

**BEFORE THE OIL CONSERVATION COMMISSION
EXAMINER HEARING DECEMBER 3, 2020**

CASE No. 21541

*MOZZARELLA FED COM #602H, #603H WELLS
GOUDA FED COM #604H 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. 21541

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COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No. 21541	APPLICANT'S RESPONSE
Date: December 3, 2020	
Applicant	Centennial Resource Production LLC
Designated Operator & OGRID (affiliation if applicable)	Centennial Resource Production LLC (OGRID 372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Mozzarella & Gouda Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring Pool (Pool Code 5695)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	639.34-acres
Spacing Unit	
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, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	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
Applicant's Ownership in Each Tract	Yes
Well(s)	

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Mozzarella Fed Com #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. Completion Target: Bone Spring Well Orientation: Standup Completion Location expected to be: standard
Well #2	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. Completion Target: Bone Spring Well Orientation: Standup Completion Location expected to be: Proximity tract well
Well #3	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. 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
AFE Capex and Operating Costs	
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
Ownership Determination	
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
Joinder	
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
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D-1
Target Formation	Exhibit D-2, D-3, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-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
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	1-Dec-20

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

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

CASE NO. 21541

APPLICATION

Centennial Resource Production, LLC (“Centennial” or “Applicant”) (OGRID No. 372165), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the 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. In support of its application, Centennial states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant proposes to dedicate the above-referenced spacing unit to the following proposed initial wells:

- The **Mozzarella Fed Com #602H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32;

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

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

Hearing Date: December 3, 2020

Case No. 21541

- The **Mozzarella Fed Com #603H Well** to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32; and
- The **Gouda Fed Com #604H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.

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

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

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


WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells thereon;
- B. Designating Applicant as operator of the horizontal spacing unit and the horizontal wells to be drilled thereon;

- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mhfrldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

**ATTORNEYS FOR
CENTENNIAL RESOURCE PRODUCTION, LLC**

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

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

CASE NO. 21541

**AFFIDAVIT OF GAVIN SMITH
IN SUPPORT OF CASE NO. 21541**

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

1. My name is Gavin Smith. I work for Centennial Resource Production, LLC (“Centennial”) as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Centennial in this case, and I am familiar with the status of the lands in the subject areas.
4. None of the uncommitted parties in this case has indicated opposition to this pooling case proceeding by affidavits, and therefore I do not expect any opposition at the hearing.
5. In this case, Centennial seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the 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.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Submitted by: Centennial Resource Production, LLC

Hearing Date: December 3, 2020

Case No. 21541

6. Centennial seeks to dedicate this spacing unit to the following proposed initial wells:

- The **Mozzarella Fed Com #602H Well** (API No. 30-025-46742) to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 32;
- The **Mozzarella Fed Com #603H Well** (API No. 30-025-46757) to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 8, Township 22 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32; and
- The **Gouda Fed Com #604H Well** (API No. 30-025-pending) to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 5, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 32.

7. **Centennial Exhibit C-1** are the Form C-102s for each of the wells in the proposed horizontal spacing unit reflecting that the wells are located in the Bilbrey Basin; Bone Spring Pool (Pool Code 5695).

8. The completed interval of the **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.

9. Centennial has applied for administrative approval of the non-standard location of the **Gouda Fed Com #604H Well**, but has not received Division approval at the time of this hearing.

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

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

12. **Centennial Exhibit C-3** identifies the working interests in each tract, and their interest in the horizontal spacing unit. Centennial Exhibit C-3 also reflects the overriding royalty interest owners that Centennial is pooling in this case. There are no unleased mineral interest owners.

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

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

15. Centennial has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

Centennial Exhibit C-5 contains a chronology of the contacts with the working interest owners that Centennial seeks to pool in this case.

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

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

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

FURTHER AFFIANT SAYETH NOT.

Gavin Smith
GAVIN SMITH

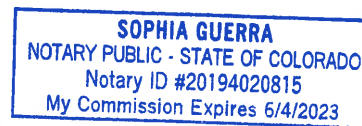
STATE OF COLORADO)
COUNTY OF Denver)

SUBSCRIBED and SWORN to before me this 1st day of December
2020 by Gavin Smith.

Sophia Guerra
NOTARY PUBLIC

My Commission Expires:

6/4/2023



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

☐ AMENDED REPORT

¹ API Number		² Pool Code	³ Pool Name	
⁴ Property Code	⁵ Property Name MOZZARELLA FED COM			⁶ Well Number 602H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			⁹ Elevation 3704.0'

UL or lot no. C	Section 8	Township 22S	Range 32E	Lot Idn	Feet from the 954	North/South line NORTH	Feet from the 2159	East/West line WEST	County LEA
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UL or lot no. C	Section 32	Township 21S	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1730	East/West line WEST	County LEA
¹² Dedicated Acres 639.34		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N22°23'22"W	1136.00'

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00"

NAD 83 (SURFACE HOLE LOCATION)

LATITUDE = 32°24'38.73" (32.410758°)
LONGITUDE = 103°41'54.17" (103.698379°)
STATE PLANE NAD 83 (N.M. EAST)
Y: 513746.88' X: 737284.85'
UTM, NAD 83 (ZONE 13)
Y: 11767403.70' X: 2041985.03'

NAD 83 (PP/FTP)

LATITUDE = 32°24'49.13" (32.413646°)
LONGITUDE = 103°41'59.19" (103.699775°)
STATE PLANE NAD 83 (N.M. EAST)
Y: 514795.22' X: 736847.81'
UTM, NAD 83 (ZONE 13)
Y: 11768449.12' X: 2041541.54'

NAD 83 (PENETRATION POINT 2)

LATITUDE = 32°25'14.27" (32.420630°)
LONGITUDE = 103°41'59.22" (103.699783°)
STATE PLANE NAD 83 (N.M. EAST)
Y: 517335.95' X: 736830.46'
UTM, NAD 83 (ZONE 13)
Y: 11770989.26' X: 2041508.35'

NAD 83 (LTP/BHL)

LATITUDE = 32°26'31.59" (32.442109°)
LONGITUDE = 103°41'59.30" (103.699805°)
STATE PLANE NAD 83 (N.M. EAST)
Y: 525150.04' X: 736777.10'
UTM, NAD 83 (ZONE 13)
Y: 11778801.55' X: 2041406.23'

SCALE

DRAWN BY: C.M.T. 03-19-19
REV: 5 Z.T. 11-30-20
(WELL NAME CHANGE)

● = SURFACE HOLE LOCATION
◆ = PENETRATION POINT/
FIRST TAKE POINT
○ = LAST TAKE POINT/
BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED



Certificate Number:

Centennial Resource Production, LLC
Hearing Date: December 3, 2020
Case No. 21541

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

☐ AMENDED REPORT

Certificate Number:

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GOUDA FEDERAL COM		⁶ Well Number 604H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC		⁹ Elevation 3694.8'

¹⁰Surface 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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11 Bottom Hole Location If Different From Surface

UL or lot no. B	Section 32	Township 21S	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1400	East/West line EAST	County LEA
¹² Dedicated Acres 639.34		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.

