NSL-7686

Revised March 23, 2017

REVIEWER: 3/13/2018

PMAM1807341915

MAR 13 2018 PM04:39

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau –
1220 South St. Francis Drive, Santa Fe, NM 87505



1220 South St. Francis Drive, Sc	ania Fe, NM 87303
ADMINISTRATIVE APPLIC	ATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE AP REGULATIONS WHICH REQUIRE PROCESSING A	
Applicant: Centennial Resource Production, LLC	OGRID Number: 372165
Well Name: Horseshoe Fed Com No. 702H Well	API: pending
Pool: W.C.; WOLFCA MP	Pool Code: <u>98033</u>
SUBMIT ACCURATE AND COMPLETE INFORMATION REINDICATED B	
1) TYPE OF APPLICATION: Check those which apply for A. Location – Spacing Unit – Simultaneous Dedication – Spacing Unit – Simultaneous Dedication – NSP (PROJECT AREA)	- ·
[II] Injection – Disposal – Pressure Increase – E	□OLS □OLM nhanced Oil Recovery □EOR □PPR
	FOR OCD ONLY
2) NOTIFICATION REQUIRED TO: Check those which ap	pply. Notice Complete
 A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue C. Application requires published notice D. Notification and/or concurrent approval by E. Notification and/or concurrent approval by F. Surface owner G. For all of the above, proof of notification of H. No notice required 	owners Application Content Complete
3) CERTIFICATION: I hereby certify that the information administrative approval is accurate and complete understand that no action will be taken on this app notifications are submitted to the Division.	to the best of my knowledge. I also
Note: Statement must be completed by an individual	with managerial and/or supervisory capacity.
	March 13, 2018
Michael H. Feldewert	Date
Print or Type Name	
	505-988-4421
(462	Phone Number
	mfeldewert@hollandhart.com
Signature	e-mail Address



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources - Oil and Gas Law - New Mexico Board of Legal Specialization mfeldewert@hollandhart.com

March 13, 2018

VIA HAND DELIVERY

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Dr.
Santa Fe, New Mexico 87505

Re: Application of Centennial Resource Production, LLC for administrative approval of an unorthodox well location for its Horseshoe Fed Com No. 702H Well underlying the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico.

Dear Ms. Riley:

Centennial Resource Production, LLC ("Centennial") (OGRID No. 372165) seeks administrative approval of an unorthodox location for its Horseshoe Fed Com No. 702H Well (API number pending) to be completed in the Wolfcamp formation underlying the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. This well will be drilled from a surface location 300 feet from the north line, 645 feet from the east line (Unit A) of Section 19. The upper most perforation will be located 100 feet from the south line, 330 feet from the east line (Unit P) of Section 18 and the lower most perforation will be 100 feet from the north line, 330 feet from the east line (Unit A) of Section 18. Since this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox because it encroaches on the northern, northeastern, southern, and southeastern boundaries of the project area.

The purpose for the unorthodox locations at the first and last take points is to maximize the perforated lateral length and thereby capture reserves that may not otherwise not be recovered, without unreasonably infringing upon the correlative rights of the affected parties in the offsetting spacing units.



Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Horseshoe Fed Com No. 702H Well** encroaches on the spacing and proration units to the north, northeast, south, and southeast.

Exhibit B is a land plat for Section 18 and the surrounding sections that shows the **Horseshoe Fed Com No. 702H Well** in relation to the adjoining units and existing wells.

Exhibit C is a list of the parties affected by Centennial's request for an unorthodox location. Each of these parties has been provided a copy of this application and all attachments by certified mail, and has been advised that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives this application. A copy of this application has been provided to the Bureau of Land Management—Carlsbad Office.

Your attention to this application is appreciated.

Sincerely,

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE PRODUCTION, LLC

cc: Bureau of Land Management – Carlsbad

620 E. Greene Street Carlsbad, NM 88220 <u>District 1</u>
1025 N. French De., Holder, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. Firer St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
Patrict III PRODE: (3/3) 744-3740 Pustret III 1000 Rio Brazzos Roed, Aziec, NN4 87410 Phone: (305) 334-6178 Fax: (305) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr. Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

