

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



May 10, 2018

Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7713

**Centennial Resources Production, LLC [OGRID 372165]
Asadero 3 State Com Well No. 301H
API No. 30-025-44271**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	300 FSL & 865 FWL	M	23	22S	34E	Lea
Penetration Point	330 FSL & 330 FWL	M	23	22S	34E	Lea
Final perforation/ Terminus	100 FNL & 330 FWL	4	23	22S	34E	Lea

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 W2 of Section 3	238.5	Gamma Ridge; Bone Spring, North	28434

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 northern edge and 345 feet to the northwestern edge of the project area. Encroachments will impact the following tracts.

Section 33, T20S R34E encroachment to the S2 SW4

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.

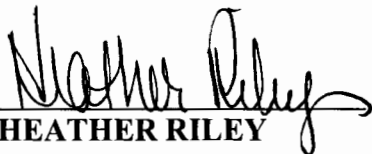
Division understands you seek this location as a preferred well spacing plan for wells in the Bone Spring formation underlying the W2 W2 of Section 3.

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