**17 OPERATOR
CERTIFICATION**

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

Signature

Date

Printed Name

E-mail Address

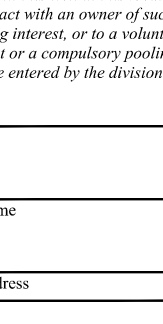
**18 SURVEYOR
CERTIFICATION**

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

June 13, 2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

Exhibit C-2
Ownership Map

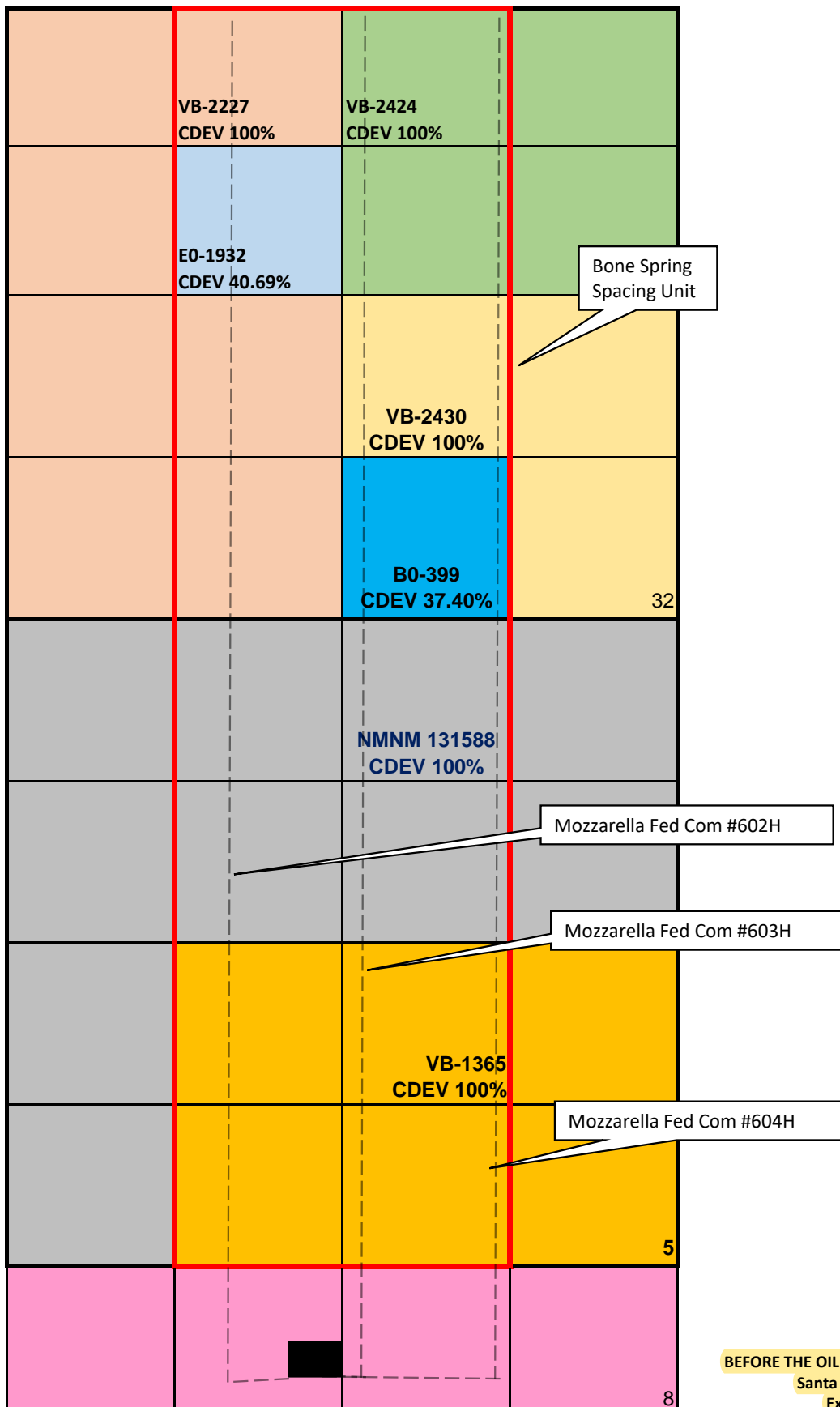


Exhibit C-3

Mozzarella Fed Com #602H, Mozzarella Fed Com #603H, Gouda Fed Com #604H

Name	Address	Interest Type	Working Interest
Owners to be Pooled			
ConocoPhillips Company	16930 Park Rown Drive, Houston, TX 77084	Working Interest	0.06505743
Fasken Acquisitions 02, Ltd.	303 W. Wall, Suite 1800 Midland, TX 79701	Working Interest	0.00591057
Paladin Energy Corp.	10290 Monroe Dr., Suite 301 Dallas, TX 75229	Working Interest	0.00162064
Sunrise Oil & Gas Properties, LLC	5221 N O'Connor Boulevard, Suite 1100 Irving, TX 75039	Working Interest	0.00108043
Raven Resources, LLC	13220 N. MacArthur Oklahoma City, OK 73142	Working Interest	0.00054021
RKC, Inc.	1527 Hillside Rd. Fairfield, CT 06430	Working Interest	0.00205917
PBEX, LLC	223 West Wall Street, Ste. 900 Midland, TX 79701	Working Interest	Rearching Title
Michael J. Pertritis	P.O. Box 10886 Midland, TX 79702	ORRI	N/A
Robert D. Snyder	3051 Wolf Creek Ranch Road Burnet, TX 78611	ORRI	N/A
Loro Corporation Retirement Trust 401K	101 Brookline Drive Ashville, NC 28803	ORRI	N/A
PBEX, LLC	223 West Wall Street, Ste. 900 Midland, TX 79701	ORRI	N/A
Darren Printz	190 East Stacy Road #306373 Allen, TX 75002	ORRI	N/A
Finwing Corporation Retirement Trust	P.O. Box 10886 Midland, TX 79702	ORRI	N/A
Michael D. Hayes and Kathryn A. Hayes, Co-Trustees of the Hayes Revocable Trust	3608 Meadowridge Lane Midland, TX 79707	ORRI	N/A
Quientesa Royalty LP	508 W. Wall Ave., Suite 500 Midland, TX 79701	ORRI	N/A
Amarco Energy, LLC	3051 Wolfcreek Ranch Road Burnet, TX 78611	ORRI	N/A
Printz II, LLC	190 E. Stacy Road 306-373 Allen, TX 75002	ORRI	N/A
Pro Deo Energy, Inc.	P.O. Box 10886 Midland, TX 79702	ORRI	N/A
Elaine Novy Shapiro	1305 Silver Hill Drive Austin, TX 78746	ORRI	N/A
Allene B. Novy-Portnoy Trustee of the Allene Novy-Portnoy Exempt Lifetime Trust	3606 Highland View Drive Austin, TX 78731	ORRI	N/A
Jeffrey L. Novy Trustee of the Jeffrey L. Novy Exempt Lifetime Trust	4226 St. Ives Sugar Land, TX 77479	ORRI	N/A
Brian M. . Novy Trustee of the Brian M. Novy Exempt Lifetime Trust	3913 Edgerock Drive Austin, TX 78731	ORRI	N/A
Paul S. Simmons	10 Bon Aire Drive Olivette, MO 63132	ORRI	N/A
Marcia Simmons	3228 Maroneal Street Houston, TX 77025	ORRI	N/A
Laurey Simons Karotkin	605 Cumberland Drive Hurst, TX 76054	ORRI	N/A
Total:			0.07626845

ADD ORRI

Owners NOT being Pooled			
Centennial Resource Production, LLC	1001 17th St., Suite 1800 Denver, CO 80202	Working Interest	0.92373155
Total:			0.92373155

Total Working Interest:			1.00000000
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September 24, 2020

RE: Mozzarella Fed Com #602H
SHL: 954' FNL Sec. 8 & 2,159' FWL Sec. 8 T22S R32E
BHL: 100' FNL Sec. 32 & 1,730' FWL Sec. 32 T21S R32E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Mozzarella Fed Com #602H as a horizontal well to test the Bone Spring Formation at a TVD of 11,800 feet. The E/2 W/2 & W/2 E/2 of the referenced Section 5 and the E/2 W/2 & W/2 E/2 of Section 32 will be dedicated to the well as the proration unit being a total of 640 acres. Please see the enclosed AFE in the amount of \$7,586,068.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2020. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 per month for producing and provides for a 100%/300%/300% non-consent penalty.

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

Best Regards

A handwritten signature in blue ink, appearing to read "Carl Messina".