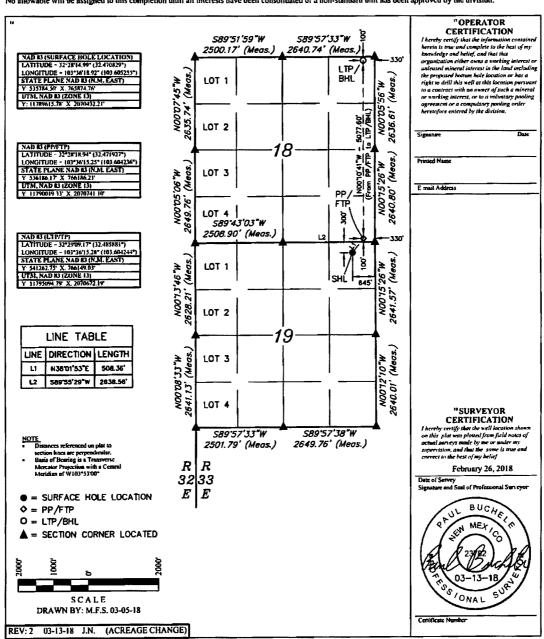
¹ API Number	¹ Pool Code	⁹ Pool Name	
* Property Code		Property Name SESHOE FED COM	• Well Number 702H
OGRID No.	CENTENNIAL RI	' Elevation 3792.9'	
	p. 4	Surface Location	

UL or lot no. Section Township Range Lat Idn Feet from the Narth/South fine Feet from the Latt/West line

Α	19	215	33E	300	NORTH	645	EAST	LEA		
"Bottom Hole Location If Different From Surface										

ı	UL or lot se. A	Section 18	Terriship 21S	Hange 33E	Lot Ide	Feet from the 100	North/South line NORTH	Feet from the 330	East/West line EAST	County LEA
I	17 Dedicated Acre 160	es 13	Joint or Infili	4 Cons	olidation Code	19 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.





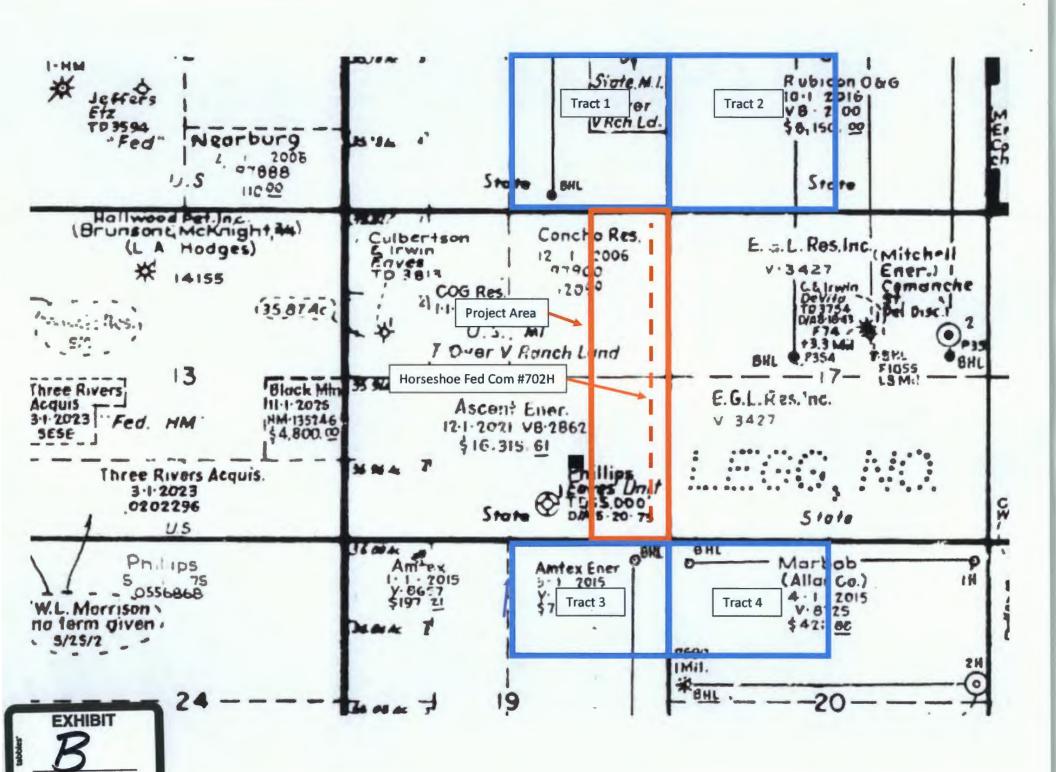


EXHIBIT C

TRACT 1 (V0-9003, SE/4 SE/4 Sec 7-T21S-R33E)

Cimarex Energy Company 1700 Lincoln Street, Suite 3700 Denver, Colorado 80203

TRACT 2 (VB-2100, SW/4 SW/4 Sec 8-T21S-R33E)

Rubicon Oil & Gas 508 West Wall Ave., Suite 500 Midland, Texas 79701

COG Operating One Concho Center 600 W. Illinois Ave. Midland, Texas 79701

TRACT 3 (V0-8700, NE/4 NE/4 Sec 19-T21S-R33E)

