

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 31, 2017

Centennial Resources Production, LLC
Attn: Ms. Jordan L. Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7599

Centennial Resources Production, LLC
OGRID 372165
Crazy Wolf 1 2 B2MM Federal Com Well No. 1H
API No. 30-025-43135

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330` FSL & 1290` FWL	M	1	19S	32E	Lea
Penetration Point	330` FSL & 800` FWL	M	1	19S	32E	Lea
Final perforation/ Terminus	330` FSL & 330` FWL	M	2	19S	32E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 of Section 1 S/2 of Section 2	480	East Lusk; Bone Spring	41442

Reference is made to your application received on September 27, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by Special Rules (R-4994) for the East Lusk – Bone Spring Pool, which provides for 160-acre units with wells located at least 660 feet from a unit outer boundary, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the applicant is requesting this Unorthodox location to efficiently and economically recover the reserves in the spacing unit underlying the SW/4 of Section 1 and the S/2 of Section 2.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office