

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, Director
Oil Conservation Division



November 1, 2021

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8206

**Centennial Resources Production, LLC. [OGRID 372165]
Juliet Federal Com Well No. 513H
API No. 30-025-49015**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2189 FNL & 2111 FWL	F	27	24S	34E	Lea
First Take Point	2539 FNL & 1570 FWL	F	27	24S	34E	Lea
Last Take Point	100 FNL & 1570 FWL	C	22	24S	34E	Lea
Terminus	100 FNL & 1570 FWL	C	22	24S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 NW/4 of Sec 27	240	Red Hills; Bone Spring, North	96434
E/2 W/2 of Sec 22			

Reference is made to your application received on August 31st, 2021. The application was protested on September 14, 2021. The protest was resolved on October 4th, 2021.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal 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 250 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, encroachment to the W/2 NW/4

Section 22, 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 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in this location. Therefore, preventing waste within the Bone Spring formation underlying E/2 NW/4 of section 27 and the E/2 W/2 of section 22.

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

Per 19.15.15.13 (B) 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
Division Director

AES/lrl

cc:

State Land Office – Oil, Gas, and Minerals Division