

NSL - 8296

Revised March 23, 2017

RECEIVED: 12/09/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2205232367
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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: Cheddar Fed Com #502H well API: 30-025-pending
 Pool: Bilbrey Basin; Bone Spring Pool Code: 5695

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

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

A. Location - Spacing Unit - Simultaneous Dedication

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

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

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

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

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

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

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

Kaitlyn A. Luck

Print or Type Name

Signature

12/14/21

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

December 14, 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 Cheddar Fed Com #502H well in the W/2 W/2 of Section 5, Township 22 South, Range 32 East, and Section 32, Township 21 South, Range 32 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 **Cheddar Fed Com #502H well** (API No. 30-025-pending) to be completed within the Bilbrey Basin; Bone Spring Pool (Pool Code 5695) underlying the 319.68-acre, more or less, spacing unit in the W/2 W/2 of Section 5, Township 22 South, Range 32 East, and Section 32, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled at the following location:

- Surface location: 453 feet from the south line and 470 feet from the west line (Unit M) of Section 5;
- Bottom hole location: 100 feet from the north line and 1260 feet from the west line (Unit D) of Section 32;
- First take point: 100 feet from the south line and 1260 feet from the west line (Unit M) of Section 5;
- Last take point: 100 feet from the north line and 1260 feet from the west line (Unit D) of Section 32.

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 **Cheddar Fed Com #502H well 1** is unorthodox because the completed interval is closer than the standard offsets to the eastern boundary of the spacing unit in the E/2 W/2 of Sections 5 and 32. 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 **Cheddar Fed Com #502H well** encroaches on the spacing unit to the east in the E/2 W/2 of Sections 5 and 32.

Exhibit B is a land plat for Sections 7 and 18, that shows the proposed **Cheddar Fed Com #502H well** in relation to the adjoining spacing unit to the east in the E/2 W/2 of Sections 5 and 32.

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	GMT New Mexico Royalty, LLC	Tract 1	12/9/21
Working Interest	ConocoPhillips Company	Tract 2	12/9/21
Working Interest	Fasken Acquisitions 02, Ltd.	Tract 2	12/9/21
Working Interest	Paladin Energy Corp.	Tract 2	12/9/21
Overriding Royalty Interest	Sunrise Oil & Gas Properties, LLC	Tract 2	12/9/21
Overriding Royalty Interest	Raven Resources, LLC	Tract 2	12/9/21
Overriding Royalty Interest	RKC, Inc.	Tract 2	12/9/21
Overriding Royalty Interest	PBEX, LLC	Tract 2	12/9/21

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,

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

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) 746-3460 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 CHEDDAR FED COM			⁶ Well Number #502H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			⁹ Elevation 3664.8'

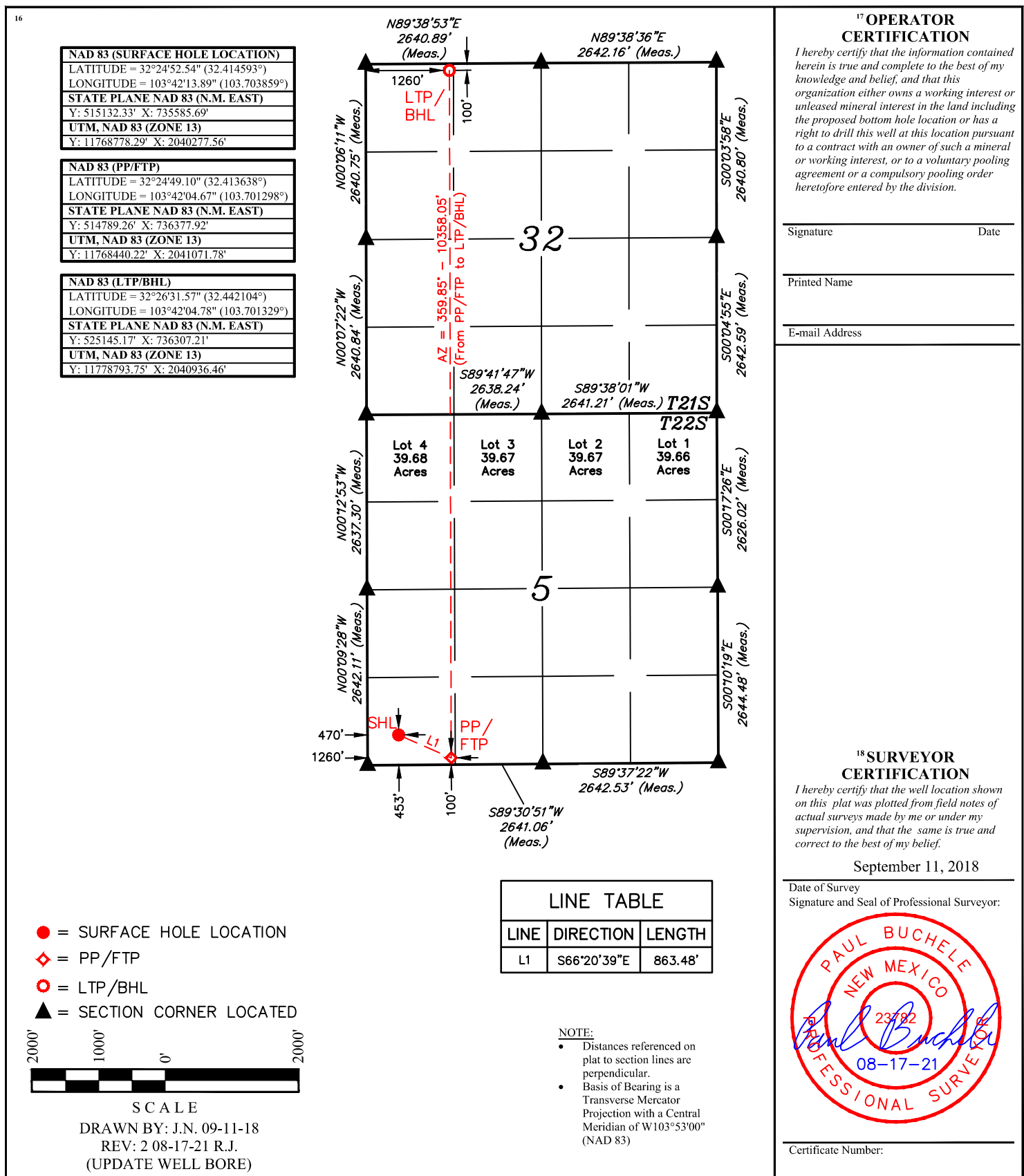
¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	22S	32E		453	SOUTH	470	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 32	Township 21S	Range 32E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1260	East/West line WEST	County LEA
¹² Dedicated Acres 319.68		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.



