

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL  
RESOURCE PRODUCTION, LLC FOR  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

CASE NO. \_\_\_\_\_

**APPLICATION**

Centennial Resource Production, LLC (“Centennial” or “Applicant”), (OGRID No. 372165) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the NW/4 of Section 22 and the W/2 of Section 15, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, Centennial states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Woody 22 Fed Com #501H and #502H wells**, both to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.
3. The completed interval of the **Woody 22 Fed Com #501H well** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

5. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 6, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR CENTENNIAL RESOURCE  
PRODUCTION, LLC**

CASE \_\_\_\_\_ : **Application of Centennial Recourse Production, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the NW/4 of Section 22 and the W/2 of Section 15, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Woody 22 Fed Com #501H** and **#502H wells**, both to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15. The completed interval of the **Woody 22 Fed Com #501H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under NMAC 19.15.16.15.B(1)(b). Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles northwest of Eunice, New Mexico.