

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



May 10, 2018

Adam G. Rankin
agrankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7712

Centennial Resources Production, LLC [OGRID 372165]
Tour Bus 23 State Well No. 506H
API No. 30-025-44615

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	300 FNL & 625 FEL	A	23	22S	34E	Lea
Penetration Point	350 FNL & 330 FEL	A	23	22S	34E	Lea
Final perforation/ Terminus	100 FSL & 330 FEL	P	23	22S	34E	Lea

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 23	160	Ojo Chiso; Bone Spring	96553

Reference is made to your application received on April 19, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern edge, and 345 feet to the southeastern edge of the project area. Encroachments will impact the following tracts.

Section 26, T22S R34E encroachment to the NE4 NE4
Section 25, T22S R34E encroachment to the NW4 NW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.


Division understands you seek this location as a preferred well spacing plan for wells in the Bone Spring formation underlying the E2 E2 of Section 23.

Your application has been filed under 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.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division