	\$ .00
IDC - OPEN/CASED HOLE LOGGING	\$179,000.00
IDC - CEMENT SERV/FLOAT EQUIP	\$175,000.00
IDC - CASING CREW & TOOLS	\$41,500.00
IDC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00
IDC - MATERIALS & SUPPLIES	\$ .00
IDC - TRUCKING/VACUUM/ TRANSP	\$49,500.00
IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$75,500.00
IDC - DISPOSAL	\$200,000.00
IDC - WELLHEAD PREPARE/REPAIR	\$25,000.00
IDC - FISHING TOOLS & SERVICES	\$ .00
IDC - RENTAL EQUIPMENT	\$116,000.00
IDC - MANCAMP	\$56,000.00
IDC - WELLSITE SUPERVISION	\$140,000.00
IDC - SUPERVISION/ENGINEERING	\$ .00
IDC - SAFETY / ENVIRONMENTAL	\$26,400.00
IDC - OVERHEAD	\$ .00
IDC - WELL CONTROL INSURANCE	\$14,965.30
IDC - CONTINGENCY	\$337,704.03
TDC - CASING - CONDUCTOR	\$ .00
TDC - CASING - SURFACE	\$81,472.50
TDC - CASING - INTERMEDIATE - 1	\$184,747.50
TDC - CASING - INTERMEDIATE 2	\$ .00
TDC - CASING - PRODUCTION	\$432,270.02
TDC - WELLHEAD EQUIPMENT	\$65,875.00
TDC - PACKER/DOWNHOLE TOOLS	\$51,531.25
TDC - CONTINGENCY	\$ .00
ICC - STAKING & SURVEYING	\$ .00
ICC - ROAD, LOCATIONS, PITS	\$11,500.00
ICC - COMPLETION RIG	\$ .00



ICC - WIRELINE OPEN/CASED HOLE	\$45,475.00
ICC - FUEL / POWER	\$632,500.00
ICC - COILED TUBING	\$269,287.20
ICC - CEMENTING & SERVICES	\$ .00
ICC - WATER DISPOSAL/VACUUM TRUCK	\$24,790.00
ICC - INSPECTION & TESTING	\$ .00
ICC - TRUCKING	\$13,750.00
ICC - ELECTRIC LOGGING / PERFORATING	\$667,523.00
ICC - COMPLETION FLUIDS	\$10,000.00
ICC - CASING CREW AND TOOLS	\$ .00
ICC - WELL STIMULATION/FRACTUR	\$2,861,520.00
ICC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
ICC - WATER HANDLING	\$406,500.00
ICC - WELLHEAD/FRACTREE REPAIR	\$35,000.00
ICC - FISHING TOOLS & SERVICES	\$ .00
ICC - COMMUNICATIONS	\$ .00
ICC - RENTAL EQUIPMENT	\$153,556.00
ICC - WELLSITE SUPERVISION	\$169,756.00
ICC - SUPERVISION/ENGINEERING	\$7,500.00
ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
ICC - OVERHEAD	\$10,000.00
ICC - WELL CONTROL INSURANCE	\$ .00
ICC - CONTINGENCY	\$ .00
TCC - CASING - PRODUCTION	\$ .00
TCC - PROD LINER & EQUIPMENT	\$ .00
TCC - PACKER/DOWNHOLE TOOLS	\$ .00
FAC - ROAD LOCATIONS PITS	\$20,000.00
FAC - TRANSPORTATION TRUCKING	\$50,000.00
FAC - CONTRACT LABOR / ROUSTAB	\$225,000.00
FAC - SUPERVISION	\$15,000.00
FAC - P-LINE F-LINE LINEPIPE	\$20,000.00
FAC - TANK BATTERY	\$175,000.00





