



Approved

NSL

Order

Approved: 08/29/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division



August 29, 2019

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7924

Centennial Resources Production, LLC [OGRID 372165]
Cheddar Federal Com Well No. 602H
API No. 30-025-46297

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	601 FSL & 795 FWL	M	5	22S	32E	Lea
First Take Point	500 FSL & 1485 FWL	N	5	22S	32E	Lea
Last Take Point/ Terminus	100 FNL & 1485 FWL	C	32	21S	32E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 5	319.67	Bilbrey Basin; Bone Spring	5695
E/2 W/2 of Section 32			

Reference is made to your application received on August 8, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 165 feet to the western edge. Encroachment will impact the following tract.

Section 5, encroachment to the W/2 W/2
Section 32, encroachment to the W/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

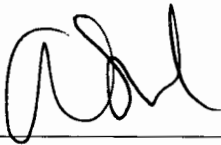
The Division understands that you are requesting this unorthodox location as a preferred well spacing plan for your well within the horizontal spacing unit located in the Bone Spring formation underlying the E/2 W/2 of Section 5 and Section 32.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, August 30, 2019 3:42 PM
To: 'Kaitlyn A. Luck'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Podany, Raymond, EMNRD; 'jglover@blm.gov'; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; 'lisa@rwbyram.com'; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD; Holm, Anchor E.
Subject: APPROVED NSL-7924_Centennial Resources Prod. LLC_Cheeddar Fed Com Well No. 602H_SEC 5 21S 32E
Attachments: NSL-7924_ORDER.pdf

Ms. Kaitlyn Luck,

The following administrative order has been issued (*see attachments*) and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API
7924	-	Centennial Resources Production, LLC	372165	Cheeddar Federal Com Well No. 602H	30-025-462

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87505
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/>