

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
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**Adrienne E. Sandoval, Director**  
Oil Conservation Division



Mr. Adam G. Rankin,  
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NON-STANDARD LOCATION

**Administrative Order NSL-8296**

**Centennial Resources Production, LLC [OGRID 372165]  
Cheddar Federal Com Well No. 502H  
API No. 30-025-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	453 FSL & 470 FWL	M	5	22S	32E	Lea
First Take Point	100 FSL & 1260 FWL	M	5	22S	32E	Lea
Last Take Point/ Terminus	100 FNL & 1260 FWL	D	32	21S	32E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of section 5, 22S, 32E	319.68	Bilbrey Basin; Bone Spring	5695
W/2 W/2 of section 32, 21S, 32E			

Reference is made to your application received on December 9<sup>th</sup>, 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 oil 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 60 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 5, 22S, 32E, encroachment to the E/2 W/2  
Section 32, 21S, 32E, encroachment to the E/2 W/2

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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 area thus preventing waste within the Bone Spring formation underlying W/2 W/2 of section 5 and the W/2 W/2 of section 32.

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.



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**ADRIENNE E. SANDOVAL**  
**Division Director**

**Date:** 3/09/2022

AES/lrl