

NSL - 7745

Revised March 23, 2017

RECEIVED: 6/22/18	REVIEWER: LRL	TYPE: NSL	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

JUN 22 2018 4:09:43

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NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Centennial Resource Production, LLC**OGRID Number:** 372165**Well Name:** Pirate State No. 301H Well**API:** PENDING**Pool:** Bone Spring Pool**Pool Code:** 96434

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ Application
 Content
 Complete

3) CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Adam G. Rankin

Print or Type Name

Signature

June 22, 2018

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address



Adam G. Rankin
Associate

Phone (505) 954-7294

Fax (505) 983-6043

AGRankin@hollandhart.com

June 22, 2018

VIA HAND DELIVERY

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

Re: Application of Centennial Resource Production, LLC for administrative approval of an unorthodox well location for its Pirate State No. 301H Well in the W/2 E/2 of Section 16, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

Dear Ms. Riley:

Centennial Resource Production, LLC (OGRID 372165) seeks administrative approval of an unorthodox well location for its **Pirate State No. 301H Well** (API No. pending) to be completed within the Red Hills; Bone Spring (Pool Code 96434) underlying Section 16, Township 24 South, Range 34 East, Lea County, New Mexico. This well will be drilled from a surface location 377 feet from the south line and 1,180 feet from the east line (Unit P). The upper most perforation will be located 100 feet from the south line and 1,870 feet from the east line (Unit O), and the lower most perforation point will be located 100 feet from the north line and 1,870 feet from the east line (Unit B). 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 is closer than 330 feet to the northern and southern boundaries of the project area.

Centennial is the 100% working interest owner in the NW/4 NE/4 of Section 21, Township 24 South, Range 34 East. Approval of the unorthodox completed interval will allow Centennial to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Pirate State No. 301H Well** encroaches on the spacing and proration units to the north and south.

Exhibit B is a land plat for Section 16 and the surrounding sections that shows the **Pirate State No. 301H Well** in relation to adjoining units and existing wells.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☎



Exhibit C is a list of the parties affected by the encroachment to the north. As described above, Centennial is the 100% working interest owner in the NW/4 NE/4 of Section 21. Accordingly, there are no affected parties in the spacing unit to the south. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail. A copy of this application has been provided to the State Land Office.

Your attention to this application is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "A.G. Rankin", enclosed within a light blue rectangular border.

Adam G. Rankin

**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148



Adam G. Rankin
Associate
Phone (505) 954-7294
Fax (505) 983-6043
AGRankin@hollandhart.com

June 22, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTS

TO AFFECTED PARTIES

Re: Application of Centennial Resource Production, LLC for administrative approval of an unorthodox well location for its Pirate State No. 301H Well in the W/2 E/2 of Section 16, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico.

Ladies and Gentlemen:

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 Gavin Smith at (720) 499-1474 or at Gavin.Smith@cdevinc.com.

Sincerely,

Adam G. Rankin
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

COG Operating, LLC ("COG") agrees to waive objection to Centennial Resource Production, LLC's administrative application for an unorthodox well location for its **Pirate State No. 301H Well** on the condition that Centennial consent to waive objection to a future unorthodox location for a COG well in which any perforation along the wellbore is no closer than 330 feet, whether parallel or perpendicular, to its project area boundary line or any diagonally offsetting spacing and proration unit wherein Centennial has ownership in the immediate adjacent and/or diagonally offsetting spacing and proration unit to COG's project area boundary.

By: _____ **Date:** _____
Name & Title

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
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	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PIRATE STATE	⁶ Well Number 301H
⁷ OGRID No.	⁸ Operator Name CENTENNIAL RESOURCE PRODUCTION, LLC	⁹ Elevation 3530.1'