Cheddar Fed Com #502H NSL Notice Map
Township 21 South, Range 32 East, and Township 22 South, Range 32 East, Lea County, New Mexico

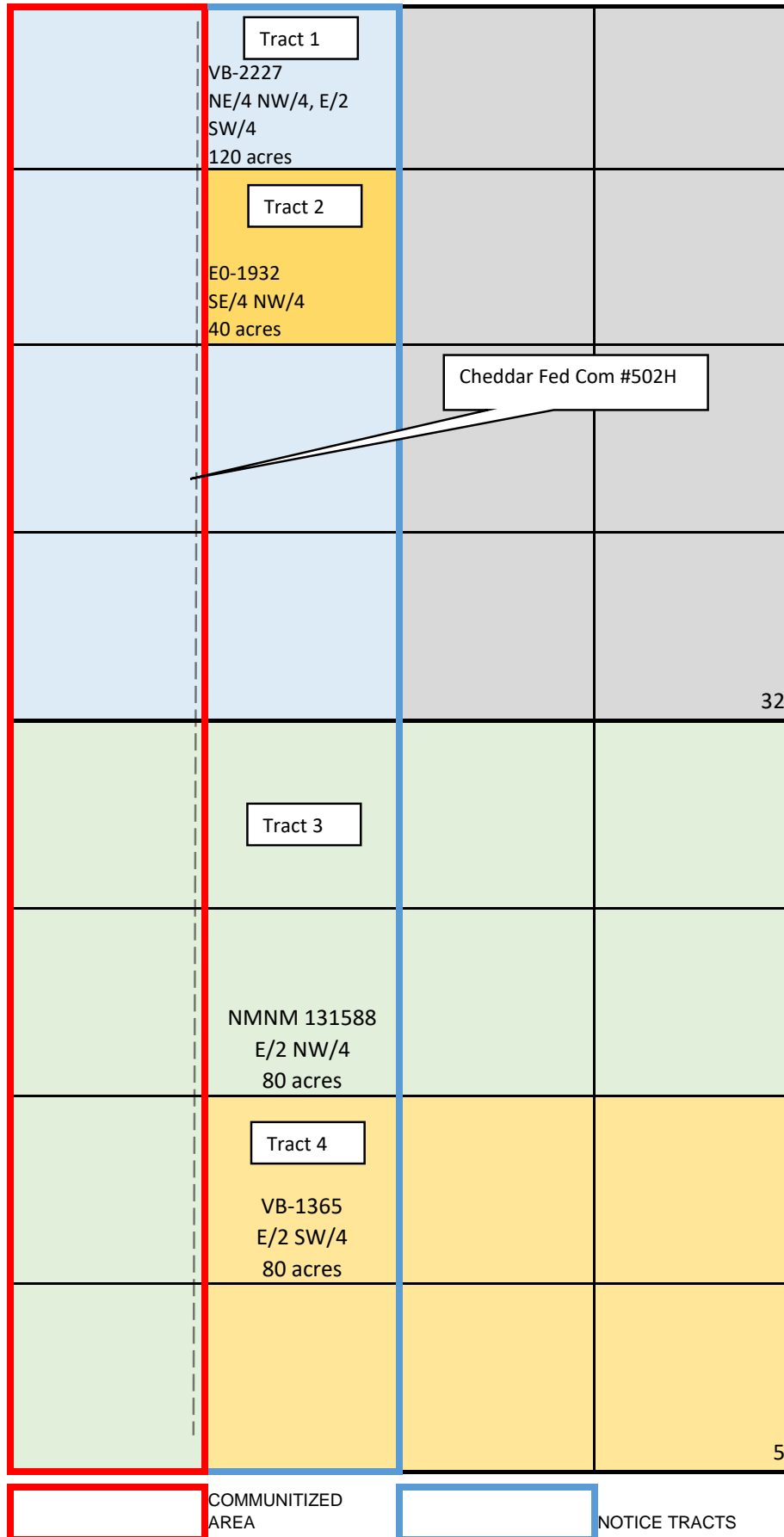


EXHIBIT B

Cheddar Fed Com #502H NSL Notice List

11-17-2021

Tract 1: (NE/4 NW/4, E/2 SW/4 Section 32)

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

GMT New Mexico Royalty, LLC
1560 Broadway, Suite 2000
Denver, CO 80202

Tract 2: (SE/4 SW/4 Section 32)

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

ConocoPhillips Company
16930 Park Row Drive
Houston, TX 77084

Fasken Acquisitions 02, Ltd.
6101 Holiday Hill Road
Midland, Texas 79707

Paladin Energy Corp.
10290 Monroe Dr., Suite 301
Dallas, TX 75229

Sunrise Oil & Gas Properties, LLC
5221 N O'Connor Boulevard, Suite 1100
Irving, TX 75039

Raven Resources, LLC
13220 N. MacArthur
Oklahoma City, OK 73142

RKC, Inc.
1527 Hillside Rd.
Fairfield, CT 06430

PBEX, LLC
223 West Wall Street, Ste. 900
Midland, TX 79701

Tract 3: (E/2 NW/4 Section 5)

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

Tract 4: (E/2 SW/4 Section 25)

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

EXHIBIT C



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

December 14, 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 Cheddar Fed Com #502H well in the W/2 W/2 of Section 5, Township 22 South, Range 32 East, and Section 32, Township 21 South, Range 32 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
www.hollandhart.com

Alaska
Colorado
Idaho

Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

Parent ID	Mail Date	Company	Company2	Address	City	ST	Zip	MailClass	TrackingNo	Well
31309	12/14/2021		Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	94148118987 65845321222	71509 - Centennial_Cheddar NSL - notice list - 1
31309	12/14/2021		PBEX, LLC	223 W Wall St Ste 900	Midland	TX	79701-4567	Certified with Return Receipt (Signature)	94148118987 65845321802	71509 - Centennial_Cheddar NSL - notice list - 10
31309	12/14/2021		Centennial Resource Production, LLC	1001 17th St Ste 1800	Denver	CO	80202-2058	Certified with Return Receipt (Signature)	94148118987 65845321895	71509 - Centennial_Cheddar NSL - notice list - 11
31309	12/14/2021		Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Certified with Return Receipt (Signature)	94148118987 65845321208	71509 - Centennial_Cheddar NSL - notice list - 2
