

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

**APPLICATION OF CENTENNIAL
RESOURCE PRODUCTION, LLC FOR A
NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

MAY 24 2018 PM02:40

CASE NO. 16187

**CENTENNIAL RESOURCE PRODUCTION'S
PRE-HEARING STATEMENT**

Centennial Resource Production, LLC ("Centennial"), the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Centennial Resource Production, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

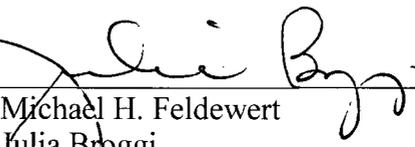
Centennial (OGRID No. 372165) seeks an Order (1) creating a 238.5-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Irregular Section 3, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the

Bone Spring formation underlying this acreage. Centennial proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Asadero 3 State Com No. 301 Well**, which will be horizontally drilled from an approved drilling location in the SW/4 SW/4 (Unit M) of Section 3 to a standard bottom hole location in the NW/4 NW/4 (Lot 4) of Section 3. The completed interval for this well is closer than 330 feet to the outer boundary of the project area than required by the statewide rules for oil wells and encroaches on the spacing units to the north and northwest. Centennial is seeking separate administrative approval for this unorthodox well location.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Gavin Smith – Landman	Approx. 10	Approx. 5
Nick Daniele – Geologist	Approx. 10	Approx. 4

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