

NSL- 7746

Revised March 23, 2017

RECEIVED: 6/22/18	REVIEWER: LRL	TYPE: NSL	APP NO: JUN 22 2018 AM 09:45
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**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:** Juice Bud State Com No. 502H Well**API:** PENDING**Pool:** Bone Spring Pool**Pool Code:** 97962

**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 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.

**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. ☐

HOLLAND & HART<sup>LLP</sup>



**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.

Sincerely,

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.

Sincerely,

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**

**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**

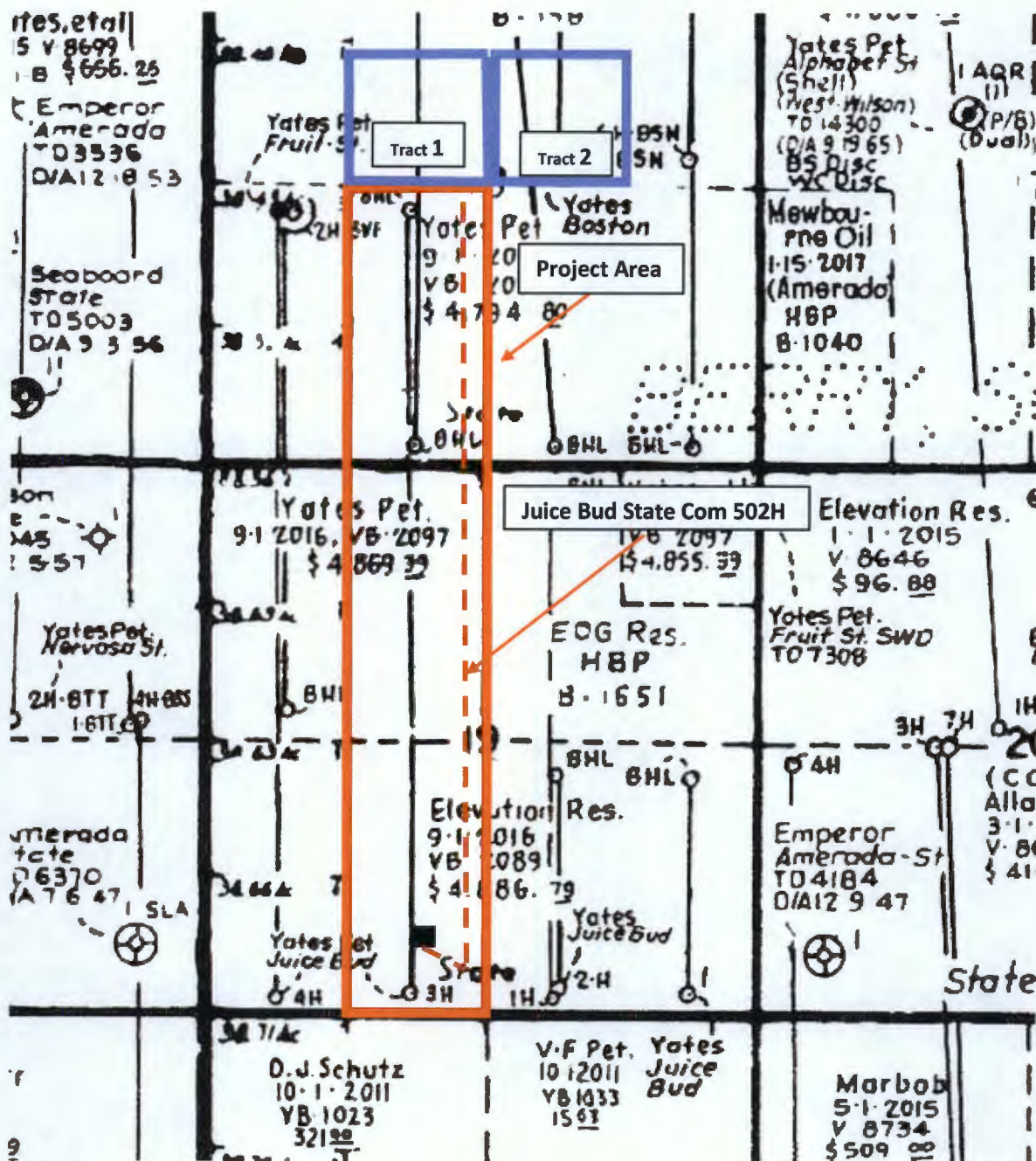
**Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C.**



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

☐ AMENDED REPORT

tablets\*



EXHIBIT

B

## EXHIBIT C

### Tract 1 & 2

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







## 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.

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

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

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





**Firm Mailing Book For Accountable Mail**

[illegible]



## 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.

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

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
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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





## Firm Mailing Book For Accountable Mail

[illegible]



**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

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**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](mailto:leonard.lowe@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/>