

NSL Initial Application

RECEIVED: 09/07/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2125361477
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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

**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Applicant: Centennial Resource Production, LLC **OGRID Number:** 372165
Well Name: Gordita 6 State Com #603H well **API:** 30-025-49036
Pool: OJO CHISO; BONE SPRING **Pool Code:** 96553

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

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

A. Location – Spacing Unit – Simultaneous Dedication

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

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

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

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

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

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

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

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

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

Kaitlyn A. Luck

Print or Type Name

Signature

09/03/21

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

September 7, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Gordita 6 State Com #603H well in the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

Centennial Resource Production, LLC ("Centennial") (OGRID No. 372165) seeks administrative approval of an unorthodox well location for its **Gordita 6 State Com #603H well** (API No. 30-025-49036) to be completed within the Ojo Chiso; Bone Spring Pool (Pool Code 96553) underlying the 619.28-acre, more or less, spacing unit in the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled at the following location:

- Surface location: 275 feet from the south line and 1,380 feet from the west line (Unit N) of Section 6;
- Bottom hole location: 100 feet from the south line and 2,456 feet from the west line (Unit N) of Section 18;
- First take point: 100 feet from the north line and 2,437 feet from the west line (Unit C) of Section 7;
- Last take point: 100 feet from the south line and 2,456 feet from the west line (Unit N) of Section 18.

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

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Gordita 6 State Com #603H well** is unorthodox because the completed interval is closer than the standard offsets to the eastern boundary of the spacing unit in the E/2 of Sections 7 and 18. Approval of the unorthodox completed interval will allow Centennial to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Gordita 6 State Com #603H well** encroaches on the spacing unit to the east in the E/2 of Sections 7 and 18.

Exhibit B is a land plat for Sections 7 and 18, that shows the proposed **Gordita 6 State Com #603H well** in relation to the adjoining spacing unit to the east in the E/2 of Sections 7 and 18.

Ownership is diverse between the subject spacing unit and the affected spacing unit to the east. **Exhibit C** includes the tracking information that reflects the "affected parties" were sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected parties:

Type	Affected Party	Location	Date Sent
Operator	Centennial Resource Production, LLC	Tracts 1, 2, 3, 4	N/A
Working Interest	MRC Permian Company	Tract 1	9/9/21
Working Interest	Doil Oil & Gas Corporation	Tract 3	9/9/21
Working Interest	Pioneer Exploration, LLC	Tract 3	9/9/21
Working Interest	Saba Energy, Inc	Tract 3	9/9/21
Overriding Royalty Interest	SBI West Texas I, LLC	Tract 3	9/9/21
Overriding Royalty Interest	Legacy Reserves Operating, LP	Tract 3	9/9/21
Overriding Royalty Interest	Grewal (Royalty), LLC	Tract 3	9/9/21
Overriding Royalty Interest	Pegasus Resources, LLC	Tract 3	9/9/21

Overriding Royalty Interest	McMullen Minerals, LLC	Tract 3	9/9/21
Overriding Royalty Interest	Leo K. Birkby	Tract 3	9/9/21
Overriding Royalty Interest	Deets D. Justice	Tract 3	9/9/21
Overriding Royalty Interest	YMC Royalty	Tract 3	9/9/21
Overriding Royalty Interest	Atlas OBO Energy	Tract 3	9/9/21
Overriding Royalty Interest	SBI West Texas I, LLC	Tract 3	9/9/21

Exhibit D is a statement from a Centennial's petroleum engineer confirming that Centennial's requested unorthodox location is necessary due to unforeseen circumstances while drilling and to prevent wasted resources.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name GORDITA 6 STATE COM	⁶ Well Number 603H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	⁹ Elevation 3626.4'