31309	12/14/2021		GMT New Mexico Royalty, LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Certified with Return Receipt (Signature)	94148118987 65845321246	71509 - Centennial_Cheddar NSL - notice list - 3
31309	12/14/2021		ConocoPhillips Company	16930 Park Row	Houston	TX	77084-4920	Certified with Return Receipt (Signature)	94148118987 65845321284	71509 - Centennial_Cheddar NSL - notice list - 4
31309	12/14/2021		Fasken Acquisitions 02, Ltd.	6101 Holiday Hill Rd	Midland	TX	79707-1631	Certified with Return Receipt (Signature)	94148118987 65845321277	71509 - Centennial_Cheddar NSL - notice list - 5
31309	12/14/2021		Paladin Energy Corp	10290 Monroe Dr Ste 301	Dallas	TX	75229-5722	Certified with Return Receipt (Signature)	94148118987 65845321819	71509 - Centennial_Cheddar NSL - notice list - 6

Released to Imaging: 3/10/2022 7:06:53 PM



1001 17th Street, Suite 1800
Denver, Colorado 80202

December 8, 2021

Re: Cheddar Fed Com #502H
SHL: 453' FSL Sec. 5 & 470' FWL Sec. 5 T22S R32E
BHL: 100' FNL Sec. 32 & 1,260' FWL Sec. 32 T21S R32E
Lea County, New Mexico

To Whom it May Concern,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Cheddar Fed Com #502H to allow the completed interval to be less than 330 feet from the western boundary of the existing 320-acre horizontal spacing unit. This well is located in the Bilbrey Basin, Bone Spring pool (5695). Due to the optimal spacing of the planned wells in this section, Centennial has planned the Cheddar Fed Com #501H, Cheddar Fed Com #502H, Mozzarella Fed Com #503H and Mozzarella Fed Com #504H wells with at least 900 feet of spacing between each well. This spacing pattern causes the Cheddar Fed Com #502H 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,

A handwritten signature in black ink, appearing to read "Grayson Viles". The signature is fluid and cursive, with the first and last names being the most prominent.

Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

EXHIBIT D

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
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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 67064

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 67064
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/20/2021