Carl Messina
Land Coordinator

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C4

Submitted by: Centennial Resource Production, LLC

Hearing Date: December 3, 2020

Case No. 21541



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED MOZZARELLA FED COM #602H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED MOZZARELLA FED COM #602H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____



Authorization for Expenditure

AFE Number	401432	Original
Drilling Total (\$)	\$2,722,165	
Completion Total (\$)	\$2,977,006	
Facilities Total (\$)	\$917,710	
Flowback Total (\$)	\$969,186	
AFE Total (\$)	\$7,586,068	

AFE Description

Property Name	Well: Mozzarella Fed Com 602H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	Mar 14, 2021	Estimated TVD (ft)	
Target Zone	WOLFCAMP D UPPER	Estimated MD (ft)	

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$18,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$100,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$50,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$255,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$326,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$25,000.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$0.00	8015.2300	IDC - FUEL / POWER	\$77,500.00
8015.2400	IDC - RIG WATER	\$67,500.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$15,000.00
8015.2600	IDC - MUD LOGGING	\$178,000.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$20,000.00
8015.2800	IDC - CORE ANALYSIS	\$65,000.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$0.00	8015.3100	IDC - CASING CREW & TOOLS	\$145,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$50,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$30,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$0.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$29,500.00
8015.3700	IDC - DISPOSAL	\$41,750.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$120,000.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$22,500.00	8015.4100	IDC - RENTAL EQUIPMENT	\$0.00
8015.4200	IDC - MANCAMP	\$63,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$34,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$92,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$0.00
8015.4800	IDC - OVERHEAD	\$22,400.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$0.00
8015.5200	IDC - CONTINGENCY	\$12,679.05	8015.1310	IDC - PERMANENT EASEMENT	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$167,633.41	8020.1100	TDC - CASING - SURFACE	\$0.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$21,515.63	8020.1300	TDC - CASING - INTERMEDIATE 2	\$112,625.00
8020.1400	TDC - CASING - PRODUCTION	\$0.00	8020.1500	TDC - WELLHEAD EQUIPMENT	\$287,343.05
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$65,875.00	8020.1800	TDC - CONTINGENCY	\$49,343.75
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$0.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$0.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$171,570.00	8025.1600	ICC - COILED TUBING	\$147,654.00

8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$14,175.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$310,805.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,198,992.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$103,042.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$305,490.00
8025.3500	ICC - WELLSITE SUPERVISION	\$44,800.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$.00	8025.4200	ICC - CONTINGENCY	\$.00
8025.3050	ICC - SOURCE WATER	\$494,603.00	8025.4400	ICC - COMPANY LABOR	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$177,500.00	8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00	8035.2900	FAC - TANK BATTERY	\$68,450.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$68,000.00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$152,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$9,750.00	8035.3400	FAC - METER & LACT	\$58,750.00
8035.3600	FAC - ELECTRICAL	\$37,500.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$18,750.00	8035.4500	FAC - CONTINGENCY	\$43,700.49
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$26,950.00	8035.1800	FAC - FUEL / POWER	\$.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - INJECTION PUMP	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3500	FAC - COMPRESSOR	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$2,500.00	8035.4100	FAC - OVERHEAD	\$.00
8035.4300	FAC - INSURANCE	\$.00	8035.1310	FAC - PERMANENT EASEMENT	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$.00	8036.1100	PLN - STAKING & SURVEYING	\$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00	8036.1300	PLN - SURFACE DAMAGE / ROW	\$.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,500.00	8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00	8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00	8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00	8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00	8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2400	PLN - SUPERVISION	\$.00	8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2700	PLN - PIPELINE	\$85,000.00	8036.2800	PLN - FLOWLINE	\$24,000.00
8036.2900	PLN - TANK BATTERY	\$.00	8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00	8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3300	PLN - PUMP	\$.00	8036.3400	PLN - METER	\$.00
8036.3500	PLN - COMPRESSOR	\$.00	8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,179.92	8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,179.92
8036.3700	PLN - AUTOMATION	\$.00	8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4300	PLN - INSURANCE	\$.00	8036.4400	PLN - COMPANY LABOR	\$.00
8036.4500	PLN - CONTINGENCY	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$9,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00	8040.1500	IFC - FUEL / POWER	\$.00
8040.1600	IFC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$514,086.44	8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2300	IFC - COMPLETION FLUID	\$.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00	8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$70,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$3,600.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00

8040.4200	IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8045.1100	TFC - TUBING	\$55,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$20,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$40,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$40,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00



September 24, 2020

RE: Mozzarella Fed Com #603H
SHL: 954' FNL Sec. 8 & 2,219' FWL Sec. 8 T22S R32E
BHL: 100' FNL Sec. 32 & 2,470' FEL Sec. 32 T21S R32E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Mozzarella Fed Com #603H as a horizontal well to test the Bone Spring Formation at a TVD of 11,800 feet. The E/2 W/2 & W/2 E/2 of the referenced Section 5 and the E/2 W/2 & W/2 E/2 of Section 32 will be dedicated to the well as the proration unit being a total of 640 acres. Please see the enclosed AFE in the amount of \$7,687,705.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2020. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 per month for producing and provides for a 100%/300%/300% non-consent penalty.

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

Best Regards

A handwritten signature in blue ink that reads "Carl Messina".

Carl Messina
Land Coordinator



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

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED MOZZARELLA FED COM #603H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____



Authorization for Expenditure

AFE Number	401433	Original
Drilling Total (\$)	\$2,747,548	
Completion Total (\$)	\$3,053,260	
Facilities Total (\$)	\$917,710	
Flowback Total (\$)	\$969,186	
AFE Total (\$)	\$7,687,705	

AFE Description

Property Name	Well: Mozzarella Fed Com 603H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	Dec 24, 2020	Estimated TVD (ft)	
Target Zone	TBSG SAND LOWER (BASAL)	Estimated MD (ft)	

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS, LICENSES, ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$18,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$100,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$50,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$255,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$326,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$25,000.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$0.00	8015.2300	IDC - FUEL / POWER	\$77,500.00
8015.2400	IDC - RIG WATER	\$67,500.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$15,000.00
8015.2600	IDC - MUD LOGGING	\$178,000.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$20,000.00
8015.2800	IDC - CORE ANALYSIS	\$65,000.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$0.00	8015.3100	IDC - CASING CREW & TOOLS	\$145,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$50,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$30,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$0.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$29,500.00
8015.3700	IDC - DISPOSAL	\$41,750.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$120,000.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$22,500.00	8015.4100	IDC - RENTAL EQUIPMENT	\$0.00
8015.4200	IDC - MANCAMP	\$63,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$34,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$92,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$0.00
8015.4800	IDC - OVERHEAD	\$22,400.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$0.00
8015.5200	IDC - CONTINGENCY	\$12,701.89	8015.1310	IDC - PERMANENT EASEMENT	\$22,000.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$167,635.69	8020.1100	TDC - CASING - SURFACE	\$0.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$21,515.63	8020.1300	TDC - CASING - INTERMEDIATE 2	\$112,625.00
8020.1400	TDC - CASING - PRODUCTION	\$0.00	8020.1500	TDC - WELLHEAD EQUIPMENT	\$290,701.31
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$65,875.00	8020.1800	TDC - CONTINGENCY	\$49,343.75
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$0.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$0.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$178,143.00	8025.1600	ICC - COILED TUBING	\$151,438.00

8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$14,805.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$320,150.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,228,966.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$105,683.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$313,320.00
8025.3500	ICC - WELLSITE SUPERVISION	\$47,600.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$.00	8025.4200	ICC - CONTINGENCY	\$.00
8025.3050	ICC - SOURCE WATER	\$507,280.00	8025.4400	ICC - COMPANY LABOR	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$.00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$.00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$177,500.00	8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00	8035.2900	FAC - TANK BATTERY	\$68,450.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$68,000.00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$152,000.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$9,750.00	8035.3400	FAC - METER & LACT	\$58,750.00
8035.3600	FAC - ELECTRICAL	\$37,500.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$18,750.00	8035.4500	FAC - CONTINGENCY	\$43,700.49
8035.1300	FAC - SURFACE DAMAGE / ROW	\$.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$26,950.00	8035.1800	FAC - FUEL / POWER	\$.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2100	FAC - INSPECTION & TESTING	\$.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00
8035.2500	FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - INJECTION PUMP	\$.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3500	FAC - COMPRESSOR	\$.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$2,500.00	8035.4100	FAC - OVERHEAD	\$.00
8035.4300	FAC - INSURANCE	\$.00	8035.1310	FAC - PERMANENT EASEMENT	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$.00	8036.1100	PLN - STAKING & SURVEYING	\$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00	8036.1300	PLN - SURFACE DAMAGE / ROW	\$.00
8036.1310	PLN - PERMANENT EASEMENT	\$28,500.00	8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00	8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00	8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00	8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00	8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2400	PLN - SUPERVISION	\$.00	8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2700	PLN - PIPELINE	\$85,000.00	8036.2800	PLN - FLOWLINE	\$24,000.00
8036.2900	PLN - TANK BATTERY	\$.00	8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00	8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3300	PLN - PUMP	\$.00	8036.3400	PLN - METER	\$.00
8036.3500	PLN - COMPRESSOR	\$.00	8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,179.92	8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,179.92
8036.3700	PLN - AUTOMATION	\$.00	8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4300	PLN - INSURANCE	\$.00	8036.4400	PLN - COMPANY LABOR	\$.00
8036.4500	PLN - CONTINGENCY	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$9,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00	8040.1500	IFC - FUEL / POWER	\$.00
8040.1600	IFC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$514,086.44	8040.1900	IFC - INSPECTION & TESTING	\$.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2300	IFC - COMPLETION FLUID	\$.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00	8040.3100	IFC - WELLHEAD/FRACTURE TREE REPAIR	\$.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$70,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$3,600.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00