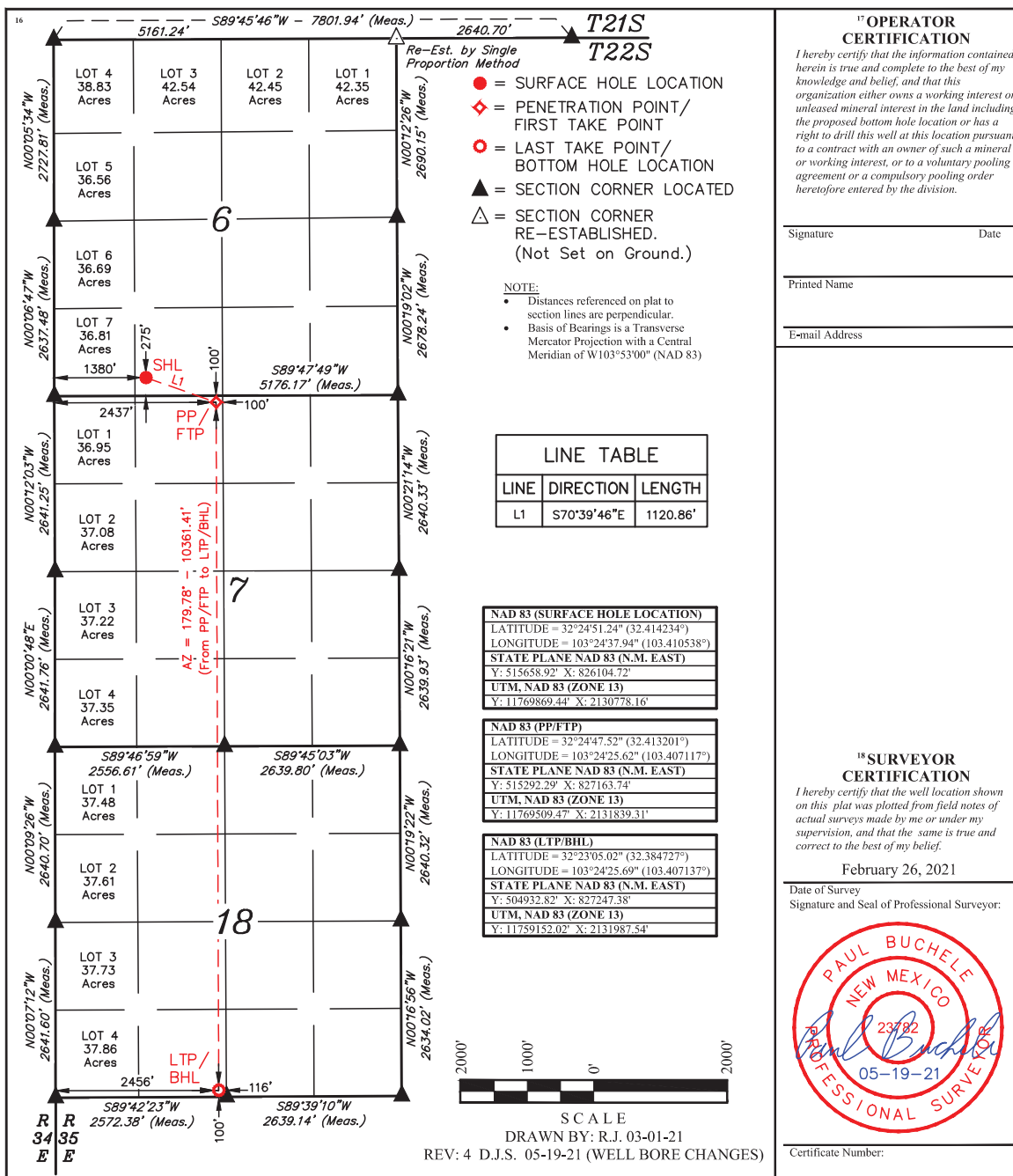
¹⁰ Surface Location

UL or lot no. N	Section 6	Township 22S	Range 35E	Lot Idn	Feet from the 275	North/South line SOUTH	Feet from the 1380	East/West line WEST	County LEA
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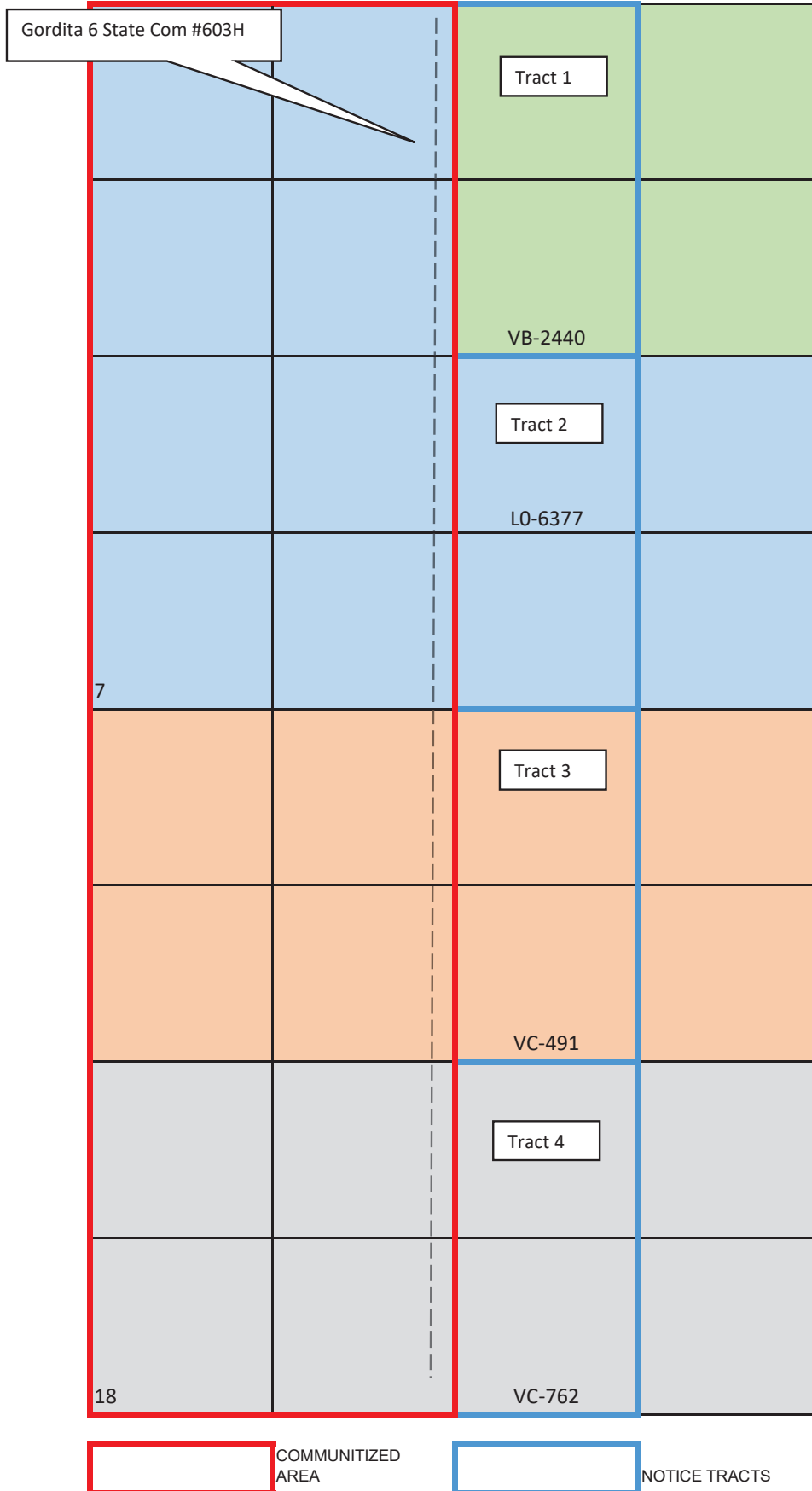
¹¹ Bottom Hole Location If Different From Surface

UL or lot no. N	Section 18	Township 22S	Range 35E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 2456	East/West line WEST	County LEA
¹² Dedicated Acres 619.28	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.



Gordita 6 State Com #603H NSL Notice Map
Township 22 South, Range 35 East, Lea County, New Mexico



Gordita 6 State Com #603H NSL Notice List 9-1-2021

Tract 1: (W/2 NW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Tract 2: (NW/4 SW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

Tract 3: (SW/4 SW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

Doil Oil & Gas Corporation
1536 Cole Blvd, Ste. 225
Golden, CO 80401

Pioneer Exploration, LLC
15603 Kuykendahl, Ste. 200
Houston, TX 77090

Saba Energy, Inc
2112 Hurd Dr.
Irving, TX 75038

Legacy Reserves Operating, LP
303 W. Wall St., Ste. 1800
Midland, TX 79701

Grewal (Royalty), LLC
45 Rockefeller Plaza, Ste. 2410
New York, NY 10111

Pegasus Resources, LLC
P.O. Box 470698
Ft. Worth, TX 76147

McMullen Minerals, LLC
P.O. Box 470857
Ft. Worth, TX 76147

Leo K. Birkby
10432 E. Palo Brea Drive
Scottsdale, AZ 85262

Deets D. Justice
310 Pleasant Drive
Austin, TX 78746

YMC Royalty
15603 Kuykendahl, Ste. 200
Houston, TX 77090

Atlas OBO Energy
15603 Kuykendahl, Ste. 200
Houston, TX 77090

Tract 4: (NW/4 NW/4 Section 27)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202



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.

Centennial_Gordita 6 State
Com #603H NSL
CM#94344.0001

Shipment Date: 09/07/2021

Shipped From:

Name: HOLLAND & HART LLP (1)

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	13
Total	13

*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.