FAC - HEATER TREATER/SEPARATOR	\$155,000.00
FAC - VALVES FITTINGS & PIPE	\$225,000.00
FAC - CIRCULATING TRANSFER PUMP	\$15,000.00
FAC - METER & LACT	\$25,000.00
FAC - ELECTRICAL	\$180,000.00
FAC - COMM TELEMETRY & AUTOMAT	\$50,000.00
FAC - FLARE/COMBUSTER	\$50,000.00
FAC - CONTINGENCY	\$100,000.00
TCC - WELLHEAD EQUIPMENT	\$51,750.00
FAC - SURFACE DAMAGE / ROW	\$ .00
FAC - MATERIALS & SUPPLIES	\$ .00
FAC - RENTAL EQUIPMENT	\$30,000.00
FAC - FUEL / POWER	\$ .00
FAC - WATER DISPOSAL / SWD	\$ .00
FAC - WASTE DISPOSAL	\$ .00
FAC - INSPECTION & TESTING	\$5,000.00
FAC - FRAC TANK RENTAL	\$ .00
FAC - CONSULTING SERVICES	\$ .00
FAC - INJECTION PUMP	\$ .00
FAC - DEHYDRATOR EQUIPMENT	\$ .00
FAC - COMPRESSOR	\$ .00
FAC - SAFETY / ENVIRONMENTAL	\$10,000.00
FAC - OVERHEAD	\$ .00
FAC - INSURANCE	\$ .00
ICC - SOURCE WATER	\$782,481.00
IFC - ROADS LOCATIONS / PITS	\$5,000.00
IFC - COMPLETION RIG	\$16,000.00
IFC - WIRELINE OPEN/CASED HOLE	\$ .00
IFC - FUEL / POWER	\$ .00
IFC - COILED TUBING	\$ .00
IFC - CEMENTING & SERVICES	\$ .00
IFC - FRAC WATER RECOVERY	\$280,000.00



IFC - INSPECTION & TESTING	\$3,500.00
IFC - TRUCKING/VACUUM/TRANSP	\$10,000.00
IFC - ELECTRIC LOGGING/PERFORATING	\$ .00
IFC - COMPLETION FLUID	\$15,000.00
IFC - CASING CREW AND TOOLS	\$ .00
IFC - CONTRACT LABOR/ROUSTABOUT	\$12,000.00
IFC - MATERIAL & SUPPLIES	\$5,000.00
IFC - WELL TESTING / FLOWBACK	\$170,000.00
IFC - WELLHEAD/FRAC TREE REPAIR	\$ .00
IFC - FISHING TOOLS & SERVICES	\$ .00
IFC - RENTAL EQUIPMENT	\$20,000.00
IFC - WELLSITE SUPERVISION	\$5,000.00
IFC - SAFETY / ENVIRONMENTAL	\$40,000.00
IFC - CONTINGENCY	\$30,000.00
IFC - COMPANY LABOR	\$ .00
IFC - SWABBING	\$ .00
TFC - TUBING	\$60,000.00
TFC - SUCKER RODS & ACCESSORY	\$ .00
TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$100,000.00
TFC - SUBSURFACE PUMPS	\$ .00
TFC - PROD LINER & EQUIPMENT	\$ .00
TFC - PACKER/DOWNHOLE TOOLS	\$ .00
TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$ .00
TFC - WELLHEAD EQUIPMENT	\$15,000.00
TFC - VALVES / CONNECTIONS / FITINGS	\$ .00
TFC - MEASUREMENT EQUIPMENT	\$ .00
TFC - COMM, TELEMETRY & AUTOMATION	\$ .00
TFC - CONTRACTOR LABOR INSTALL	\$ .00
TFC - CONTINGENCY	\$ .00
TFC - COMPANY LABOR	\$ .00
FAC - PERMANENT EASEMENT	\$80,000.00
IDC - PERMANENT EASEMENT	\$ .00



ICC - COMPANY LABOR	\$ .00
FAC - COMPANY LABOR	\$ .00



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

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

**CASE NO. 20518**

**AFFIDAVIT OF JOHN HARPER**

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

1. My name is John Harper. I work for Centennial Resource Production, LLC (“Centennial”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of public record.
3. I am familiar with the applications filed by Centennial in this case and I have conducted a geologic study of the Bone Spring formation underlying the subject acreage.
4. Centennial is targeting the Third Bone Spring Sand of the Bone Spring formation with its proposed **Chorizo 12 State Com No. 601H Well**.
5. **Centennial Exhibit No. B-1** is a structure map that I prepared for the Third Bone Spring Sand with contour lines every 50 feet. The wellbore path for the proposed well are denoted in Sections 1 and 12. Structure control points are identified and reflect that the interval dips gently to the southwest. I do not observe any faulting, pinch outs, or other geologic impediments to developing this targeted interval with horizontal well. All the existing horizontal well development in the target zone consists of north to south or south to north wells.

