

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



April 11, 2018

Michael H. Feldewert
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NON-STANDARD LOCATION

Administrative Order NSL-7685

**Centennial Resources Production, LLC [OGRID 372165]
Horseshoe Federal Com Well No. 701H
API No. 30-025-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	300 FNL & 1965 FEL	B	19	21S	33E	Lea
Penetration Point	100 FSL & 1650 FEL	O	18	21S	33E	Lea
Final perforation/ Terminus	100 FNL & 1650 FEL	B	18	21S	33E	Lea

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 18	160	Wildcat; Wolfcamp	98033

Reference is made to your application received on March 13, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection B of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern edge, 345 feet to the southeastern and northeastern edges, and 100 feet to the northern edge of the project area. Encroachments will impact the following tracts.

Section 19, T21S R33E encroachment to the N2 NE4
Section 7, T21S R33E encroachment to the S2 SE4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

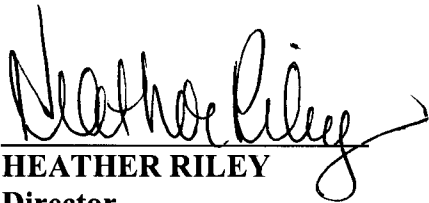
Division understands you seek this location to maximize the perforated lateral length, thereby capturing reserves that otherwise will not be recovered within the Wolfcamp formation underlying the W2 E2 of Section 18.

Your application has been filed under 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, 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.



HEATHER RILEY
Director

HR/lrl

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