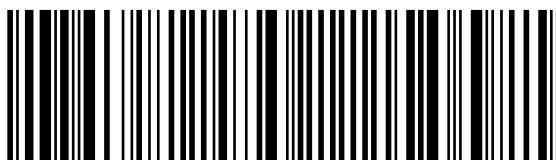
B. USPS Action

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 0031 4762 79



Firm Mailing Book For Accountable Mail

Name and Address of Sender HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501		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		Affix Stamp Here (for additional copies of this receipt). Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. 9214 8901 9403 8348 6902 62	MRC Permian Company 5400 LBJ Freeway Suite 1500 Denver CO 80202	0.51	3.75	Handling Charge - if Registered and over \$50,000 in value							1.85					
2. 9214 8901 9403 8348 6902 79	Doil Oil & Gas Corporation 1536 Cole Blvd Ste 225 Golden CO 80401	0.51	3.75								1.85					
3. 9214 8901 9403 8348 6902 86	Pioneer Exploration LLC 15603 Kuykendahl Ste 200 Houston TX 77090	0.51	3.75								1.85					
4. 9214 8901 9403 8348 6902 93	Saba Energy Inc 2112 Hurd Dr Irving TX 75038	0.51	3.75								1.85					
5. 9214 8901 9403 8348 6903 09	Legacy Reserves Operating LP 303 W Wall St Ste 1800 Midland TX 79701	0.51	3.75								1.85					
6. 9214 8901 9403 8348 6903 16	Grewal (Royalty) LLC 45 Rockefeller Plaza Ste 2410 New York NY 10111	0.51	3.75								1.85					
7. 9214 8901 9403 8348 6903 23	Pegasus Resources LLC PO BOX 470698 Ft Worth TX 76147	0.51	3.75								1.85					
8. 9214 8901 9403 8348 6903 30	McMullen Minerals LLC PO BOX 470857 Ft Worth TX 76147	0.51	3.75								1.85					
Total Number of Pieces Listed by Sender 13	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														



Firm Mailing Book For Accountable Mail

Name and Address of Sender HOLLAND & HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501		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		Affix Stamp Here <i>(for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
9. 9214 8901 9403 8348 6903 47	Leo K Birkby 10432 E Palo Brea Drive Scottsdale AZ 85262	0.51	3.75	Handling Charge - if Registered and over \$50,000 in value							1.85					
10. 9214 8901 9403 8348 6903 54	Deets D Justice 310 Pleasant Drive Austin TX 78746	0.51	3.75									1.85				
11. 9214 8901 9403 8348 6903 61	YMC Royalty 15603 Kuykendahl Ste 200 Houston TX 77090	0.51	3.75									1.85				
12. 9214 8901 9403 8348 6903 78	Atlas OBO Energy 15603 Kuykendahl Ste 200 Houston TX 77090	0.51	3.75									1.85				
13. 9214 8901 9403 8348 6903 85	SBI West Texas I LLC 6702 Broadway Street Galveston TX 77554	0.51	3.75								1.85					
Total Number of Pieces Listed by Sender 13	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														



1001 17th Street, Suite 1800
Denver, Colorado 80202

September 1, 2021

Re: Gordita 6 State Com #603H
SHL: 275' FSL Sec. 6 & 1,380' FWL Sec. 6 T22S R35E
BHL: 100' FSL Sec. 18 & 2,456' FWL Sec. 18 T22S R35E
Lea County, New Mexico

To Whom it May Concern,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Gordita 6 State Com #603H to allow the completed interval to be less than 330 feet from the eastern boundary of the existing 619.28-acre horizontal spacing unit. This well is located in the Ojo Chiso; Bone Spring pool (96553). Due to the current spacing of the producing wells in this section, Centennial has planned the Gordita 6 State Com #601H, Gordita 6 State Com #602H, Gordita 6 State Com #603H, Tostada 18 State Com #601H and Tostada 18 State Com #602H wells with at least 900 feet of spacing between each well. This spacing pattern causes the Gordita 6 State Com #603H to be drilled less than 330 feet from the western boundary of the spacing unit. Centennial requests approval of this non-standard location to avoid causing wasted resources and reducing the production of the wells listed above.

Sincerely,

Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

A handwritten signature in blue ink, appearing to read 'Grayson Viles', written over a light blue circular stamp.

EXHIBIT - D



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

September 7, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Gordita 6 State Com #603H well in the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Sir or Madam:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Gavin Smith
Centennial Resource Development Inc.
(720) 499-1474
Gavin.Smith@cdevinc.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck
**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
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

District I
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Phone:(575) 393-6161 Fax:(575) 393-0720
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Phone:(575) 748-1283 Fax:(575) 748-9720
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1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 46885

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 46885
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/8/2021