

RECEIVED: 6/22	18

REVIEWER:

APP NO:

2018 AM09:45

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -

	Engineering beload
1220 South St. Francis	Drive, Santa Fe, NM 87505
ADMINISTRATIVE	E APPLICATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMIN	NISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND ROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applicant: Centennial Resource Production, LLC	OGRID Number: 372165
Vell Name: Juice Bud State Com No. 502H Well	API: PENDING
OOI: Bone Spring Pool	Pool Code: 97962
	ATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
1) TYPE OF APPLICATION: Check those which A. Location – Spacing Unit – Simultaneous NSL NSP (PROJECT ARE	us Dedication
[II] Injection – Disposal – Pressure Inc	□PC □OLS □OLM
2) NOTIFICATION REQUIRED TO: Check those A. Offset operators or lease holders B. Royalty, overriding royalty owners, C. Application requires published not D. Notification and/or concurrent ap E. Notification and/or concurrent ap F. Surface owner G. For all of the above, proof of notifith. No notice required	which apply. Notice Complete Application Content Complete
	formation submitted with this application for complete to the best of my knowledge. I also this application until the required information and
Note: Statement must be completed by a	an individual with managerial and/or supervisory capacity.
	June 22, 2018
Adam G. Rankin	Date
Print or Type Name	505-988-4421
\bigcap	Phone Number
/ $/$ $///$	TIONO HOMBO

Signature

agrankin@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 Juice Bud State Com No. 502H Well in the E/2 SW/4 of Section 18 and the E/2 W/2 of Section 19, Township 21 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 **Juice Bud State Com No. 502H Well** (API No. pending) to be completed within the WC-025 G-07 S213430M; Bone Spring (Pool Code 97962) in the E/2 SW/4 of Section 18 and the E/2 W/2 of Section 19, Township 21 South, Range 34 East, Lea County, New Mexico. This well will be drilled from a surface location 600 feet from the south line and 1,963 feet from the west line (Unit N) of Section 19. The upper most perforation will be located 350 feet from the south line and 2,310 feet from the west line (Unit N) of Section 19, and the lower most perforation will be located 2,540 feet from the south line and 2,310 feet from the west line (Unit K) 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 is closer than 330 feet to the northern and northeastern boundaries of the project area.

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 **Juice Bud State Com No. 502H Well** encroaches on the spacing and proration units to the north and northeast.

Exhibit B is a land plat for Section 18, Section 19, and the surrounding sections that shows the **Juice Bud State Com No. 502H Well** in relation to adjoining units and existing wells.



Exhibit C is a list of the parties affected by the encroachment to the north and northeast. 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.

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 Juice Bud State Com No. 502H Well in the E/2 SW/4 of Section 18 and the E/2 W/2 of Section 19, Township 21 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.

Adam G. Rankin

ATTORNEY FOR CENTENNIAL RESOURCE PRODUCTION, LLC

XTO Energy Inc. ("XTO") agrees to waive objection to Centennial Resource Production, LLC's administrative application for an unorthodox well location for its **Juice Bud State Com No. 502H Well** on the condition that Centennial consent to waive objection to a future unorthodox location for a XTO 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 XTO's project area boundary.

By:		Date:	
	Name & Title		

<u>District 1</u> 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 District IV 1220 S. St. Francis Dr., Santa Fc, 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

API Number	² Pool Code	3 Pool Name	
Property Code	5 Property No JUICE BUD STA		6 Well Number 502H
OGRID No.	* Operator No CENTENNIAL RESOURCE		Elevation 3742.2'

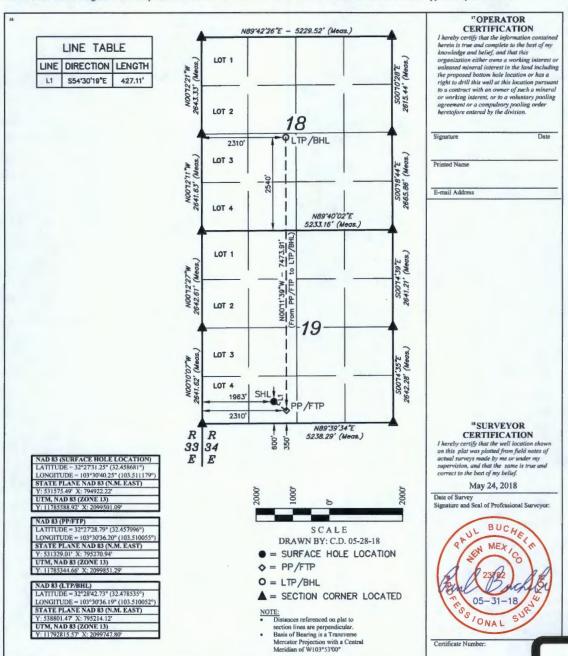
"Surface Location

UL or let no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	19	215	34E		600	SOUTH	1963	WEST	LEA

"Bottom Hole Location If Different From Surface

	UL or lot no.	Section 18	Township 21S	Range 34E	Lot Idn	Feet from the 2540	North/South line SOUTH	Feet from the 2310	East/West line WEST	County LEA
1	12 Dedicated Acre 240	es 13	Joint or Infill	14 Cons	olidation Code	15 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