6. **Centennial Exhibit No. B-2** shows a cross-section line in blue consisting of three wells penetrating the Third Bone Spring Sand that I used to construct a stratigraphic cross-section from A to A'. I chose these three wells because they best illustrate the target interval along our well path. In my opinion, these well logs are representative of the geology in the area.

7. **Centennial Exhibit No. B-3** is a cross section using the representative wells depicted on Exhibit B-2. Each well in the cross-section contains gamma ray and resistivity. The proposed target interval in the Third Bone Spring Sand is labeled and depicted on the exhibit. The cross-section demonstrates that the targeted interval extends across the proposed spacing and proration units in both cases.

8. Based on my geologic study, the subject area is suitable for development by horizontal wells, the south-to-north orientation of the proposed well in the Third Bone Spring Sand of the Bone Spring formation is the preferred orientation to efficiently and effectively develop the subject acreage, and the acreage comprising the proposed spacing and proration units will contribute more-or-less equally to the production from the wellbores.

9. In my opinion, the granting of Centennial's application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

**FURTHER AFFIANT SAYETH NOT.**

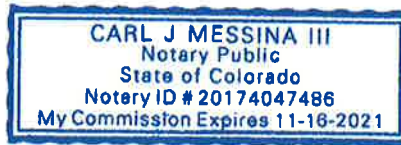
  
John Harper

STATE OF COLORADO                    )  
  )  
COUNTY OF Denver                    )

SUBSCRIBED and SWORN to before me this 10<sup>th</sup> day of June 2019 by John Harper.

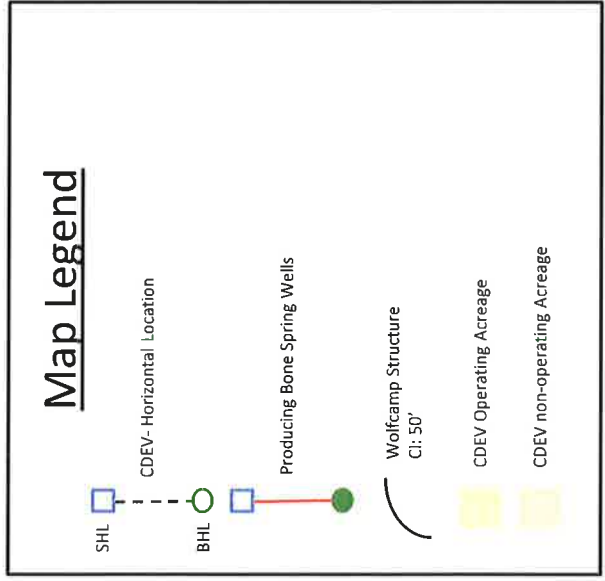
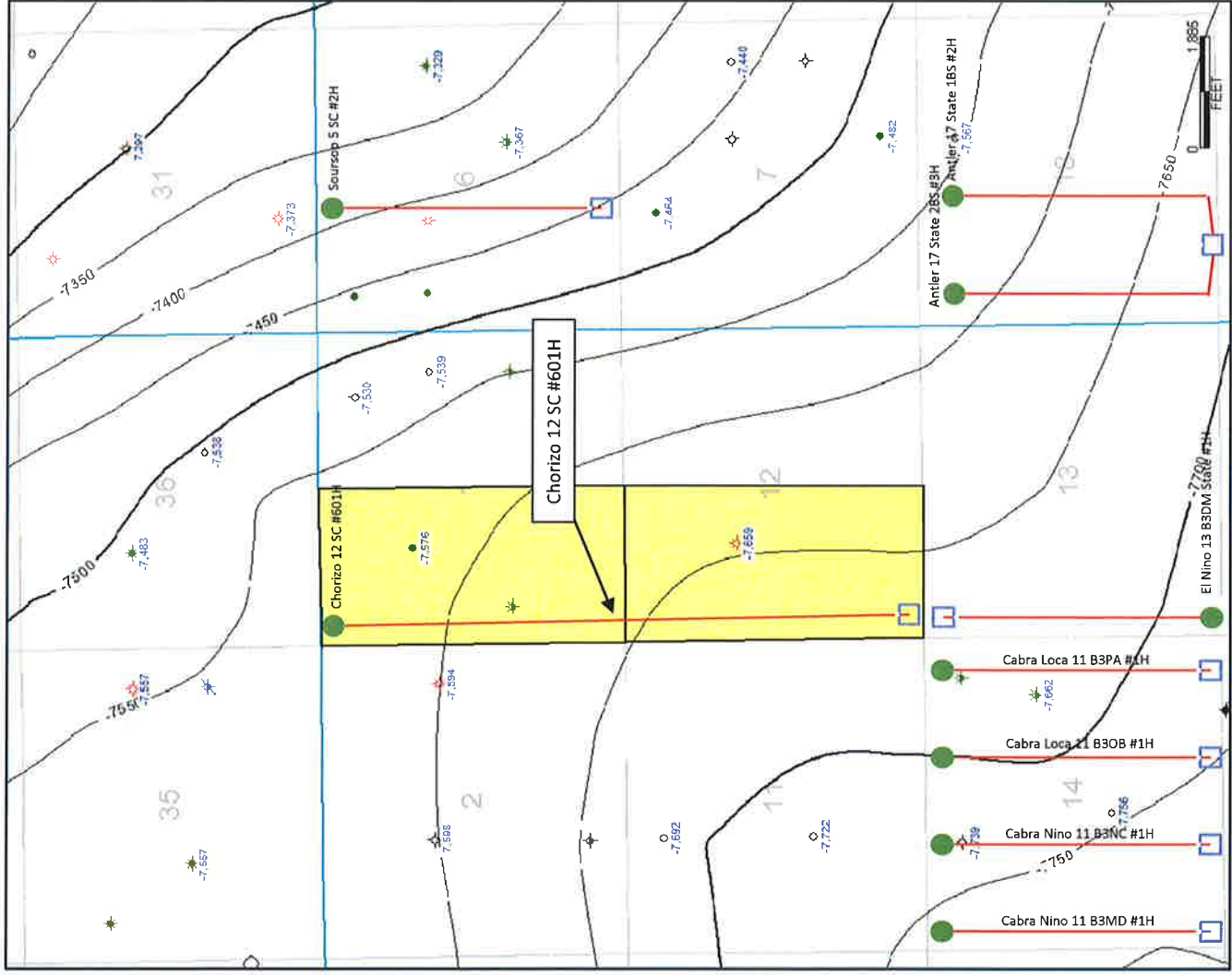
  