8040.4200	IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8045.1100	TFC - TUBING	\$55,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$20,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$40,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$40,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00



September 24, 2020

RE: Gouda Federal Com #604H
SHL: 757' FSL Sec. 5 & 1,245' FEL Sec. 5 T22S R32E
BHL: 100' FNL Sec. 32 & 1,400' FEL Sec. 32 T21S R32E
Lea County, New Mexico

To Whom it May Concern:

Centennial Resource Production, LLC ("CRP") proposes to drill and complete the Gouda Federal Com #604H as a horizontal well to test the Bone Spring Formation at a TVD of 11,800 feet. The E/2 W/2 & W/2 E/2 of the referenced Section 5 and the E/2 W/2 & W/2 E/2 of Section 32 will be dedicated to the well as the proration unit being a total of 640 acres. Please see the enclosed AFE in the amount of \$7,588,796.00.

Upon your response we will send a Joint Operating Agreement ("JOA") with an effective date of October 1, 2020. The JOA contains a proposed overhead rate of \$8500 per month for drilling and \$850 per month for producing and provides for a 100%/300%/300% non-consent penalty.

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

Best Regards

A handwritten signature in blue ink that reads "Carl Messina".

Carl Messina
Land Coordinator



THE UNDERSIGNED HEREBY ELECTS **TO PARTICIPATE** IN THE CAPTIONED GOUDA FEDERAL COM #604H WELLBORE AND TO WAIVE THE NEED FOR A COMPLETION ELECTION.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____

THE UNDERSIGNED HEREBY ELECTS **NOT TO PARTICIPATE** IN THE CAPTIONED GOUDA FEDERAL COM #604H WELLBORE, AND TO GO NONCONSENT.

AGREED TO and ACCEPTED this ____ day of _____, 2020.

Owner Name: _____

Signature: _____

By: _____

Title: _____



Authorization for Expenditure

AFE Number	401430	Original
Drilling Total (\$)	\$2,715,930	
Completion Total (\$)	\$2,845,375	
Facilities Total (\$)	\$1,058,305	
Flowback Total (\$)	\$969,186	
AFE Total (\$)	\$7,588,796	

AFE Description

Property Name	Well: Gouda Federal Com 604H	State	New Mexico
AFE Type	Drill and Complete		
Operator	Centennial Resource Production, LLC	Field	Delaware Basin - TX
Scheduled Spud Date	Apr 20, 2021	Estimated TVD (ft)	
Target Zone	TBSG SAND	Estimated MD (ft)	

Non Operator Approval

Company	
Approved By	
Title	
Date	

Cost Estimate

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS, LICENSES, ETC	\$10,000.00	8015.1100	IDC - STAKING & SURVEYING	\$18,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$100,000.00	8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$50,000.00	8015.1700	IDC - DAYWORK CONTRACT	\$255,000.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00	8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$326,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$25,000.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$0.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$0.00	8015.2300	IDC - FUEL / POWER	\$77,500.00
8015.2400	IDC - RIG WATER	\$67,500.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$15,000.00
8015.2600	IDC - MUD LOGGING	\$178,000.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$20,000.00
8015.2800	IDC - CORE ANALYSIS	\$65,000.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$0.00	8015.3100	IDC - CASING CREW & TOOLS	\$145,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$50,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$30,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$0.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$29,500.00
8015.3700	IDC - DISPOSAL	\$41,750.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$120,000.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$22,500.00	8015.4100	IDC - RENTAL EQUIPMENT	\$0.00
8015.4200	IDC - MANCAMP	\$63,000.00	8015.4300	IDC - WELLSITE SUPERVISION	\$34,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$92,000.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$0.00
8015.4800	IDC - OVERHEAD	\$22,400.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$0.00
8015.5200	IDC - CONTINGENCY	\$12,636.96	8015.1310	IDC - PERMANENT EASEMENT	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$167,629.20	8020.1100	TDC - CASING - SURFACE	\$0.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$21,515.63	8020.1300	TDC - CASING - INTERMEDIATE 2	\$112,625.00
8020.1400	TDC - CASING - PRODUCTION	\$0.00	8020.1500	TDC - WELLHEAD EQUIPMENT	\$281,154.09
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$65,875.00	8020.1800	TDC - CONTINGENCY	\$49,343.75
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$0.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$0.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$20,000.00
8025.1500	ICC - FUEL / POWER	\$164,514.00	8025.1600	ICC - COILED TUBING	\$140,679.00

8025.1700	ICC - CEMENTING & SERVICES	\$0.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$14,175.00
8025.1900	ICC - INSPECTION & TESTING	\$0.00	8025.2000	ICC - TRUCKING	\$13,125.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$295,815.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$0.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,139,042.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$98,175.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$0.00
8025.3300	ICC - COMMUNICATIONS	\$0.00	8025.3400	ICC - RENTAL EQUIPMENT	\$291,060.00
8025.3500	ICC - WELLSITE SUPERVISION	\$44,800.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$0.00	8025.4200	ICC - CONTINGENCY	\$0.00
8025.3050	ICC - SOURCE WATER	\$471,240.00	8025.4400	ICC - COMPANY LABOR	\$0.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION	\$0.00	8030.1600	TCC - PROD LINER & EQUIPMENT	\$0.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$0.00	8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$25,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$177,500.00	8035.2400	FAC - SUPERVISION	\$16,000.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$0.00	8035.2900	FAC - TANK BATTERY	\$68,450.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$68,000.00	8035.3200	FAC - VALVES FITTINGS & PIPE	\$152,000.00
8035.3300	FAC - CIRCULATING TRANSFER PUMP	\$9,750.00	8035.3400	FAC - METER & LACT	\$58,750.00
8035.3600	FAC - ELECTRICAL	\$37,500.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$45,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$18,750.00	8035.4500	FAC - CONTINGENCY	\$50,395.49
8035.1300	FAC - SURFACE DAMAGE / ROW	\$0.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$0.00
8035.1700	FAC - RENTAL EQUIPMENT	\$26,950.00	8035.1800	FAC - FUEL / POWER	\$0.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$0.00	8035.2000	FAC - WASTE DISPOSAL	\$0.00
8035.2100	FAC - INSPECTION & TESTING	\$0.00	8035.2300	FAC - FRAC TANK RENTAL	\$0.00
8035.2500	FAC - CONSULTING SERVICES	\$0.00	8035.2600	FAC - INJECTION PUMP	\$0.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$0.00	8035.3500	FAC - COMPRESSOR	\$0.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$2,500.00	8035.4100	FAC - OVERHEAD	\$0.00
8035.4300	FAC - INSURANCE	\$0.00	8035.1310	FAC - PERMANENT EASEMENT	\$0.00
8035.4400	FAC - COMPANY LABOR	\$0.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8036.1000	PLN - PERMITS LICENSES ETC	\$0.00	8036.1100	PLN - STAKING & SURVEYING	\$0.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$0.00	8036.1300	PLN - SURFACE DAMAGE / ROW	\$0.00
8036.1310	PLN - PERMANENT EASEMENT	\$50,000.00	8036.1400	PLN - ROAD LOCATIONS PITS	\$0.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$0.00	8036.1600	PLN - TRANSPORTATION TRUCKING	\$0.00
8036.1700	PLN - RENTAL EQUIPMENT	\$0.00	8036.1900	PLN - WATER DISPOSAL / SWD	\$0.00
8036.2000	PLN - WASTE DISPOSAL	\$0.00	8036.2100	PLN - INSPECTION & TESTING	\$0.00
8036.2200	PLN - CONTRACT LABOR	\$0.00	8036.2300	PLN - FRAC TANK RENTAL	\$0.00
8036.2400	PLN - SUPERVISION	\$0.00	8036.2500	PLN - CONSULTING SERVICES	\$0.00
8036.2700	PLN - PIPELINE	\$141,000.00	8036.2800	PLN - FLOWLINE	\$80,400.00
8036.2900	PLN - TANK BATTERY	\$0.00	8036.3000	PLN - SEPARATOR / SCRUBBER	\$0.00
8036.3100	PLN - TREATING EQUIPMENT	\$0.00	8036.3200	PLN - VALVES FITTINGS & PIPE	\$0.00
8036.3300	PLN - PUMP	\$0.00	8036.3400	PLN - METER	\$0.00
8036.3500	PLN - COMPRESSOR	\$0.00	8036.3600	PLN - ELECTRICAL SUPPLIES	\$0.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$10,179.92	8036.3620	PLN - POWER DISTRIBUTION LABOR	\$10,179.92
8036.3700	PLN - AUTOMATION	\$0.00	8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$0.00
8036.4300	PLN - INSURANCE	\$0.00	8036.4400	PLN - COMPANY LABOR	\$0.00
8036.4500	PLN - CONTINGENCY	\$0.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$0.00	8040.1200	IFC - COMPLETION RIG	\$9,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$5,000.00	8040.1500	IFC - FUEL / POWER	\$0.00
8040.1600	IFC - COILED TUBING	\$0.00	8040.1700	IFC - CEMENTING & SERVICES	\$0.00
8040.1899	IFC - FRAC WATER RECOVERY	\$514,086.44	8040.1900	IFC - INSPECTION & TESTING	\$0.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$0.00
8040.2300	IFC - COMPLETION FLUID	\$0.00	8040.2400	IFC - CASING CREW AND TOOLS	\$0.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$0.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00	8040.3100	IFC - WELLHEAD/FRACTURE TREE REPAIR	\$0.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$0.00	8040.3400	IFC - RENTAL EQUIPMENT	\$70,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$3,600.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00