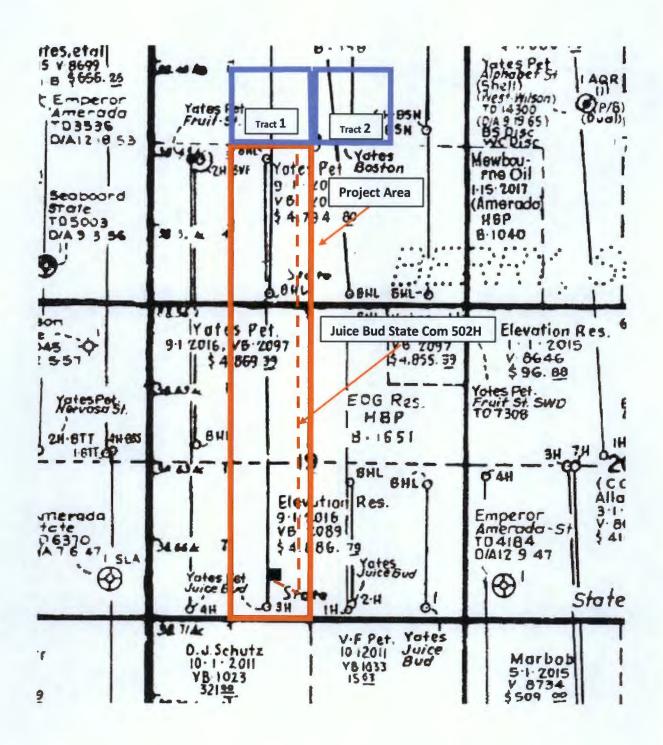


EXHIBIT C

<u>Tract 1 & 2</u>

XTO Energy Inc. agent for Exxon Mobile Corporation 810 Houston Street Fort Worth, TX 76102





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: 06/21/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Centennial Resources - Juice Bud State Com 502H NSL CM# 94344.0001 20180622 SLO

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 9970 35

UNITED STATES	OSTAL SERVICE ®
1	1

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service Adult Signature Required Adult Signature Restricted Delivery Certified Mail Certified Mail Collect on Delivery (COD) Signature Confirmation Insured Mail Signature Confirmation Priority Mail	Affix Sta (if issued certificate additional	Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt).	ational r for is receipt). of Receipt.								
USPS Tracking/Article Number	umber	Addressee (Name, Street, City, State, & ZIP Code™)	Postage (Extra Service) Fee	a Handling ce) Charge	Actual Value if Registered	Insured	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR SC Fee Fee	SCRD	SH SH
1. 9214 8901 9403 8307 1660 67		NEW MEXICO STATE LAND OFFICE PO Box 1148 SANTA FE NM 87504	0.89 3.45							1.50	9		
				lsv ni 000					,			Very	
				ver \$50,				beri	Deliver	<i>A</i>	uoi		
				ed and o				nre Requ	estricted				
				Register				lt Signat	Rature R	estricte	Return nature C		Special I
				arge - if				ubA	gi& Ilub/	A	bi2	ature Co	
				dling Ch					1			npi2	
				nsH									
Total Number of Pieces Total Num Listed by Sender Received 8	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)										-	-
DS Form 2877 April 2015	7				THE STATE OF THE S	JON THE							



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.

Centennial Resources - Juice Bud State Com 502H NSL CM# 94344.0001 20180622 Notice List

Shipment Date: 06/21/2018 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® First-Class Package Service® Returns International' Other 1 Total

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 9971 10

^{*}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.

	•
UNITED STATES	OSTAL SERVICE ®
0	PC

Definition of State of Train o	Manage and Address of Canadar	Chock the set in a second										
USPS Tracking Articles Number Addressee (Nums, Street, City, State, & ZiP Code***) Prestage (Esra Handling Articles Number Present Particles Number Prestage (Esra Handling Articles Number Present Presen			Affix Sta (if issued certificate additional Postmarh	amp Here as an internior of mailing o copies of the copies	ational w for is receipt). of Receipt.							
9214 8901 9402 8907 1666 30 Trivochin Trivoccio Marcon Manuel Concretation Into International Inter	USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code ^{Ta})			Actual Value if Registered				8 8 8 E	RR Be S B	S & S	SCRD SH Fee Fee
Promoter Profession and Lind Number of Doors 1 Profession and Cover \$50,000 in value of Doors 1 Profession and Lind Number of Doors 1 Profession a	9214 8901 9403 8307 1666 30								-	1.50		
Profined of Paralling Charge - if Registered and over \$50, Charge of Paralling Charge - if Registered and over \$60, Charge of Paralling Charges of Paralling				lsv ni 000								Very
Profined Pin Married Park Married Park Per Married Profined Park Married Park Marri				ver \$50,			ired	Deliver	1	uoi		nad para
Prefitable Per Manne of receiving annotation and Description a				o pue pa			nre Requ	betricted	Deliver		onfirmat	n Restri
Trial Number of Doctmarter Per Marra of receiving employees				Register			t Signat	A eruten		Return		
Trial Number of Decimaster Per Marra of raceiving anniques)				arge - if			ubA	gi& Ilub/	H	0:2		
Trial Nimber of Dieres Postmaster Per Mame of receiving employee)				d) gnilb				1				ມຄາຣ
Total Number of Pieces Postmaster Per (Name of recei				neH								
Received at Post Office	jeces	Postmaster, Per (Name of receiving employee)										1

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-7746_Centennial Resource Production, LLC_Juice Bud State Com Well No. 502H_SEC 19 21S 34E

Date: Thursday, August 9, 2018 3:37:00 PM

Attachments: NSL-7746 ORDER.pdf

Importance: High

Mr. Adam Rankin,

The following Administrative Order has been issued.

ORDER: NSL-7746

OPERATOR: Centennial Resource Production, LLC

POOL: WC-025 G-07 S213430M; BONE SPRING [97962]

WELL: Juice Bud State Com Well No. 502H

API NO: **30-025-44967**

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/