

RECEIVED: 01/18/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2205934662
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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: Chimichangas 12 State Com #503H **API:** 30-025-49582
Pool: Ojo Chiso; Bone Spring **Pool Code:** 96553

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.

Adam G. Rankin

Print or Type Name

Signature

01/18/2022

Date

505-954-7294

Phone Number

AGRankin@hollandhart.com

e-mail Address



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

January 18, 2022

VIA ONLINE FILING

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

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

Chimichangas 12 State Com #503H well
E/2 of Sections 12 and 13, Township 22 South, Range 34 East
Lea County, New Mexico
Ojo Chiso; Bone Spring pool [96553]
API No. 30-025-49582

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(C)-(D) NMAC and applicable rules governing acreage and well location requirements for the Ojo Chiso; Bone Spring pool [96553], seeks administrative approval of an unorthodox well location for its **Chimichangas 12 State Com #503H well** (API No. 30-025-49582), in a 640-acre, more or less, spacing unit underlying the E/2 of Sections 12 and 13, Township 22 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

The proposed surface and bottom hole locations and first and last take points are as follows:

- the surface location is located 930 feet from the north line and 1244 feet from the east line (Unit A) of Section 12,
- the bottom hole location is located 187 feet from the south line and 325 feet from the east line (Unit P) of Section 13,
- the first take point is located 158 feet from the north line and 352 feet from the east line (Unit A) of Section 12 and

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- the last take point is located 187 feet from the south line and 325 feet from the east line (Unit P) of Section 13.

Additionally, as shown by Exhibit A, some steering difficulties were encountered resulting in portions of the completed interval for this well extending past the 50-foot buffer for its 330-foot permitted location. In its most deviated location, the completed interval is 212 feet from the east line (Unit H) of Section 12.

Since this acreage is governed by the Division's statewide rules, the completed interval for this well will be unorthodox because it is more than 50 feet closer to the outer boundary of the spacing unit than the approved location and is closer than the standard offsets to the eastern boundary of the spacing unit – thus encroaching on the W/2 of Sections 7 and 18, Township 22 South, Range 35 East. Approval of the unorthodox, completed interval will allow Centennial to use its preferred well spacing plan for horizontal wells in this area and prevent substantial costs related to redrilling the well, thereby maximizing recovery and preventing waste.

Exhibit A is a Form C-102 showing the completed interval of the proposed Chimichangas 12 State Com #503H well encroaches on the spacing unit/tracts to the east in the W/2 of Sections 7 and 18, Township 22 South, Range 35 East.

Exhibit B is a plat for the E/2 of Sections 12 and 13, Township 22 South, Range 34 East, and the W/2 of Sections 7 and 18, Township 22 South, Range 35 East, that shows the proposed Chimichangas 12 State Com #503H well in relation to adjoining spacing unit/tracts to the east. As shown on the plat, the affected spacing unit to the east is owned by Centennial, Atlas OBO Energy, LP, and EOG Resources, Inc. as working interest owners. In addition, the plat identifies that these are State leases. Accordingly, the "affected persons"¹ are the applicant, Centennial Resource Production, LLC, Atlas OBO Energy, LP, EOG Resources, Inc., and the New Mexico State Land Office.

Exhibit C 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 parties:

Type	Affected Party	Location
Operator/ Working Interest	Centennial Resource Production, LLC	W/2 of Sections 7 and 18
Working Interest	Atlas OBO Energy, LP	W/2 of Sections 7 and 18

¹ See NMAC §§ 19.15.2.7.A(8) and 19.15.4.12.A(2)(a).

Working Interest	EOG Resources, Inc.	W/2 of Sections 7 and 18
Federal/State Mineral Interest	New Mexico State Land Office	W/2 of Sections 7 and 18

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin
ATTORNEY FOR
CENTENNIAL RESOURCE PRODUCTION, LLC

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-49582		² Pool Code 96553	³ Pool Name Ojo Chiso; Bone Spring	
⁴ Property Code 326729	⁵ Property Name CHIMICHANGAS 12 STATE COM			⁶ Well Number 503H
⁷ OGRID No. 372165	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC			⁹ Elevation 3588.9'

