

NSL Initial Application

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|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 08/31/21 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2124357311 |
|---------------------------|----------------------|------------------|-------------------------------|

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: Juliet Fed Com #513H | API: 30-025-49015 |
| Pool: Red Hills; Bone Spring, North | 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 holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| |
|---|
| FOR OCD ONLY |
| <input type="checkbox"/> Notice Complete |
| <input type="checkbox"/> 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.

Kaitlyn A. Luck _____
Date

Print or Type Name

Signature

08/31/21
Date

505-954-7286
Phone Number

kaluck@hollandhart.com
e-mail Address



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

August 31, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director
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 Juliet Fed Com #513H well in the E/2 W/2 of Section 22, and the E/2 NW/4 of Section 27, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

Centennial Resource Production, LLC (“Centennial”) (OGRID No. 372165) seeks administrative approval of an unorthodox well location for its **Juliet Fed Com #513H well** (API No. 30-025-49015) to be completed within the Red Hills; Bone Spring, North Pool (Pool Code 96434) underlying the 240-acre, more or less, spacing unit in the E/2 W/2 of Section 22, and the E/2 NW/4 of Section 27, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

This well is to be drilled at the following location:

- Surface location: 2,189 feet from the north line and 2,111 feet from the west line (Unit F) of Section 27;
- Bottom hole location: 100 feet from the north line and 1,570 feet from the west line (Unit C) of Section 22;
- First take point: 2,539 feet from the north line and 1,570 feet from the west line (Unit F) of Section 27;

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

| | | |
|----------|------------|------------------|
| Alaska | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

- Last take point: 100 feet from the north line and 1,570 feet from the west line (Unit C) of Section 22.

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Juliet Fed Com #513H well** is unorthodox because the completed interval is closer than the standard offsets to the western boundary of the spacing unit in the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27. Approval of the unorthodox completed interval will allow Centennial to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Juliet Fed Com #513H well** encroaches on the spacing unit to the west in the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27.

Exhibit B is a land plat for Sections 22 and 27, that shows the proposed **Juliet Fed Com #513H well** in relation to the adjoining spacing units to the west in the W/2 W/2 of Section 22 and the W/2 NW/4 of Section 27.

Ownership is diverse between the subject spacing unit and the affected spacing unit to the west. **Exhibit C** includes the tracking information that reflects the "affected parties" were sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected parties:

| Type | Affected Party | Location | Date Sent |
|------------------|---|----------------------|-----------|
| Operator | Centennial Resource Production, LLC | Tracts 1, 2, 3, 4, 5 | N/A |
| Working Interest | OXY USA, Inc. | Tract 1 | 8/27/21 |
| Working Interest | MRC Permian Company | Tracts 3, 5 | 8/27/21 |
| Working Interest | NOVO Oil and Gas Northern Delaware, LLC | Tract 5 | 8/27/21 |
| Working Interest | Marathon Oil Permian, LLC | Tract 5 | 8/27/21 |
| Working Interest | Energen Resource Corporation | Tract 5 | 8/27/21 |
| Working Interest | COG Operating, LLC | Tract 5 | 8/27/21 |
| Working Interest | Chief Capital (O&G) II, LLC | Tract 5 | 8/27/21 |
| Working Interest | EOG Resources, Inc. | Tract 5 | 8/27/21 |

Exhibit D is a statement from a Centennial's petroleum engineer confirming that Centennial's requested unorthodox location is necessary due to unforeseen circumstances while drilling and to prevent wasted resources.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