8040.4200	IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8045.1100	TFC - TUBING	\$55,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$20,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$8,500.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$14,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$40,000.00	8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$40,000.00
8045.3500	TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00

Exhibit C-5

Date	Action
June 2020	Planned Mozzarella and Gouda wells and began updating ownership research
September 2020	Centennial sent well proposals to all working interest and overriding royalty owners for Mozzarella Fed Com 602H, Mozzarella Fed Com 603H and Gouda Fed Com 604H.
October 2020	Contact with RKC, Inc. to discuss voluntary agreement
October 2020	Contact with ConocoPhillips to discuss JOA amendment
November 2020	Centennial files for compulsory pooling

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C5

Submitted by: Centennial Resource Production, LLC

Hearing Date: December 3, 2020

Case No. 21541

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

**APPLICATION OF EOG RESOURCES, INC.
TO AMEND ORDER R-21431 FOR APPROVAL
OF A NON-STANDARD SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21551

AFFIDAVIT OF DENTON ONEAL

Denton ONeal, of lawful age and being first duly sworn, declares as follows:

1. My name is Denton ONeal. I work for EOG Resources, Inc. ("EOG") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by EOG in this case, and I have conducted a geologic study of the lands in the subject area.
4. **EOG Exhibit D-1** includes a project location map outlining the sections comprising the proposed spacing unit in relating to the surrounding area in Lea County.
5. **EOG Exhibit D-1** is also a subsea structure map that I prepared off the top of the First Bone Spring Structure. Within Sections 3 and 34, there is a yellow box on the map outlining the spacing unit for the **Gladiator 3 Fed Com #301H well**. The contour interval is 50 feet.
6. **EOG Exhibit D-2** is a stratigraphic cross section prepared by me for the four representative wells from A to A'. The exhibit shows logs for gamma ray and resistivity for the wells. The proposed targeted interval in the First Bone Spring for **Gladiator 3 Fed Com #301H well** is labeled and depicted with a green arrow. The logs in the cross-section demonstrate that the

targeted interval within the Bone Spring formation is consistent in thickness, across the entire spacing unit.

7. **EOG Exhibit D-3** is a stratigraphic horizontal cross section of the **Gladiator 3 Fed Com #301H well** displaying the horizontal trajectory of the wellbore. The exhibit has two vertical type logs (the Beowulf 33 State Com #601H, and the Woolworth Ranch UT #1) and the well in question, the **Gladiator 3 Fed Com #301H**. Each well has a gamma ray log shaded from green to purple, with the green colors representing warmer gamma ray (siltstone / sandstone) and the purple colors representing carbonates. The rate of penetration curve is highlighted in blue at the top, on a scale from 0-1000 feet per hour. The solid red lines represent a high confidence interpreted First Bone Spring Sand target, and the dashed red lines represent a less-confident interpretation due to the lack of distinctive markers within the Avalon Carbonate section above.

8. In accordance with Order R-21431, EOG began drilling the **Gladiator 3 Fed Com #301H well** on September 9th, 2020.

9. While drilling the horizontal lateral section of the well, EOG was expecting dips of 92+ degrees as indicated by both subsurface and seismic structure maps. However, EOG encountered flatter than expected dips at 14,000' MD resulting in the wellbore going out of zone prior to reaching the intended last take point for the proposed initial **Gladiator 3 Fed Com #301H well**.

10. EOG attempted to chase the First Bone Spring Target by adjusting our target line down but was unable to continue drilling the lateral portion of the well into the NW/4 NW/4 of Section 34 due to low rate of penetration and a lack of confidence in our position relative to the target.

11. Due to the drilling issues, EOG made the decision to stop drilling short of the planned bottom hole location. For that reason, the completed interval of the well terminates in the SW/4 NW/4 of Section 34 and will not penetrate the NW/4 NW/4 of Section 34, as approved under Order R-21431.

12. EOG has been able to perforate the wellbore in each of the remaining 40-acre tracts in the W/2 W/2 of Section 3, the W/2 SW/4, and the SW/4 NW/4 of Section 34.

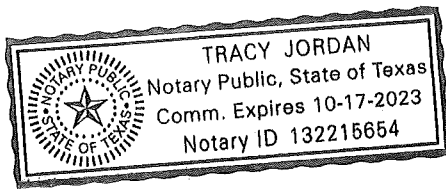
13. **EOG Exhibits D-1** through **D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Denton Oneal
DENTON ONEAL

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

SUBSCRIBED and SWORN to before me this 1 day of December 2020 by
Denton ONeal.