NOTARY PUBLIC

My Commission Expires:  
11-16-2021



# Bone Spring Pool

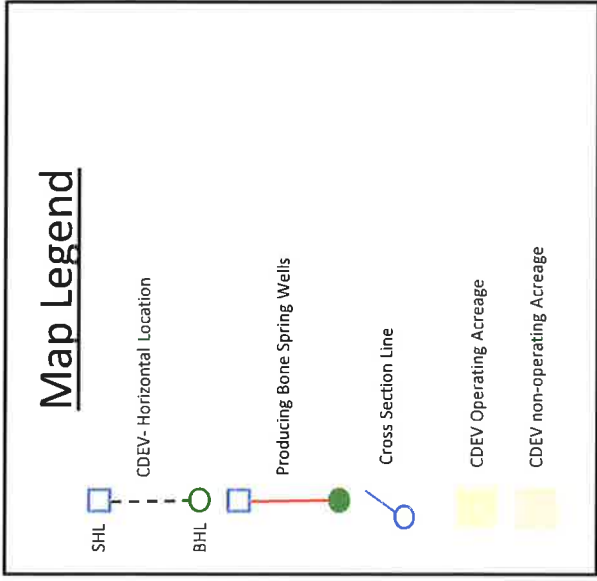
## Wolfcamp Structure Map



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B-1  
 Submitted by: Centennial  
 Hearing Date: June 13, 2019  
 Case No 20518

# Bone Spring Pool

## Cross Section Map



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-2  
Submitted by: Centennial  
Hearing Date: June 13, 2019  
Case No 20518

