STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND MAR 08 2018 PM04:05 COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16016

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16017

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 16018

AMENDED APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15988

CENTENNIAL'S CONSOLIDATED PRE-HEARING STATEMENT

Centennial Resource Production, LLC ("Centennial"), the applicant in the above referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In these consolidated cases, Centennial seeks orders (1) creating a total of four 160-acre non-standard spacing and proration units in the Bone Spring and Wolfcamp formations comprised of the E/2 E/2 and the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. Each 160-acre non-standard unit is to be initially dedicated to the following proposed wells:

- 1. The **Horseshoe Fed Com No. 601H Well**, to be horizontally drilled in the Bone Spring formation (3rd Bone Spring sands) underlying the W/2 E/2 of Section 18 from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NW/4 NE/4 (Unit B) of Section 18;
- 2. The **Horseshoe Fed Com No. 602H Well**, to be horizontally drilled in the Bone Spring formation (3rd Bone Spring Sands) underlying the E/2 E/2 of Section 18 from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 18;

- 3. The **Horseshoe Fed Com No. 701H** Well, to be horizontally drilled in the Wolfcamp formation underlying the W/2 E/2 of Section 18 from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NW/4 NE/4 (Unit B) of Section 18; and
- 4. The **Horseshoe Fed Com No. 702H Well**, to be horizontally drilled in the Wolfcamp formation underlying the E/2 E/2 of Section 18 from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 18.

Centennial has obtained authority to drill each well from a location the N/2 NE/4 of Section 19 in order to maximize the completed lateral length of each proposed well.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|------------------------------------|----------------|-----------|
| Gavin Smith - Landman | Approx. 15 | Approx. 5 |
| Nick Daniele – Geologist | Approx. 15 | Approx. 6 |
| Grant Morby – Reservoir Engineer | Approx. 15 | Approx. 5 |
| Brett Thompson – Drilling Engineer | Approx. 15 | Approx. 5 |

PROCEDURAL MATTERS

Under Case Nos. 15992 through 15996, Ascent Energy has filed competing applications for development of the Bone Spring and Wolfcamp formations underlying the E/2 of Section 18. These Ascent Energy and Centennial cases have been consolidated for hearing on March 15, 2018, to address the competing development plans.

Division records reflect that Cimarex Energy Company has entered an appearance in the Ascent Energy cases (Case Nos. 15992 through 15996). Accordingly, counsel for Ascent Energy and Cimarex Energy have been provided a copy of this consolidated prehearing statement.

HOLLAND & HART LLP

By:

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ATTORNEYS FOR CENTENNIAL RESOURCE PRODUCTION, LLC

CERTIFICATE OF SERVICE

I hereby certify that on March 8, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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