

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



April 10, 2018

Alan Rankin  
Holland & Hart LLP  
Agrankin@hollandhart.com

NON-STANDARD LOCATION

**Administrative Order NSL-7599-A**

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

**Proposed Location**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface/ Penetration Point	300' FSL & 1290' FWL	M	1	19S	32E	Lea
Final perforation/ Terminus	349' FSL & 332' 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 January 31, 2018.

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 well's completed interval is as close as 600 feet to the southeast, 300 feet from the southern edge of both take points and 446 feet from the southwest edge of the project area. Encroachments will impact the following tracts:

Section 12, encroachment to the NW/4  
Section 11, encroachment to the N/2  
Section 10, encroachment to the NE/4

OCD 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.

This Order supersedes Administrative Order NSL – 7599, issued on October 31, 2017.

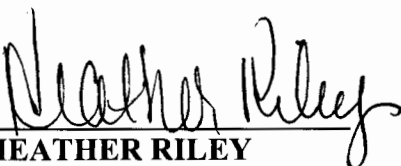
OCD understands you seek this location to efficiently and economically recover the reserves within the Bone Spring formation within the spacing unit underlying the SW/4 of Section 1 and the S/2 of Section 2.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Pursuant to Subsection B of 19.15.15.13 NMAC, OCD approves the above-described unorthodox location.

The above approvals are subject to your following all other applicable OCD rules.

Jurisdiction of this case is retained for the entry of further orders as OCD deems necessary.

  
**HEATHER RILEY**  
**Director**

HR/lrl

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