**CENTENNIAL**

3002526772000



MARATHON OIL PERMIAN  
SETTY '2 STATE 2

3002526605000



HENDRIX JOHN H CORP  
NEW MEX/UT STATE 1

3002526308000



OK USA INC  
BKD GCM 1

<1.09MI>

<1.12MI>

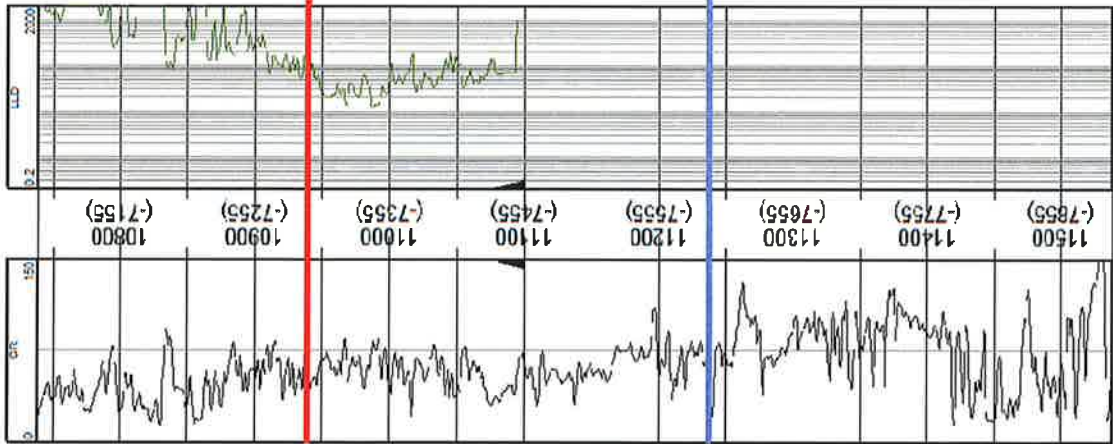
A'

