

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2227660158
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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: Sheba Federal Com 305H **API:** 30-025-50267
Pool: Red Hills; Bone Spring, North pool **Pool Code:** 96434

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.

Paula M. Vance

Print or Type Name

Signature

10/3/22

Date

505-954-7286

Phone Number

PMVance@hollandhart.com

e-mail Address



Paula M. Vance
Associate
Phone (505) 954-7286
PMVance@hollandhart.com

October 3, 2022

VIA ONLINE FILING

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

Re: Centennial Resource Production, LLC
Request for Administrative Approval of Unorthodox Well Location

Sheba Federal Com 305H well
E/2 NE/4 of Section 27 and the E/2 E/2 of Section 22, T24S, R34E
Lea County, New Mexico
Red Hills; Bone Spring, North pool [96434]
API No. 30-025-50267

Dear Ms. Sandoval:

Centennial Resource Production, LLC (OGRID No. 372165), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the Red Hills; Bone Spring, North pool [96434], seeks administrative approval of an unorthodox well location for its **Sheba Federal Com 305H well** (API No. 30-025-50267), in a 240-acre, more or less, spacing unit underlying the E/2 NE/4 of Section 27 and the E/2 E/2 of Section 22, T24S, R34E, Lea County, New Mexico.

The proposed location is as follows:

- Surface location: 2299' FNL and 1160' FEL (Unit H) of Section 27
- First take point: 2548' FNL and 1222' FEL (Unit H) of Section 27
- Last take point: 100' FNL and 1222' FEL (Unit A) of Section 22
- Bottom hole location: 100' FNL and 1222' FEL (Unit A) of Section 22

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is closer than the standard offsets to the western boundary of the spacing unit – thus encroaching on the W/2 NE/4 of Section 27 and the W/2 E/2 of Section 22, T24S, R34E. As explained in the engineering statement included as **Exhibit A**, approval of the

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

unorthodox, completed interval will allow Centennial to use its preferred well spacing plan for horizontal wells in this area, which will maximize recovery and prevent waste.

Exhibit B is a Form C-102 showing the proposed Sheba Fed Com #305H well encroaches on the spacing unit/tracts to the west in the W/2 NE/4 of Section 27 and the W/2 E/2 of Section 22, T24S, R34E.

Exhibit C is a plat for the N/2 of Section 27 and all of Section 22, T24S, R34E, that shows the proposed Sheba Fed Com #305H well in relation to the adjoining spacing unit/tracts to the west. Exhibit C also includes an ownership list for the affected spacing unit to the west, showing that it is owned by Centennial Resource Production, LLC, Marathon Oil Permian, LLC, COG Operating, LLC, MRC Permian Company, Tap Rock Resources, II, LLC, Chief Capital (O&G) II, LLC, and Minerva Resources, LLC, as the working interest owners. In addition, the exhibit identifies that this includes a Bureau of Land Management (“BLM”) lease. Accordingly, the “affected persons”¹ are the applicant, Marathon Oil Permian, LLC, COG Operating, LLC, MRC Permian Company, Tap Rock Resources, II, LLC, Chief Capital (O&G) II, LLC, Minerva Resources, LLC, and the BLM.

Exhibit D is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was 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 persons:

Type	Affected Party	Location
Operator/ Working Interest	Centennial Resource Production, LLC	W/2 NE/4 Section 27 and the W/2 E/2 Section 22
Operator/ Working Interest	Marathon Oil Permian, LLC	W/2 NE/4 Section 27
Operator/ Working Interest	COG Operating, LLC	W/2 NE/4 Section 27
Operator/ Working Interest	MRC Permian Company	W/2 NE/4 Section 27

¹ See NMAC §§ 19.15.2.7.A(8) [defining “affected persons” as, “in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner”] and 19.15.4.12.A(2)(a).