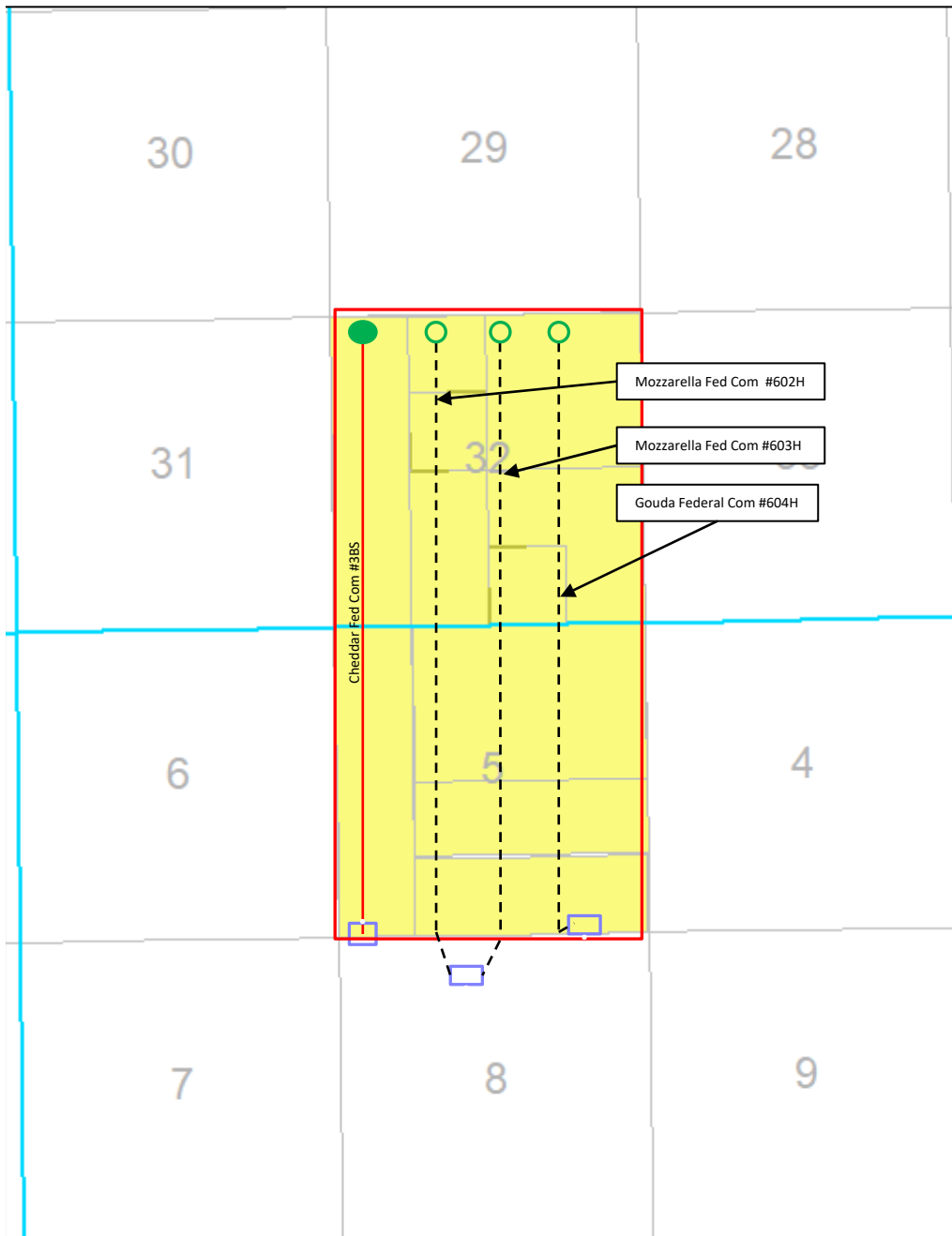
Tracy Jordan
NOTARY PUBLIC

My Commission Expires:

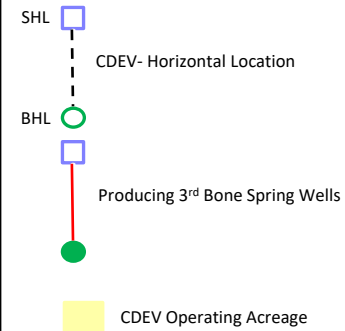
10-17-2023

Bone Spring Pool

Mozzarella Fed Com #602H, #603H
& Gouda Federal Com #604H



Map Legend



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D1

Submitted by: Centennial Resource Production, LLC

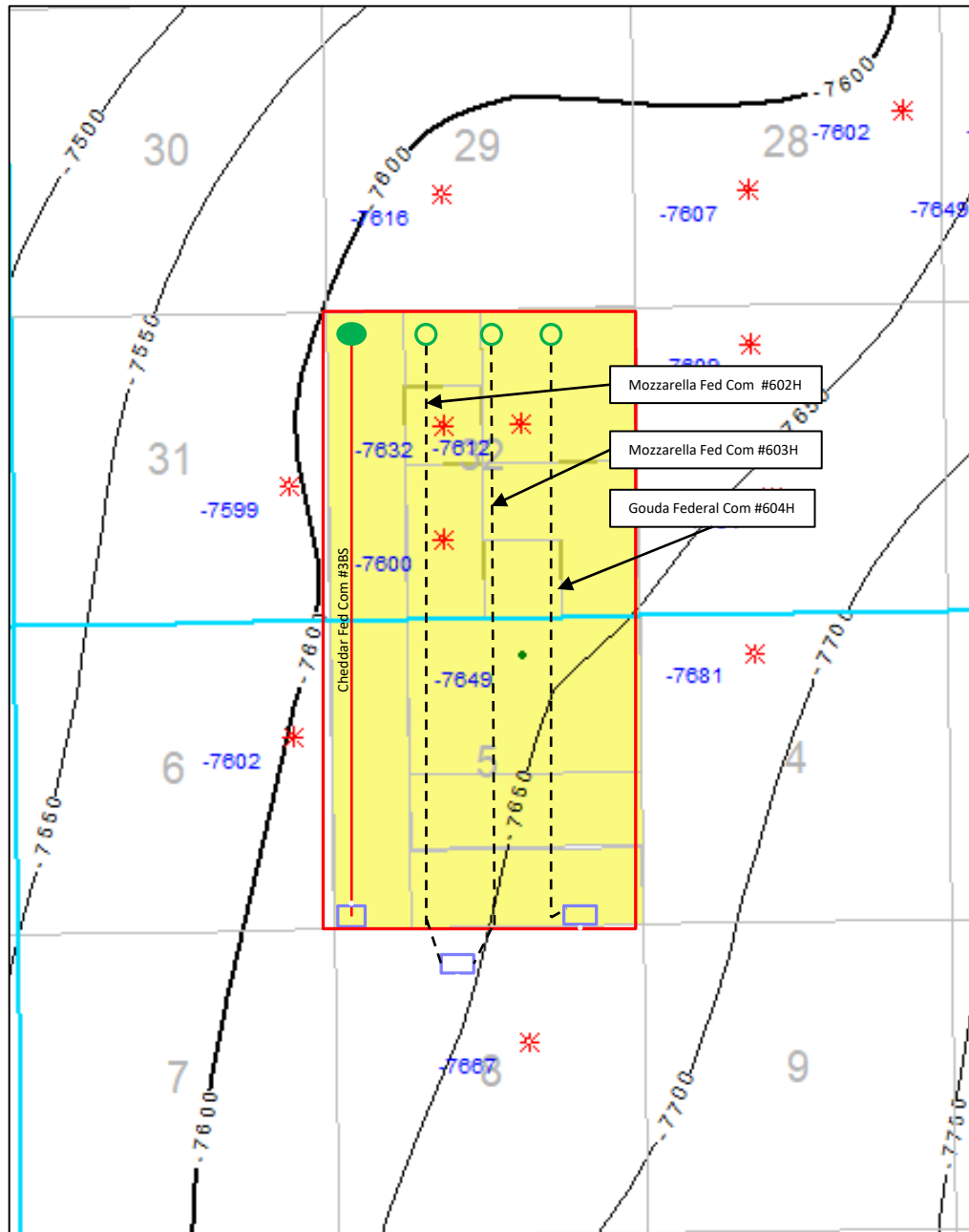
Hearing Date: December 3, 2020

Case No. 21541

CENTENNIAL

Bone Spring Pool

3RD Bone Spring Sand Structure Map



Map Legend

- SHL □ CDEV- Horizontal Location
- BHL ○ 3rd Bone Spring Sand Structure
Cl: 50'
- CDEV Operating Acreage