A

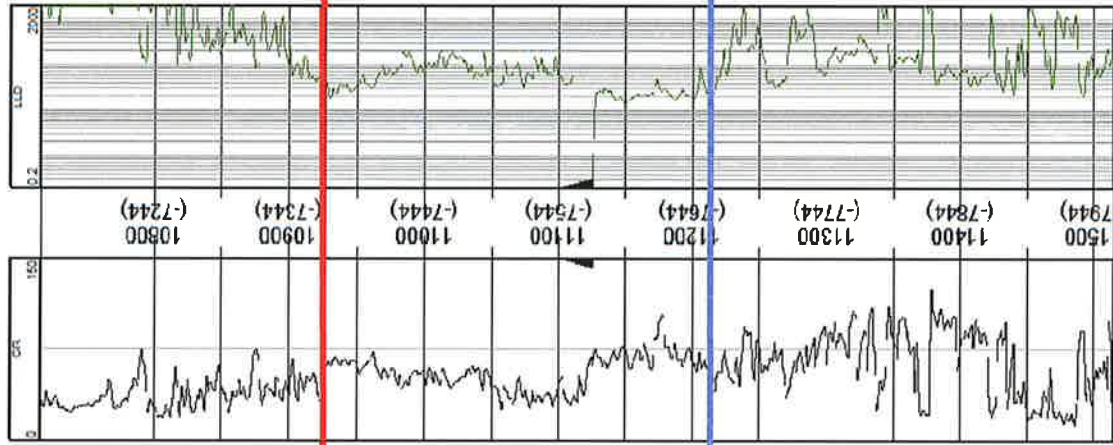
TWP: 22S - Range 34E- Sec. 2

TWP: 22S - Range 34E- Sec. 12

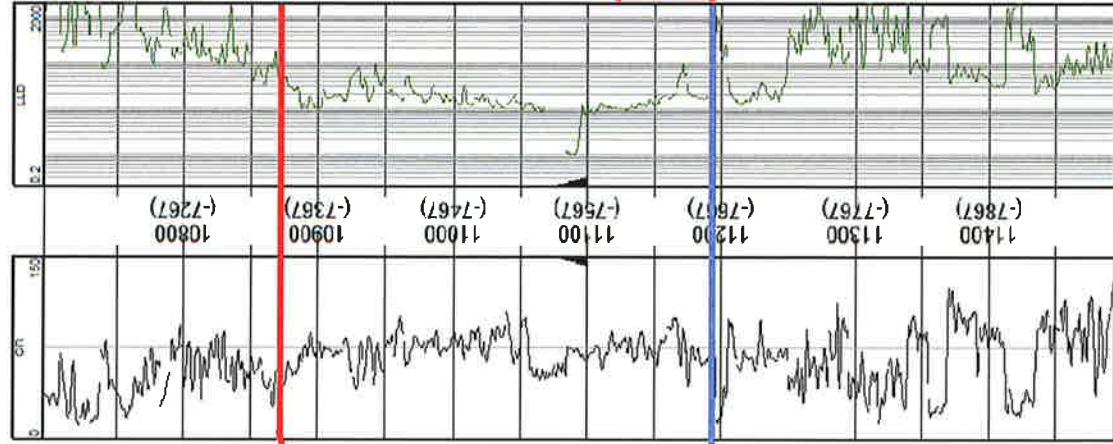
TWP: 22S - Range 34E- Sec. 14



TD= 13,350.00



TD= 13,300.00



TD= 13,514.00

3<sup>rd</sup> Bone Spring Sand

Lateral Interval #601H

DATUM

Wolfcamp

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

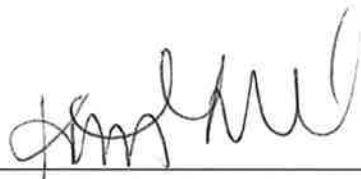
**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 20518**


**AFFIDAVIT**

STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

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

  
\_\_\_\_\_  
Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 12th day of June 2019 by Kaitlyn A. Luck.

  
\_\_\_\_\_  
Notary Public

My Commission

Expires:

 August 26, 2021

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: Centennial  
Hearing Date: June 13, 2019  
Case No 20518**



**HOLLAND & HART**



**Michael H. Feldewert**  
Recognized Specialist in the  
Area of Natural Resources –  
Oil and Gas Law – New Mexico  
Board of Legal Specification  
mfeldewert@hollandhart.com

May 24, 2019

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

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

**Re: Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.**  
**Chorizo 12 State Com No. 601H Well**

Ladies & Gentlemen:

This letter is to advise you that Centennial Resource Production, LLC, has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 13, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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

Sincerely,

Michael H. Feldewert  
**ATTORNEY FOR CENTENNIAL RESOURCE  
PRODUCTION, LLC**

T 505.988.4421 F 505.983.6043

110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849

Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208

[www.hollandhart.com](http://www.hollandhart.com)

Alaska

Colorado

Idaho

Montana

Nevada

New Mexico

Utah

Washington, D.C.

Wyoming





## Shipment Confirmation Acceptance Notice

### A. Mailer Action

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

CHORIZO 20518

Shipment Date: 05/24/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	2
Total	2

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

### B. USPS Action

Note to RSS Clerk:

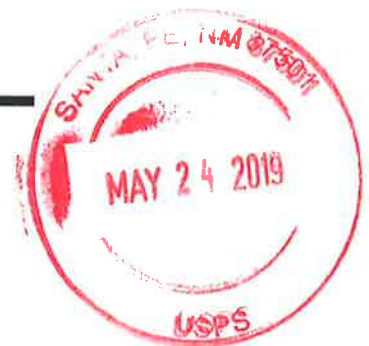
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

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

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0014 7028 69





Holland & Hart LLP  
110 N Guadalupe St # 1  
Santa Fe NM 87501

**Affix Stamp Here**  
*(if issued as an international  
certificate of mailing or for  
additional copies of this receipt).*  
**Postmark with Date of Receipt.**

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	9214 8901 9403 8383 8034 12	Southwest Royalties Inc PO BOX S3570 Midland TX 79710
Total Number of Pieces Listed by Sender <b>2</b>	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)

**POSTAL DELIVERY REPORT**  
**CENTENNIAL / CHORIZO 12 STATE COM NO. 601H WELL**  
**CASE NO. 20518**

Recipient	Status	Custom
Southwest Royalties Inc PO BOX 53570 Midland TX 79710	In- Transit	Ref#: C1403054.7876418 RetRef#:
Southwest Royalties Inc 6 Desta Drive Suite 1100 Midland TX 79705	In- Transit	Ref#: C1403054.7876419 RetRef#:

**Return address:**

IIOLLAND & HART LLP  
P.O. BOX 2208  
SANTA FE, NM 87504-2208

**Recipient address:**

SOUTHWEST ROYALTIES INC  
PO BOX 53570  
MIDLAND TX 79710

**USPS CERTIFIED MAIL****9214 8901 9403 8383 8034 12****USPS Tracking Label Number: 9214 8901 9403 8383 8034 12**

USPS Tracking History	Postal Facility	ZIP	Date	Time
SHIPMENT RECEIVED ACCEPTANCE PENDING		SANTA FE,NM 87501		05/24/2019 17:19
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM		SANTA FE,NM 87501		05/24/2019 17:57
ORIGIN ACCEPTANCE		SANTA FE,NM 87501		05/24/2019 19:57
PROCESSED THROUGH USPS FACILITY		ALBUQUERQUE,NM 87101		05/24/2019 21:12
DEPART USPS FACILITY		ALBUQUERQUE,NM 87101		05/24/2019 21:18
PROCESSED THROUGH USPS FACILITY		MIDLAND,TX 79711		05/26/2019 19:15
DEPART USPS FACILITY		MIDLAND,TX 79711		05/27/2019 04:40
AVAILABLE FOR PICKUP		MIDLAND,TX 79710		05/27/2019 11:35
REMINDER TO SCHEDULE REDELIVERY		MIDLAND,TX 79710		06/01/2019 03:40
PACKAGE RETURN NOTICE GENERATED		MIDLAND,TX 79710		06/11/2019 04:05

**ORIGIN ACCEPTANCE:**

**Return address:**

HOLLAND & HART LLP  
P.O. BOX 2208  
SANTA FE, NM 87504-2208

**Recipient address:**

SOUTHWEST ROYALTIES INC  
6 DESTA DRIVE SUITE 1100  
MIDLAND TX 79705

**USPS CERTIFIED MAIL**

9214 8901 9403 8383 8034 29

**USPS Tracking Label Number: 9214 8901 9403 8383 8034 29**

USPS Tracking History	Postal Facility	ZIP	Date	Time
SHIPMENT RECEIVED ACCEPTANCE PENDING		SANTA FE,NM 87501		05/24/2019 17:19
PRE-SHIPMENT INFO SENT USPS AWAITS ITEM		SANTA FE,NM 87501		05/24/2019 17:57
ORIGIN ACCEPTANCE		SANTA FE,NM 87501		05/24/2019 19:57
PROCESSED THROUGH USPS FACILITY		ALBUQUERQUE,NM 87101		05/24/2019 21:12
DEPART USPS FACILITY		ALBUQUERQUE,NM 87101		05/24/2019 21:18
PROCESSED THROUGH USPS FACILITY		MIDLAND,TX 79711		05/26/2019 19:15
DEPART USPS FACILITY		MIDLAND,TX 79711		05/27/2019 04:40
ARRIVAL AT UNIT		MIDLAND,TX 79705		05/29/2019 05:19
SORTING/PROCESSING COMPLETE		MIDLAND,TX 79705		05/29/2019 07:39
OUT FOR DELIVERY		MIDLAND,TX 79705		05/29/2019 07:49
AWAITING DELIVERY SCAN		MIDLAND,TX 79705		05/29/2019 21:49
ARRIVAL AT UNIT		MIDLAND,TX 79705		05/30/2019 06:40
ADDRESSEE UNKNOWN		MIDLAND,TX 79705		05/30/2019 08:53
PROCESSED THROUGH USPS FACILITY		OKLAHOMA CITY,OK 73107		06/03/2019 14:47
DEPART USPS FACILITY		OKLAHOMA CITY,OK 73107		06/03/2019 20:50
PROCESSED THROUGH USPS FACILITY		ALBUQUERQUE,NM 87101		06/05/2019 13:22

ORIGIN ACCEPTANCE:

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

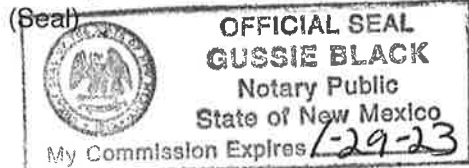
Beginning with the issue dated  
May 25, 2019  
and ending with the issue dated  
May 25, 2019.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
25th day of May 2019.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



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

## LEGAL NOTICE MAY 25, 2019

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **June 13, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **June 3, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

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

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

**To: All overriding royalty interest owners and pooled parties, including: Southwest Royalties, Inc.**

**Case No. 20518: Application of Centennial Resource Production, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to applicant's proposed **Chorizo 12 State Com No. 601H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a bottom hole location in the NW/4 NW/4 (Lot 4) of Section 1. The completed interval for this well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles west of Eunice, New Mexico. **#34193**

67100754

00228720

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