Bullhead Energy, LLC P.O. Box 3445 Midland, Texas 79702

Advance Energy Partners Hat Mesa, LLC 11490 Westheimer Road, Suite 950 Houston, Texas 77077

COG Operating One Concho Center 600 W. Illinois Ave. Midland, Texas 79701 Charis Royalty F, LP P.O. Box 93983 Southlake, Texas 76092

Concho Oil & Gas, LLC 600 W. Illinois Ave. Midland, Texas 79701

TRACT 4 (V0-8725, NW/4 NW/4 Sec 20-T21S-R33E)

The Allar Company P.O. Box 1567 Graham, Texas 76450

EG3, Inc. P.O. Box 1567 Graham, Texas 76450

Marbob Energy Corporation P.O Box Artesia, New Mexico 88211

COG Operating One Concho Center 600 W. Illinois Ave. Midland, Texas 79701

Concho Oil & Gas, LLC 600 W. Illinois Ave. Midland, Texas 79701

Nestegg Energy Corporation 2308 Sierra Vista Artesia, New Mexico 88210





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Shipment Date: 03/13/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	6
Total	6

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

- 1. Home screen > Mailing/Shipping > More
- 2. Select Shipment Confirm
- 3. Scan or enter the barcode/label number from PS Form 5630
- 4. Confirm the volume count message by selecting Yes or No
- 5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

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vice	Adult Signature Required	Addressee (Name, Street, City, State, & ZIP Code [™])	Cimarex Energy Compary 1700 Lincoln Street Suite 3700Cenver Denver CO 80203	Bullhead Energy LLC PO BOX 3445 Midland TX 79702	Advance Energy Partners Hat Mesa LLC 11490 Westheimer Road Suite 950 Houston TX 77077	COG Operating One Corcho Center 600 W Illinois Ave Midland TX 79701	Charis Royalty F LP PO EOX 93983 Southlake TX 76092	Concho Oil & Gas LLC 6C0 W Illnois Ave Midland TX 79701			Postmaster, Per (Name of receiving employee)	Complete in Ink
Name and Address of Sender	Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	USPS Tracking/Article Number	1, 9214 8901 9403 8304 9347 06	2. 9214 8901 9403 8304 9347 13	3. 9214 8901 9403 8304 9347 20	4. 9214 8901 9403 8304 9347 37	5. 9214 8901 9403 8304 9347 44	6. 9214 8901 9403 8304 9347 51			i Nu	PS Form 3877 , April 2015 (Page 1 of 1)



Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

Shipment Date:	03/13/2018	
Shipped From:		

Name: HOLLAND & HART LLP

Address: __110 N GUADALUPE ST # 1

City: SANTA FE

__ ZIP+4® 87501

State: NM

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	5
Total	5

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

- 1. Home screen > Mailing/Shipping > More
- 2. Select Shipment Confirm
- 3. Scan or enter the barcode/label number from PS Form 5630
- Confirm the volume count message by selecting Yes or No
 Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

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Check type of mail or service	Adult Signature Required Adult Signature Restricted Delivery K Certified Mail Certified Mail Restricted Delivery Collect on Delivery (COD) Insured Mail Priority Mail	Addressee (Nam	Rubicon Oil & Gas 508 West Wall	The Allar Company PO BOX 1567 Graham TX 76450	EG3 Inc PO BOX 1567 Graham TX 76450	Marbob Energy Corporation 2208	Nestegg Energy Corporation 2308 Serra Vista Artesia NM 88210	
ander	_	Article Number				04 9346 83	104 9346 90	Received at Post Office
Name and Address of Sender	Name and Address of Server Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	USPS Tracking/Article Number	1. 9214 8901 9403 8304 9346 52	2. 9214 8901 9403 8304 9346 69	3. 9214 8901 9403 8304 9346 76	4. 9214 8901 9403 8304 9346 83	5. 9214 8901 9403 8304 9346 90	



Michael H. Feldewert
Recognized Specialist in the
Area of Natural Resources - Oil
and Gas Law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

March 13, 2018

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Centennial Resource Production, LLC for administrative approval of an unorthodox well location for its Horseshoe Fed Com No. 702H Well underlying the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico.

Ladies and Gentleman:

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

Michael H. Feldewert

ATTORNEY FOR CENTENNIAL RESOURCE PRODUCTION, LLC

Lowe, Leonard, EMNRD

From: Michael Feldewert < MFeldewert@hollandhart.com>

Sent: Wednesday, April 11, 2018 11:16 AM

To: Lowe, Leonard, EMNRD; Jones, William V, EMNRD
Cc: Dave Hatch; Gavin Smith (Gavin.Smith@cdevinc.com)

Subject: Horseshoe Wells NSL applications, POOLS?