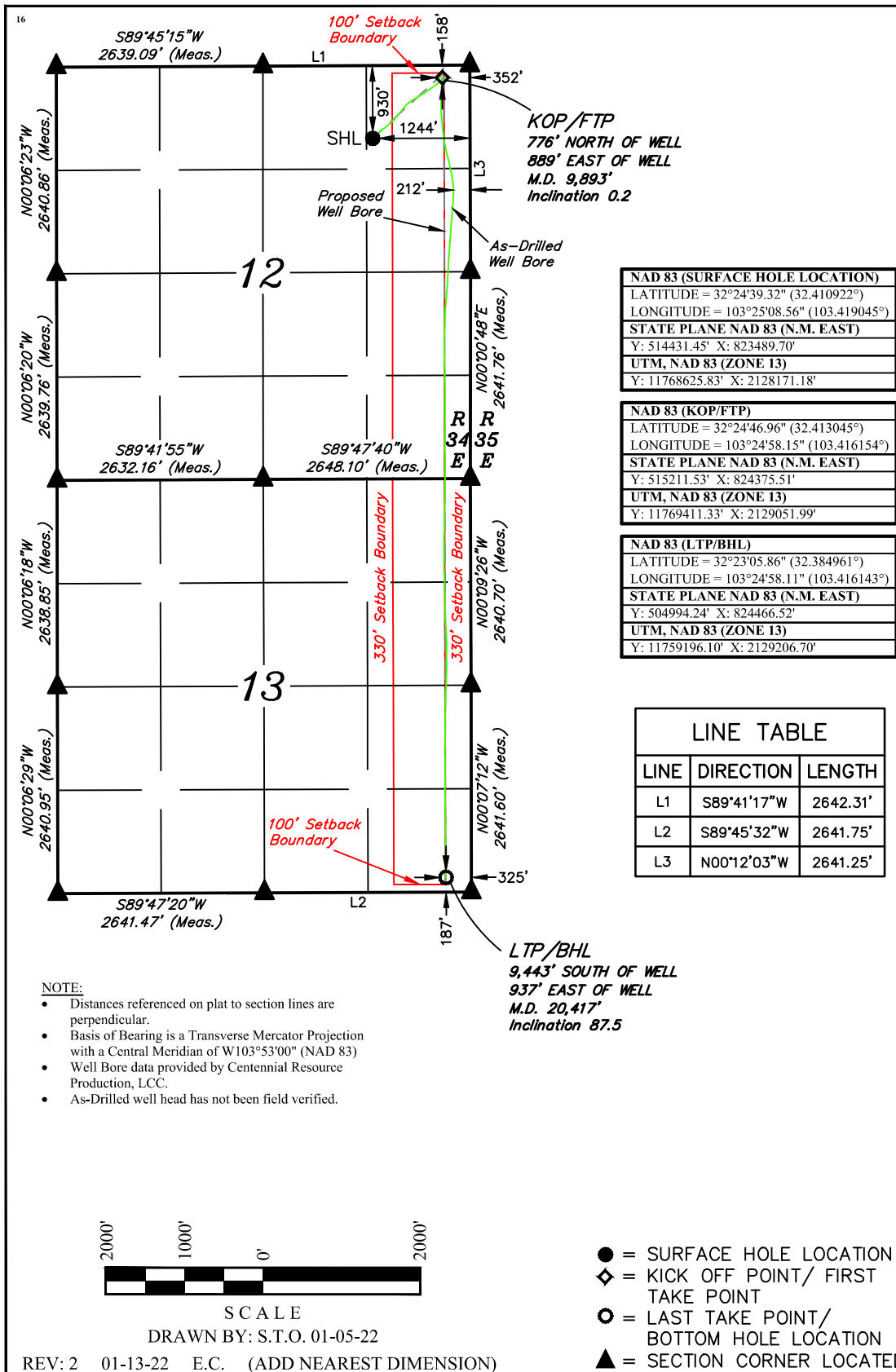
¹⁰ Surface Location

UL or lot no. A	Section 12	Township 22S	Range 34E	Lot Idn	Feet from the 930	North/South line NORTH	Feet from the 1244	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 13	Township 22S	Range 34E	Lot Idn	Feet from the 187	North/South line SOUTH	Feet from the 325	East/West line EAST	County LEA
¹² Dedicated Acres 640.00		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.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature
Date

