

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Heather Riley, Division Director
Oil Conservation Division



August 6, 2018

Mr. Adam Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7745

Centennial Resource Production, LLC [OGRID 372165]
Pirate State Well No. 301H
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	377 FSL & 1180 FEL	P	16	24S	34E	Lea
Penetration Point	100 FSL & 1870 FEL	O	16	24S	34E	Lea
Final perforation	100 FNL & 1870 FEL	B	16	24S	34E	Lea
Terminus	100 FNL & 1870 FEL	B	16	24S	34E	Lea

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 16	160	Red Hills; Bone Spring, North	96434

Reference is made to your application received on June 22, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A 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/northern edge. Encroachment will impact the following tracts.

Section 21, encroachment to the NW4 NE4
Section 9, encroachment to the SW4 SE4

The 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.

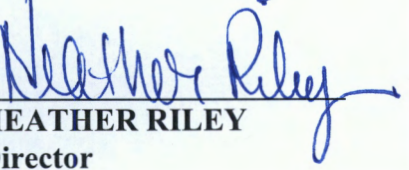
The Division understands you seek this location to efficiently develop the project area underlying the project area located within the Bone Spring formation underlying the W2 E2 of Section 16.

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, Division 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
State Land Office – Oil, Gas, and Minerals Division