

State of New Mexico
Energy, Minerals and Natural Resources Department

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Heather Riley, Division Director
Oil Conservation Division



May 10, 2018

Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7711

**Centennial Resources Production, LLC [OGRID 372165]
Tour Bus 23 State Well No. 505H
API No. 30-025-44614**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|--------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 300 FNL, & 655 FEL | A | 23 | 22S | 34E | Lea |
| Penetration Point | 330 FNL & 1270 FEL | A | 23 | 22S | 34E | Lea |
| Final perforation/ Terminus | 100 FSL & 1270 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 334 feet to the northwestern edge, 50 feet to the western edge and 112 feet to the southwestern edge of the project area. Encroachments will impact the following tracts.

Section 14, T22S R34E encroachment to the SW4 SE4
Section 23, T22S R34E encroachment to the W2 E2
Section 26, T22S R34E encroachment to the NW4 NE4

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