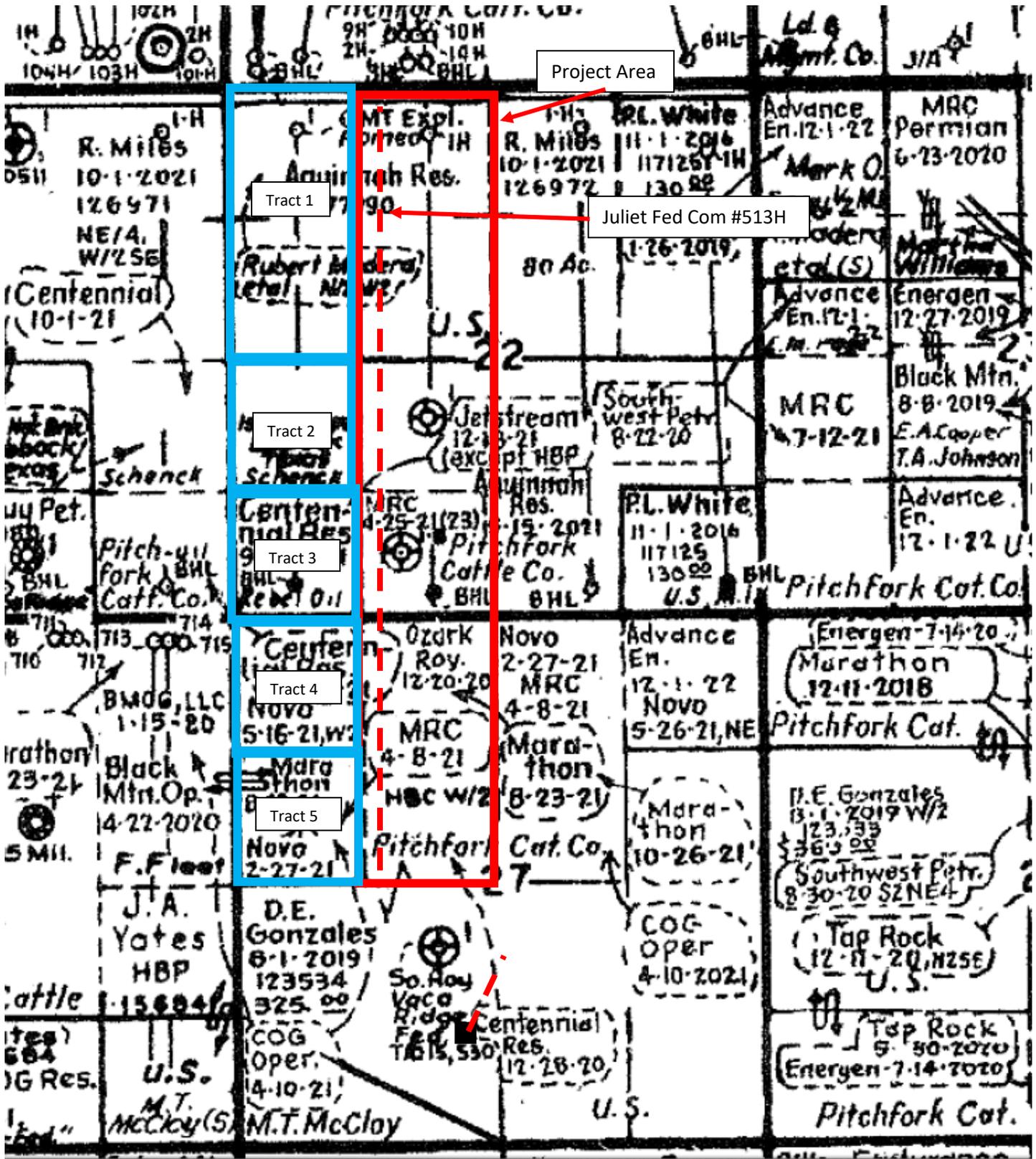


EXHIBIT B

Juliet Fed Com #513H NSL Notice List 8-24-2021

Tract 1: (W/2 NW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

OXY USA, Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Tract 2: (NW/4 SW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

Tract 3: (SW/4 SW/4 Section 22)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Tract 4: (NW/4 NW/4 Section 27)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

Tract 5: (SW/4 NW/4 Section 27)

Centennial Resource Production, LLC
1001 17th Street, Suite 1800
Denver, CO 80202

NOVO Oil and Gas Northern Delaware, LLC
105 North Hudson Avenue, Suite 500
Oklahoma City, OK 73102

Marathon Oil Permian, LLC
5555 San Felipe
Houston, Texas 77056

Energen Resource Corporation
500 West Texas Ave., Suite 1200
Midland, Texas 79701

COG Operating, LLC
600 W. Illinois Ave.
Midland, Texas 79701

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Chief Capital (O&G) II, LLC
8111 Westchester Drive, Suite 900
Dallas, Texas 75225

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

EXHIBIT C



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

August 27, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Juliet Fed Com #513H well in the E/2 W/2 of Section 22, and the E/2 NW/4 of Section 27, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Sir or Madam:

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 the following:

Gavin Smith
Centennial Resource Development Inc.
(720) 499-1474
Gavin.Smith@cdevinc.com