Printed Name _____

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

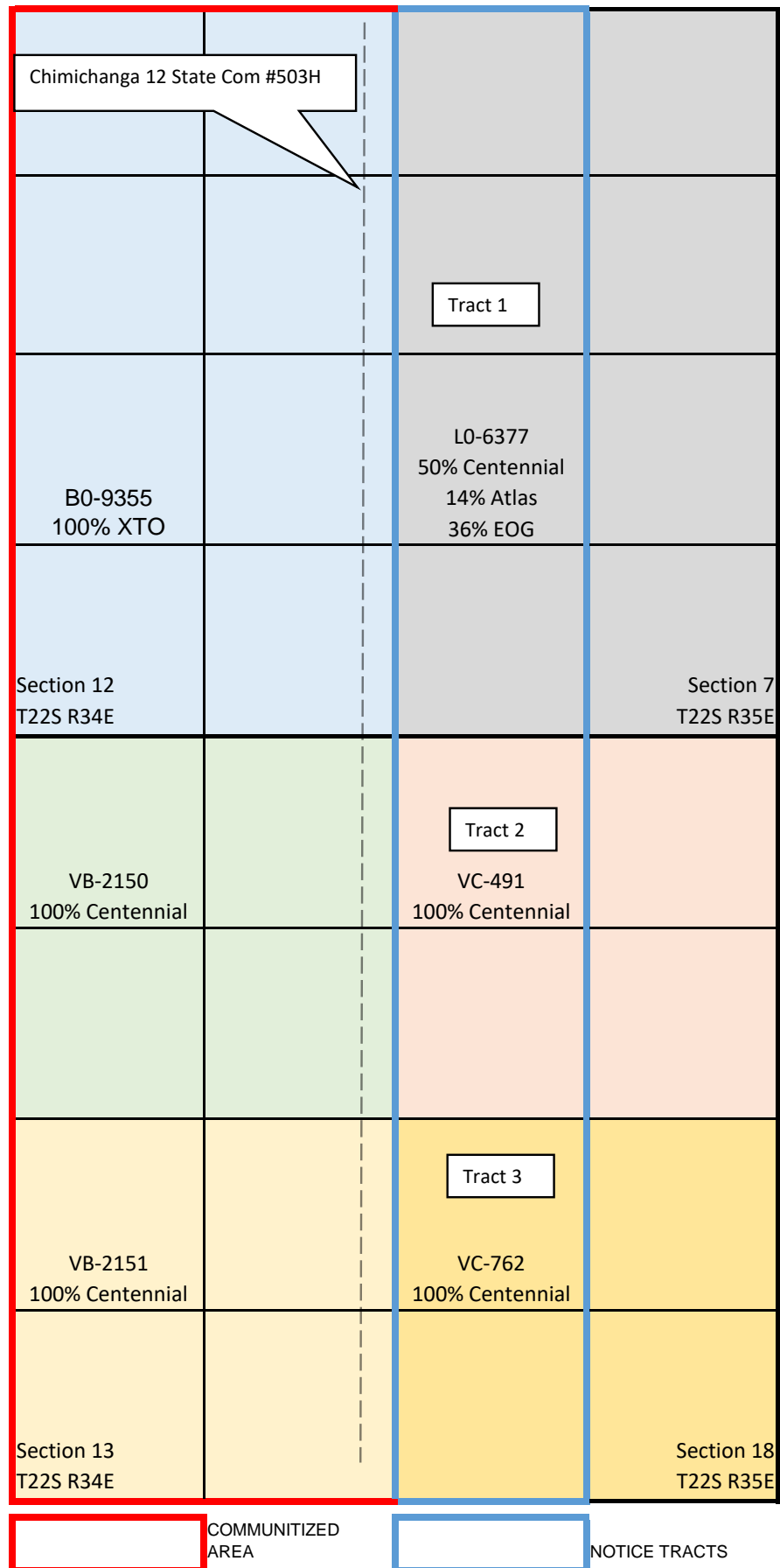
November 15, 2021

Date of Survey _____
Signature and Seal of Professional Surveyor: _____



Certificate Number:

Chimichanga 12 State Com #503H NSL Notice Map
Township 22 South, Range 34 East, Lea County, New Mexico



ADDR1	ADDR2	ADDR3	ADDR4	ADDR5
Centennial Resource Production, LLC	1001 17th Stre	Denver	CO	80202
Atlas OBO Energy, LP	1900 St. James	Houston	TX	77056
EOG Resources, Inc.	5509 Champio	Midland	TX	79706
New Mexio State Land Office	310 Old Santa Fe Trail	Santa Fe	NM	87501

Exhibit C



Adam G. Rankin
Phone (505) 954-7294
AGRankin@hollandhart.com

January 18, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PERSONS

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

Chimichangas 12 State Com #503H well
E/2 of Sections 12 and 13, Township 22 South, Range 34 East
Lea County, New Mexico
Ojo Chiso; Bone Spring pool [96553]
API No. 30-025-49582

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 "Adam G. Rankin".

Adam G. Rankin
ATTORNEY FOR
CENTENNIAL RESOURCE PRODUCTION, LLC

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Alaska
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Montana
Nevada
New Mexico

Utah
Washington, D.C.
Wyoming

Parent ID	Mail Date	Company 1	Company 2	Address 1	City	ST	Zip	MailClass	TrackingNo	Well
31309	01/18/2022		Centennial Resource Production, LLC	1001 17th St	Denver	CO	80202-2034	Certified with Return Receipt (Signature)	9414811898765849882057	71692 - Centennial Chimichangas 503H - NSL Notice list - 1
31309	01/18/2022		Atlas OBO Energy, LP	1900 Saint James Pl	Houston	TX	77056-4129	Certified with Return Receipt (Signature)	9414811898765849882064	71692 - Centennial Chimichangas 503H - NSL Notice list - 2
31309	01/18/2022		EOG Resources, Inc.	5509 Champio	Midland	TX	79706	Certified with Return Receipt (Signature)	9414811898765849882002	71692 - Centennial Chimichangas 503H - NSL Notice list - 3
31309	01/18/2022		New Mexio State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Certified with Return Receipt (Signature)	9414811898765849882095	71692 - Centennial Chimichangas 503H - NSL Notice list - 4

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 73306

CONDITIONS

Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 73306
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL-8318 is approved.	3/29/2022