¹⁰ Surface Location

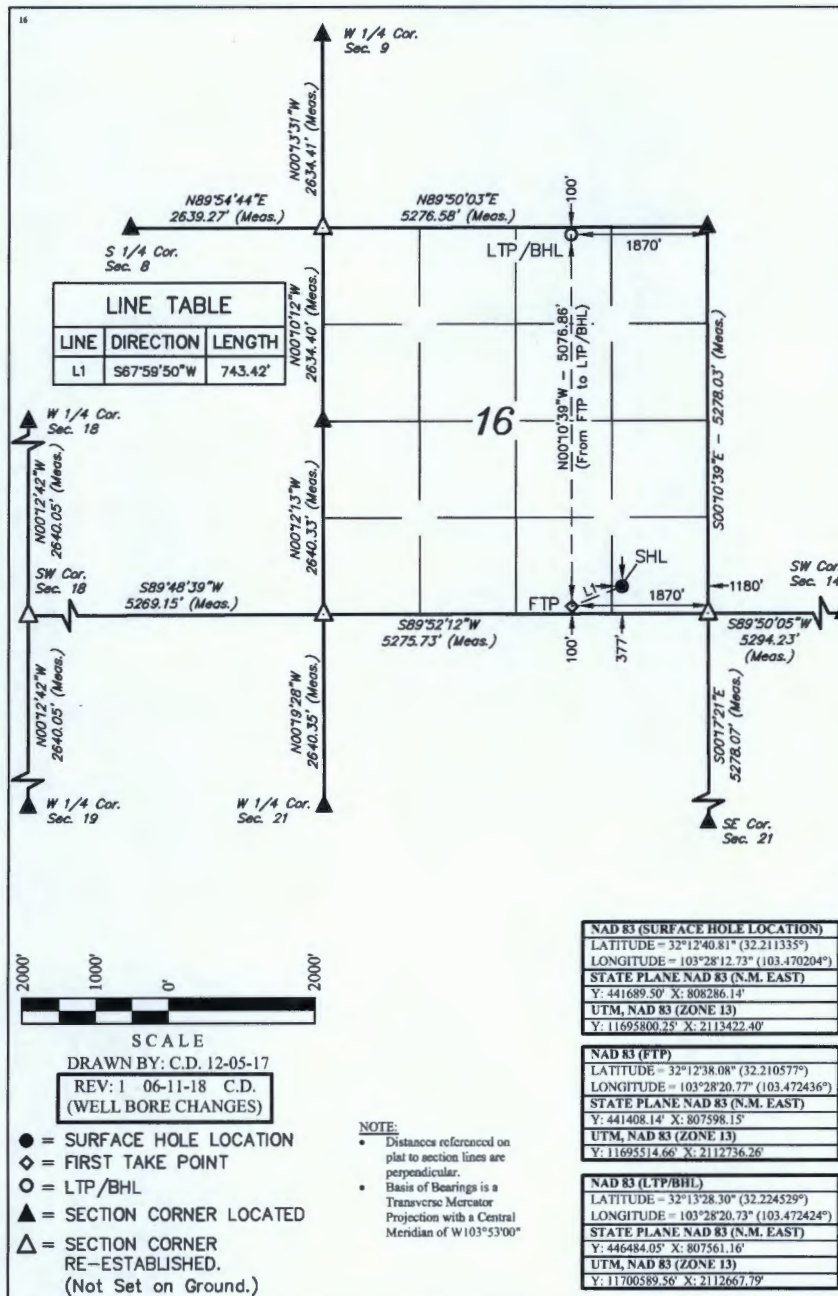
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	16	24S	34E		377	SOUTH	1180	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	24S	34E		100	NORTH	1870	EAST	LEA

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

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.