Operator/ Working Interest	Tap Rock Resources, II, LLC	W/2 NE/4 Section 27
Operator/ Working Interest	Chief Capital (O&G) II, LLC	W/2 NE/4 Section 27
Operator/ Working Interest	Minerva Resources, LLC	W/2 NE/4 Section 27
Federal/State Mineral Interest	Bureau of Land Management	W/2 NE/4 Section 22

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance
ATTORNEY FOR
CENTENNIAL RESOURCE PRODUCTION, LLC



1001 17th Street, Suite 1800
Denver, Colorado 80202

September 29, 2022

Re: Sheba Federal Com 305H
SHL: 2299' FNL Sec. 27 & 1160' FEL Sec. 27 T24S R34E
BHL: 100' FNL Sec. 22 & 1222' FEL Sec. 22 T24S R34E
Lea County, New Mexico

To Whom it May Concern,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Sheba Federal Com 305H to allow the completed interval to be less than 330 feet from the western boundary of the existing 240-acre horizontal spacing unit. This well is located in the Red Hills; Bone Spring, North pool (96434). Due to the current spacing of the producing wells in this section, Centennial has planned the Juliet Fed Com #312H, Juliet Fed Com #313H, Solomon Fed Com #304H, Sheba Fed Com 305H and Sheba Fed Com #306H wells with at least 890 feet of spacing between each well. This spacing pattern causes the Sheba Federal Com 305H 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 blue ink, appearing to read "Grayson Viles".

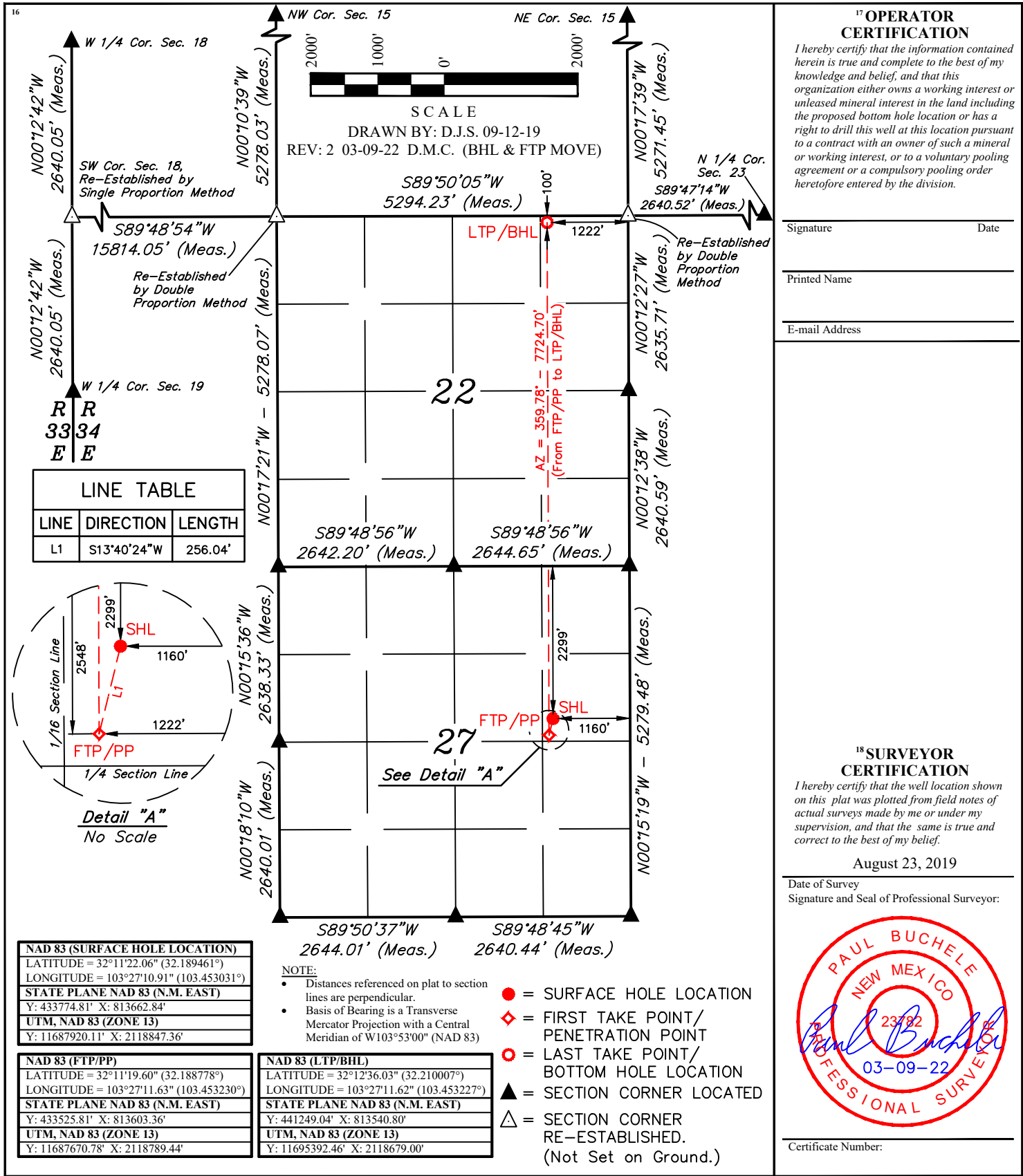
Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