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D2

Submitted by: Centennial Resource Production, LLC

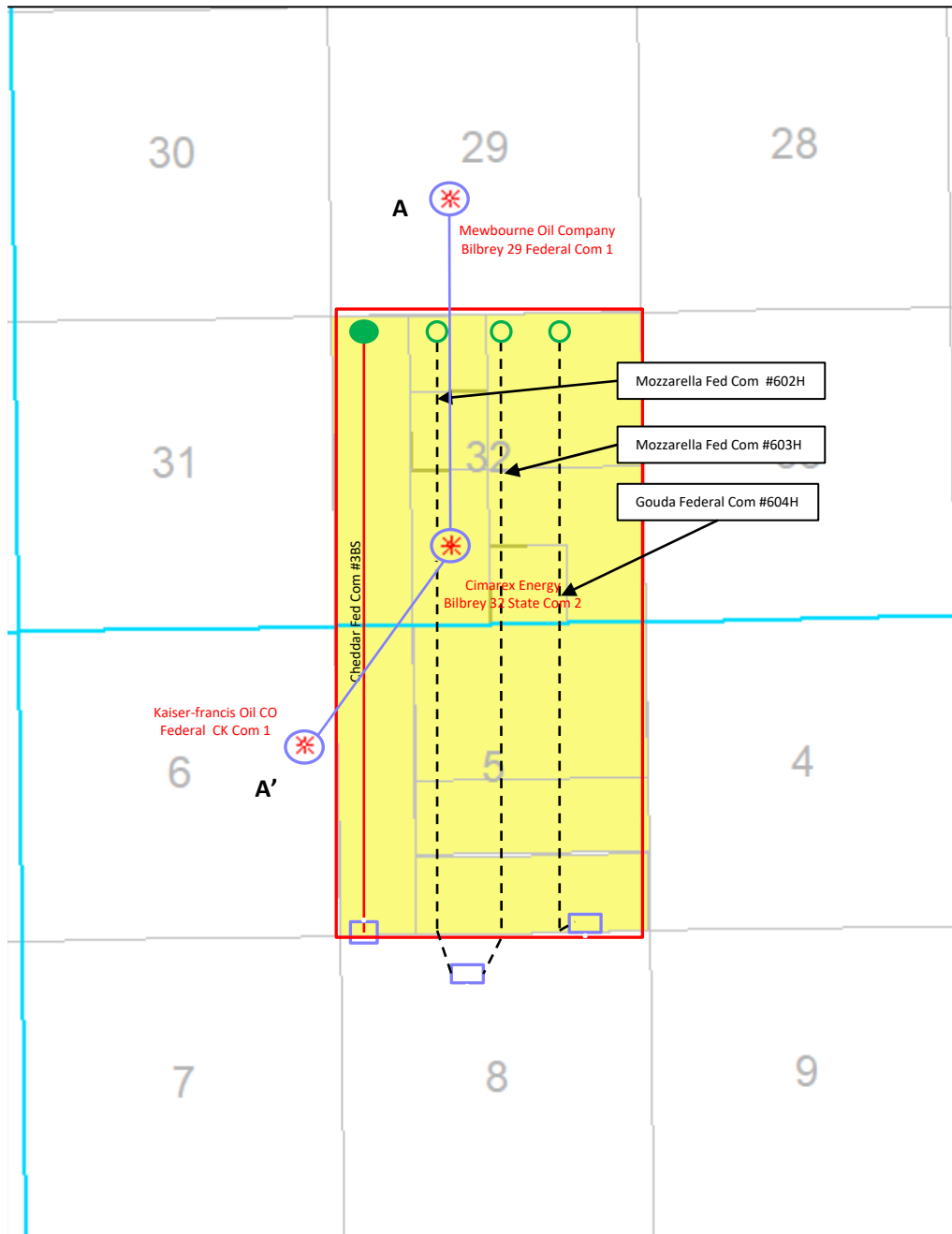
Hearing Date: December 3, 2020

Case No. 21541

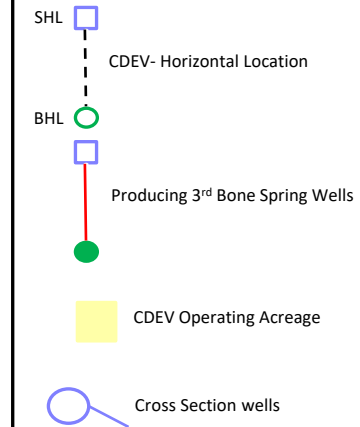
CENTENNIAL

Cross Section Bone Spring Pool

**Mozzarella Fed Com #602H, #603H
& Gouda Federal Com #604H**



Map Legend



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D3

Submitted by: Centennial Resource Production, LLC

Hearing Date: December 3, 2020

Case No. 21541

CENTENNIAL

A

A'

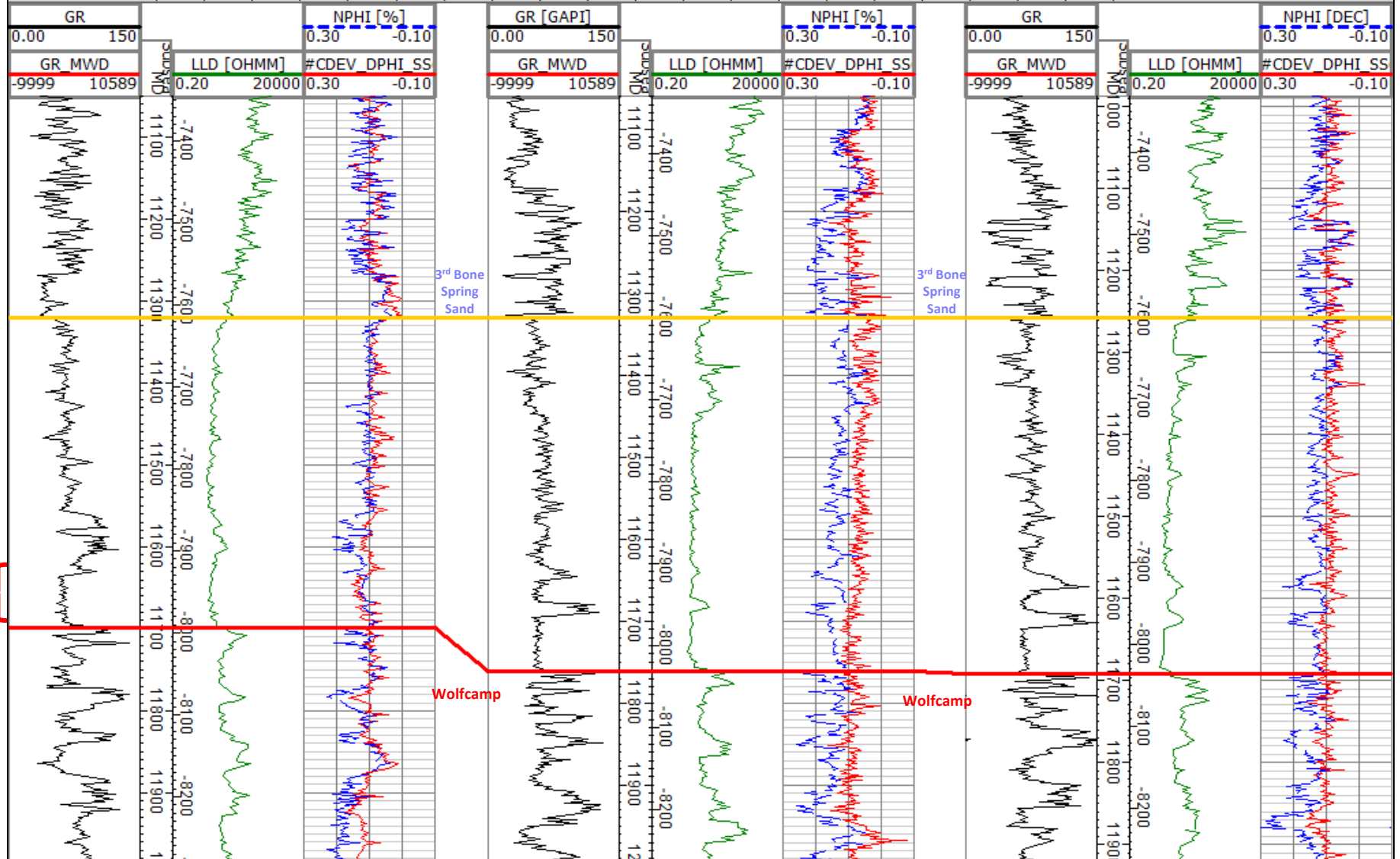
Mewbourne Oil Company
30025277790000Cimarex Energy
30025359460000Kaiser-Francis Oil CO
30025274730000

Offset: 0 TWP: 21S - Range 32E- Sec.29

3.65 TWP: 21S - Range 32E- Sec.32

7.3 TWP: 22S - Range 32E- Sec. 6

DATUM

Lateral
Interval
Mozzarella
#602H &
#603H &
Gouda
#604H

TD= 14,720.00

TD= 14,900.00

TD= 15,018.00

CENTENNIAL

**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. 21541

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 23rd day of November, 2020 by Kaitlyn A. Luck.



