

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Adam Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-8407

Centennial Resources Production, LLC [OGRID 372165]
Bridge State Unit 29 Well No. 503H
API No. 30-025-50156

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	170 FSL & 1620 FEL	O	29	22S	35E	Lea
First Take Point	100 FSL & 2560 FEL	O	29	22S	35E	Lea
Last Take Point/ Terminus	100 FNL & 2560 FEL	B	20	22S	35E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 29	640	Rock Lake; Bone Spring	52766
E/2 of Section 20			

Reference is made to your application received on July 6th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 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 80 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 29, encroachment to the W/2
Section 20, encroachment to the W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in this area. This location will prevent waste within the Bone Spring formation underlying the E/2 of section 29 and the E/2 of section 20.

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

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: Aug 9, 2022

AES/lrl