**"OPERATOR
CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

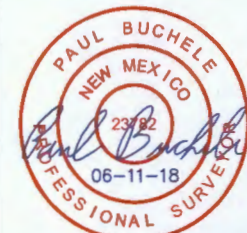
E-mail Address _____

**"SURVEYOR
CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

November 30, 2017

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

EXHIBIT

tabbles
A

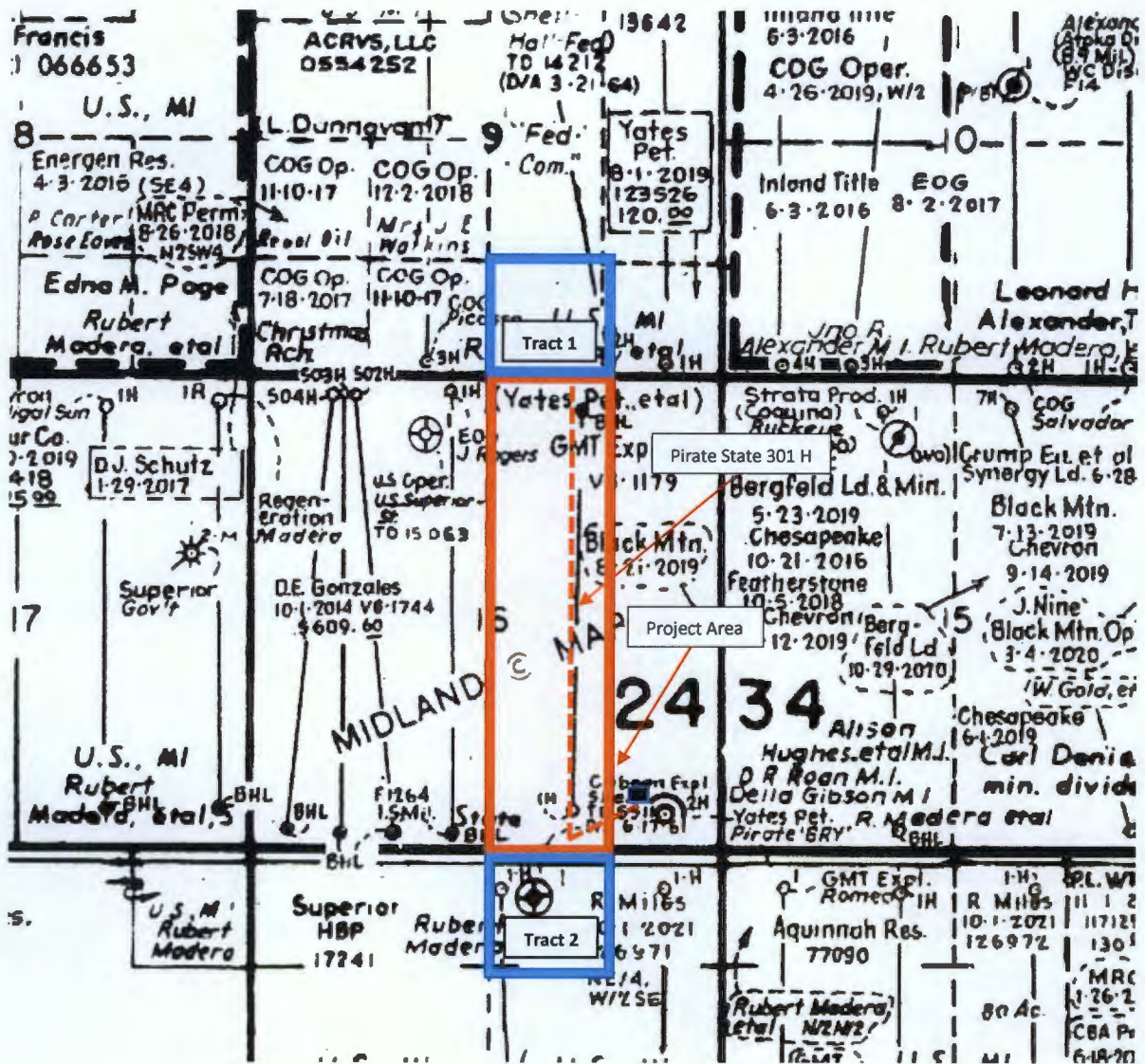


EXHIBIT C

Tract 1:

COG Operating, LLC
600 W Illinois Avenue
Midland, TX 79701





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.

Centennian REsources Prod LLC - Pirate State 301H Well
CM# 94344.0001 20180622
SLO

Shipment Date: 06/19/2018

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	1
Total	1

*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.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0008 9697 73



Firm Mailing Book For Accountable Mail

Name and Address of Sender	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Insured Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Priority Mail
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™) NEW MEXICO STATE LAND OFFICE PO Box 1148 SANTA FE NM 87504-1148
1. 9214 8901 9403 8307 1116 78	
Total Number of Pieces Listed by Sender 1	Total Number of Pieces Received at Post Office 1
Postmaster, Per (Name of receiving employee)	

From: [Lowe, Leonard, EMNRD](#)
To: ["Adam Rankin"](#)
Cc: [Brown, Maxey G, EMNRD](#); [Kautz, Paul, EMNRD](#); [Jones, William V, EMNRD](#); [Goetze, Phillip, EMNRD](#); [McMillan, Michael, EMNRD](#); [Dawson, Scott, EMNRD](#); ["lisa@rwbyram.com"](#); [Martin, Ed](#); [Holm, Anchor E.](#)
Subject: APPROVED NSL-7745_Centennial Resource Production, LLC_Pirate State Well No. 301H_SEC 16 24S 34E
Date: Thursday, August 9, 2018 3:37:00 PM
Attachments: [NSL-7745_ORDER.pdf](#)
Importance: High

Mr. Adam Rankin,

The following Administrative Order has been issued.

ORDER: NSL-7745
OPERATOR: Centennial Resource Production, LLC
POOL: Red Hills; Bone Spring, North [96434]
WELL: Pirate State Well No. 301H
API NO: 30-025-PENDING

The Order will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Thank you!

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/>