EXHIBIT A

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

☐ AMENDED REPORT

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



Sheba Federal Com 305H NSL Notice Map
Township 24 South, Range 34 East, Lea County, New Mexico



EXHIBIT C

Sheba Fed Com #305H NSL Notice List 8-24-2021

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

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

United States of America
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, New Mexico 87502

Tract 2: (W/2 SE/4 Section 22)

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

Tract 3: (W/2 NE/4 Section 27)

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

Marathon Oil Permian, LLC
990 Town & Country Blvd.
Houston, Texas 77024

COG Operating, LLC
1400 Smith Street
Houston, Texas 77002

COG Operation, LLC
600 W. Illinois Ave
Midland, TX 79701

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

Tap Rock Resources II, LLC 523
Park Point Drive, Suite 200
Golden, CO 80401

Chief Capital (O&G) II, LLC
8111 Westchester Drive, Suite
900 Dallas, Texas 75225

Minerva Resources, LLC
6321 Campus Circle Drive East
Irving, Texas 75063

EXHIBIT D



Paula M. Vance
Associate
Phone (505) 954-7286
PMVance@hollandhart.com

October 3, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

Re: Centennial Resource Production, LLC
Request for Administrative Approval of Unorthodox Well Location

Sheba Fed Com #305H well
E/2 NE/4 of Section 27 and the E/2 E/2 of Section 22, T24S, R34E
Lea County, New Mexico
Red Hills; Bone Spring, North pool [96434]
API No. 30-025-50267

Ladies and Gentlemen:

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 Production, LLC
(720) 499-1474
Gavin.Smith@cdevinc.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance
ATTORNEY FOR
CENTENNIAL RESOURCE PRODUCTION, LLC

MANIFEST - 73208 - Centennial - Sheba Fed Com 305H - NSL

Parent ID	Mail Date	Company	Name	Address	City	ST	Zip	MailClass	Tracking No	Well
31309	09/30/2022	United States Of America	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	94148118987 65817824959	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 1
31309	09/30/2022		Marathon Oil Permian, LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Certified with Return Receipt (Signature)	94148118987 65817824966	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 2
31309	09/30/2022		COG Operating, LLC	1400 Smith St	Houston	TX	77002-7327	Certified with Return Receipt (Signature)	94148118987 65817824928	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 3
31309	09/30/2022		MRC Permian Company	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Certified with Return Receipt (Signature)	94148118987 65817824904	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 4
31309	09/30/2022		Tap Rock Resources II, LLC	523 Park Point Dr Ste 200	Golden	CO	80401-9387	Certified with Return Receipt (Signature)	94148118987 65817824997	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 5
31309	09/30/2022		Chief Capital O&G II, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Certified with Return Receipt (Signature)	94148118987 65817824942	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 6
31309	09/30/2022		Minerva Resources, LLC	6321 Campus Circle Dr E	Irving	TX	75063-2712	Certified with Return Receipt (Signature)	94148118987 65817824980	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 7
31309	09/30/2022		COG Operating, LLC	600 W Illinois Ave	Midland	TX	79701-4882	Certified with Return Receipt (Signature)	94148118987 65817824935	73208 - Centennial - Sheba Fed Com 305H - NSL - notice list - 8

District I

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

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 148172

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 148172
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL - 8452 is approved. The approved Order can be retrieved at the following OCD website link. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	10/3/2022