Mr. Lowe: As a follow-up to our conversation today, this email is intended to confirm that the Horseshoe Fed Com No. 601H and 602H wells will be completed in the Bone Spring formation and the

Horseshoe Fed Com No. 701H and 702H wells will be completed in the Wolfcamp formation. Let me know if you need anything else, and thanks for your efforts on these matters.

Michael H. Feldewert Santa Fe Office 505-988-4421 505-983-6043 (fax) mfeldewert@hollandhart.com



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From: Michael Feldewert

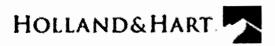
Sent: Tuesday, April 10, 2018 1:58 PM

To: 'Lowe, Leonard, EMNRD' <Leonard.Lowe@state.nm.us>; Jones, William V, EMNRD <William V.Jones@state.nm.us> Cc: Dave Hatch <DBHatch@hollandhart.com>; Gavin Smith (Gavin.Smith@cdevinc.com) <Gavin.Smith@cdevinc.com>

Subject: Horseshoe Wells NSL applications, POOLS?

Mr. Lowe: The Division's district office has not assigned a Bone Spring or Wolfcamp pool to this area. We understand a nearby Bone Spring well permitted by Ascent is in WC-025 G-08 S213304D;BONE SPRING #97895 and a nearby Wolfcamp well permitted by Advance is in WC-025 G-10 S213328O; WOLFCAMP #98033. Sorry that I cannot be offer more assistance.

Michael H. Feldewert Santa Fe Office 505-988-4421 505-983-6043 (fax) mfeldewert@hollandhart.com



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Lowe, Leonard, EMNRD

From: Michae

Michael Feldewert < MFeldewert@hollandhart.com>

Sent: Tuesday, April 10, 2018 1:58 PM

To: Lowe, Leonard, EMNRD; Jones, William V, EMNRD

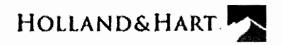
Cc: Dave Hatch; Gavin Smith (Gavin.Smith@cdevinc.com)

Subject: Horseshoe Wells NSL applications, POOLS?

Mr. Lowe: The Division's district office has not assigned a Bone Spring or Wolfcamp pool to this area. We understand a nearby Bone Spring well permitted by Ascent is in WC-025 G-08 S213304D;BONE SPRING #97895 and a nearby Wolfcamp well permitted by Advance is in WC-025 G-10 S2133280; WOLFCAMP #98033. Sorry that I cannot be offer more assistance.

97895; 40 Acre; 330 5.8. # 98033; 40 Acre; 330 5.8.

Michael H. Feldewert Santa Fe Office 505-988-4421 505-983-6043 (fax) mfeldewert@hollandhart.com



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From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]

Sent: Tuesday, April 10, 2018 1:30 PM

To: Michael Feldewert <MFeldewert@hollandhart.com> **Cc:** Jones, William V, EMNRD <William V.Jones@state.nm.us>

Subject: NSL applications, POOLS?

Importance: High

Mr. Michael H. Feldewert,

OCD has four NSL applications for Centennial Resources Production, LLC for the following wells:

Horsehoe Fed Com No. 601H

Horsehoe Fed Com No. 602H

Horsehoe Fed Com No. 701H

Horsehoe Fed Com No. 702H

What Pool are these applications seeking?

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004

From: Lowe, Leonard, EMNRD

To: "Michael Feldewert"

Cc: "Lisa Lemon "; Martin, Ed; Holm, Anchor E.; "jglover@blm.gov"; "scaffey@blm.gov"; "jstovall@blm.gov"; Brown.

Maxey G, EMNRD; Kautz, Paul, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott,

EMNRD; Jones, William V, EMNRD

Subject: APPROVED NSL-7683, -7684, -7685, -7686 FOR Horseshoe Federal Com Wells (601H, 602H, 701H,

702H)_Centennial_ SEC 19.18 T21S R33E

Date: Wednesday, April 18, 2018 11:42:00 AM

Importance: High

Mr. Michael H. Feldewert,

The following administrative orders have been issued and will soon be available on the Division's web site.

http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

Applicant: Centennial Resources Production, LLC [372165]

NSL-7683

WELL: Horseshoe Federal Com Well No. 601H, [API #: 30-025-PENDING]

NSL-7684

WELL: Horseshoe Federal Com Well No. 602H, [API #: 30-025-PENDING]

NSL-7685

WELL: Horseshoe Federal Com Well No. 701H, [API #: 30-025-PENDING]

NSL-7686

WELL: Horseshoe Federal Com Well No. 702H, [API #: 30-025-PENDING]

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492 Cell: 505-930-6717 Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: http://www.emnrd.state.nm.us/ocd/