

# Approved

## NSL

## Order

Approved: 01/07/19

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director  
Oil Conservation Division



January 7, 2020

Ms. Kaitlyn A. Luck  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7975**

**Centennial Resources Production, LLC [OGRID 372165]  
Queso Blanco 13 State Com Well No. 603H  
API No. 30-025-46400**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1225 FSL & 1562 FWL	N	13	22S	34E	Lea
First Take Point	377 FSL & 2077 FWL	N	13	22S	34E	Lea
Last Take Point/ Terminus	2534 FSL & 2326 FWL	K	12	22S	34E	Lea

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 13 E/2 SW/4 of Section 12	240	Ojo Chiso; Bone Spring	96553

Reference is made to your application received on December 26, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 75 - 314 feet to the eastern edge. Encroachment will impact the following tract.

Section 13, encroachment to the NW/4 SE/4 & W/2 NE/4  
Section 12, encroachment to the W/2 SE/4

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. All waivers were signed; therefore, the notice duration is no longer valid.


The Division understands that you are requesting this unorthodox location as a preferred well spacing plan for your well within the horizontal spacing unit located in the Bone Spring formation underlying the E/2 W/2 of Section 13 and E/2 SW/4 of Section 12.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

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**ADRIENNE E. SANDOVAL**  
**Oil Conservation Division Director**

AES/lrl

cc: Oil Conservation Division – Hobbs District Office  
State Land Office – Oil, Gas, and Minerals Division