Sincerely,

Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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|----------|------------|------------------|
| Alaska | Montana | Utah |
| Colorado | Nevada | Washington, D.C. |
| Idaho | New Mexico | Wyoming |

| Parent ID | Mail Date | Company | Delivery Address | City | ST | Zip | MailClass | TrackingNo | Well |
|-----------|------------|---|-----------------------------|---------------|----|------------|---|----------------------------|---|
| 31309 | 08/27/2021 | Centennial Resource Production, LLC | 1001 17th St Ste 1800 | Denver | CO | 80202-2058 | Certified with Return Receipt (Signature) | 94148118987 65800777941 | 70943 - Centennial - Juliet 513H - notice list - 1 |
| 31309 | 08/27/2021 | OXY USA, Inc. | 5 Greenway Plz Ste 110 | Houston | TX | 77046-0521 | Certified with Return Receipt (Signature) | 94148118987 65800777989 | 70943 - Centennial - Juliet 513H - notice list - 2 |
| 31309 | 08/27/2021 | MRC Permian Company | 5400 Lbj Fwy Ste 1500 | Dallas | TX | 75240-1017 | Certified with Return Receipt (Signature) | 94148118987 65800777934 | 70943 - Centennial - Juliet 513H - notice list - 3 |
| 31309 | 08/27/2021 | NOVO Oil and Gas Northern Delaware, LLC | 105 N Hudson Ave Ste 500 | Oklahoma City | OK | 73102-4802 | Certified with Return Receipt (Signature) | 94148118987 65800777972 | 70943 - Centennial - Juliet 513H - notice list - 4 |
| 31309 | 08/27/2021 | Marathon Oil Permian, LLC | 5555 San Felipe St | Houston | TX | 77056-2701 | Certified with Return Receipt (Signature) | 94148118987 65800777651 | 70943 - Centennial - Juliet 513H - notice list - 5 |
| 31309 | 08/27/2021 | Energen Resource Corporation | 500 W Texas Ave Ste 1200 | Midland | TX | 79701-4203 | Certified with Return Receipt (Signature) | 94148118987 65800777668 | 70943 - Centennial - Juliet 513H - notice list - 6 |
| 31309 | 08/27/2021 | COG Operating, LLC | 600 W Illinois Ave | Midland | TX | 79701-4882 | Certified with Return Receipt (Signature) | 94148118987 65800777620 | 70943 - Centennial - Juliet 513H - notice list - 7 |
| 31309 | 08/27/2021 | Chief Capital O&G II, LLC | 8111 Westchester Dr Ste 900 | Dallas | TX | 75225-6146 | Certified with Return Receipt (Signature) | 94148118987 65800777606 | 70943 - Centennial - Juliet 513H - notice list - 8 |
| 31309 | 08/27/2021 | EOG Resources, Inc. | 5509 Champions Dr | Midland | TX | 79706-2843 | Certified with Return Receipt (Signature) | 94148118987 65800777699 | 70943 - Centennial - Juliet 513H - notice list - 9 |



1001 17th Street, Suite 1800
Denver, Colorado 80202

August 24, 2021

Re: Juliet Fed Com #513H
SHL: 2189' FNL Sec. 27 & 2111' FWL Sec. 27 T24S R34E
BHL: 100' FNL Sec. 22 & 1570' FWL Sec. 22 T24S R34E
Lea County, New Mexico

To Whom it May Concern,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Juliet Fed Com #513H to allow the completed interval to be less than 330 feet from the western boundary of the existing 240-acre horizontal spacing unit. This well is located in the Red Hills; Bone Spring, North pool (96434). Due to the current spacing of the producing wells in this section, Centennial has planned the Juliet Fed Com #513H, Juliet Fed Com #514H, Solomon Fed Com #505H and Sheba Fed Com #506H wells with at least 950 feet of spacing between each well. This spacing pattern causes the Juliet Fed Com #513H to be drilled less than 330 feet from the western boundary of the spacing unit. Centennial requests approval of this non-standard location to avoid causing wasted resources and reducing the production of the wells listed above.

Sincerely,

Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

A handwritten signature in black ink, appearing to read 'Grayson Viles', is written over the typed name and title.

EXHIBIT D

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS
 Action 45489

CONDITIONS

| | |
|--|--|
| Operator: CENTENNIAL RESOURCE PRODUCTION, LLC 1001 17th Street, Suite 1800 Denver, CO 80202 | OGRID: 372165 |
| | Action Number: 45489 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 8/31/2021 |