Notary Public

My Commission Expires:

January 28, 2023

BEFORE THE OIL CONSERVATION DIVISION

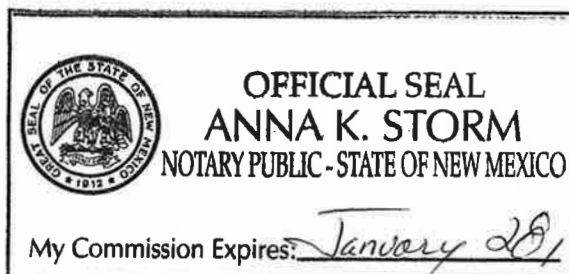
Santa Fe, New Mexico

Exhibit No. E

Submitted by: Centennial Resource Production, LLC

Hearing Date: December 3, 2020

Case No. 21541





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

November 13, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Centennial Resource Production, LLC for Compulsory Pooling, Lea County, New Mexico.
Mozzarella Fed Com #602H, #603H Well; Gouda Fed Com #604H Well

Ladies & Gentlemen:

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

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC

Centennial - Mozzarella 602H, 603H, and Gouda 604H
Case No. 21541 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765826925555	PBEX, LLC	223 W Wall St Ste 900	Midland	TX	79701-4567	Your item was delivered to an individual at the address at 1:07 pm on November 16, 2020 in MIDLAND, TX 79701.
9414811898765826922202	Darren Printz	190 E Stacy Rd number 306373	Allen	TX	75002-8734	Your item was delivered to an individual at the address at 12:42 pm on November 18, 2020 in ALLEN, TX 75002.
9414811898765826922295	Finwing Corporation Retirement Trust	PO Box 10886	Midland	TX	79702-7886	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765826922240	Michael D. Hayes & Kathryn A. Hayes, C	3608 Meadowridge Ln	Midland	TX	79707-4543	Your item has been delivered to an agent for final delivery in MIDLAND, TX 79707 on November 16, 2020 at 5:33 pm.
9414811898765826922271	Quientesa Royalty LP	508 W Wall St Ste 500	Midland	TX	79701-5062	Your item was delivered to an individual at the address at 2:19 pm on November 16, 2020 in MIDLAND, TX 79701.
9414811898765826922813	Amarco Energy, LLC	3051 Wolf Creek Ranch Rd	Burnet	TX	78611-3739	We attempted to deliver your item at 8:42 am on November 18, 2020 in BURNET, TX 78611 and a notice was left because an authorized recipient was not available.
9414811898765826922851	Printz II, LLC	190 E Stacy Rd number 306-373	Allen	TX	75002-8734	Your item was delivered to an individual at the address at 12:44 pm on November 17, 2020 in ALLEN, TX 75002.
9414811898765826922868	Pro Deo Energy, Inc.	PO Box 10886	Midland	TX	79702-7886	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765826922820	Elaine Novy Shapiro	1305 Silver Hill Dr	Austin	TX	78746-7424	Your item was delivered at 8:22 am on November 19, 2020 in AUSTIN, TX 78768.
9414811898765826922806	Allen B. Novy-Portnoy Trustee of the All	3606 Highland View Dr	Austin	TX	78731-4033	The delivery status of your item has not been updated as of November 19, 2020, 1:19 am. We apologize that it may arrive later than expected.
9414811898765826922899	Jeffrey L. Novy, Trustee of the Jeffrey L.	4226 Saint Ives St	Sugar Land	TX	77479-2953	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826925524	ConocoPhillips Company	16930 Park Row	Houston	TX	77084-4920	Your item was delivered to the front desk, reception area, or mail room at 1:27 pm on November 16, 2020 in HOUSTON, TX 77084.
9414811898765826922882	Brian M. Novy, Trustee of the Brian M. f	3913 Edgerock Dr	Austin	TX	78731-1426	Your item was delivered to a neighbor as requested at 1:32 pm on November 16, 2020 in AUSTIN, TX 78731.
9414811898765826922875	Paul S. Simmons	10 Bon Aire Dr	Olivette	MO	63132-4302	Your item was returned to the sender at 9:50 am on November 20, 2020 in SAINT LOUIS, MO 63132 because the forwarding order for this address is no longer valid.
9414811898765826922769	Marcia Simmons	3228 Maroneal St	Houston	TX	77025-2000	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77025 on November 16, 2020 at 1:48 pm.
9414811898765826922707	Laurey Simons Karotkin	605 Cumberland Dr	Hurst	TX	76054-2717	Your item was delivered to an individual at the address at 3:44 pm on November 16, 2020 in HURST, TX 76054.
9414811898765826925500	RKC, Inc.	1527 Hillside Rd	Fairfield	CT	06824-2013	Your item was forwarded to a different address at 8:20 am on November 18, 2020 in FAIRFIELD, CT. This was because of forwarding instructions or because the address or ZIP Code on the label was incorrect.
9414811898765826925593	Fasken Acquisitions 02, Ltd.	303 W Wall St Ste 1800	Midland	TX	79701-5106	Your item arrived at our EL PASO TX DISTRIBUTION CENTER destination facility on November 22, 2020 at 3:53 pm. The item is currently in transit to the destination.
9414811898765826925548	Paladin Energy Corp	10290 Monroe Dr Ste 301	Dallas	TX	75229-5722	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826925586	Sunrise Oil & Gas Properties, LLC, C/O F	5221 N O Connor Blvd Ste 1100	Irving	TX	75039-3788	Your item was delivered to the front desk, reception area, or mail room at 12:48 pm on November 18, 2020 in IRVING, TX 75039.

Centennial - Mozzarella 602H, 603H, and Gouda 604H
Case No. 21541 Postal Delivery Report

9414811898765826925579	Raven Resources, LLC	13220 N Macarthur Blvd	Oklahoma City	OK	73142-3019	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826922219	Michael J. Pertritis	PO Box 10886	Midland	TX	79702-7886	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826922264	Robert D. Snyder	3051 Wolf Creek Ranch Rd	Burnet	TX	78611-3739	We attempted to deliver your item at 8:42 am on November 18, 2020 in BURNET, TX 78611 and a notice was left because an authorized recipient was not available.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

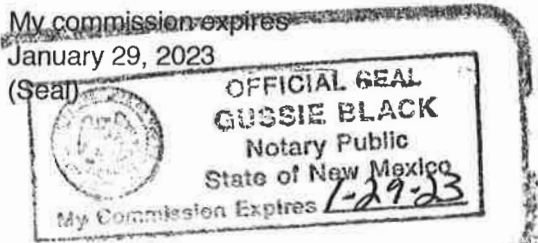
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
November 17, 2020
and ending with the issue dated
November 17, 2020.


Publisher

Sworn and subscribed to before me this
17th day of November 2020.


Business Manager



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
November 17, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, December 3, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **November 23, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec97b56813f60ba7489b2fd641268714>
Event number: 146 523 3652
Event password: pMmKmtf654
Join by video: 1465233652@nmemnrd.webex.com
Numeric Password: 834052
You can also dial 173.243.2.68 and enter your meeting number
Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 523 3652.

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: PBEX, LLC; ConocoPhillips Company; RKC, Inc.; Fasken Acquisitions 02, Ltd.; Paladin Energy Corp; Sunrise Oil & Gas Properties, LLC, c/o FDL Silver Forge Operating, LLC; Raven Resources, LLC; Michael J. Pertritis, his heirs and devisees; Robert D. Snyder, his heirs and devisees; Loro Corporation Retirement Trust 401K; Darren Printz, his heirs and devisees; Finwing Corporation Retirement Trust; Michael D. Hayes and Kathryn A. Hayes, Co-Trustees of the Hayes Revocable Trust; Quilentesa Royalty LP; Amarco Energy, LLC; Printz II, LLC; Pro Deo Energy, Inc.; Elaine Novy Shapiro, her heirs and devisees; Allene B. Novy-Portnoy, Trustee of the Allene Novy-Portnoy Exempt Lifetime Trust; Jeffrey L. Novy, Trustee of the Jeffrey L. Novy Exempt Lifetime Trust; Brian M. Novy, Trustee of the Brian M. Novy Exempt Lifetime Trust; Paul S. Simmons, his heirs and devisees; Marcia Simmons, her heirs and devisees; and Laurey Simons Karotkin, her heirs and devisees.

Case No. 21541: 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 640-acre, more or less, horizontal spacing unit comprised of the 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. Said horizontal spacing unit is to be dedicated to the proposed initial wells:
• The **Mozzarella Fed Com #602H Well** to be horizontally drilled from a surface

#96953#
miles east of Loving, New
involved in drilling and com
supervision, the designatio
allocation of the cost there
Also, to be considered w

or call 391-5448

67100754

00248535

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Centennial Resource Production,
LLC
Hearing Date: December 3, 2020
Case No. 21541