NSL

Initial

Application

Received: 08/08/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

Signature

Revised March 23, 2017

RECEIVED: 08/08/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1922458179

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION



- Geological & Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505 ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE Applicant: Centennial Resource Production, LLC OGRID Number: 372165 Well Name: Cheddar Fed Com #602H API: Pending Pool: Bilbrey Basin; Bone Spring Pool Code: 5695 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW 1) TYPE OF APPLICATION: Check those which apply for [A] A. Location – Spacing Unit – Simultaneous Dedication \Box SD ■NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) B. Check one only for [1] or [1] [1] Commingling - Storage - Measurement PLC L PC [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery ☐ WFX ☐ PMX □SWD □IPI ☐ EOR PPR FOR OCD ONLY 2) NOTIFICATION REQUIRED TO: Check those which apply. Notice Complete A. Offset operators or lease holders B. Royalty, overriding royalty owners, revenue owners **Application** C. ☐ Application requires published notice Content D. Notification and/or concurrent approval by SLO Complete E. Notification and/or concurrent approval by BLM F. Surface owner G. For all of the above, proof of notification or publication is attached, and/or, H. ☐ No notice required 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division. Note: Statement must be completed by an individual with managerial and/or supervisory capacity. 8/1/19 Date Kaitlyn A. Luck Print or Type Name 505-954-7286 Phone Number

kaluck@hollandhart.com e-mail Address



Kaitlyn A. Luck Associate Phone (505) 954-7286 KALuck@hollandhart.com

August 1, 2019

VIA ONLINE FILING

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Cheddar Fed Com #602H Well in the E/2 W/2 of Section 32, Township 21 South, Range 32 East, and Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

Centennial Resource Production, LLC ("Centennial") (OGRID No. 372165) seeks administrative approval of an unorthodox well location for its **Cheddar Fed Com #602H Well** (API No. 30-025-pending) to be completed within the Bilbrey Basin; Bone Spring Pool (5695) underlying the E/2 W/2 of Section 32, Township 21 South, Range 32 East, and Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 601 feet from the south line and 795 feet from the west line (Unit M) of Section 5 to a bottom hole location 100 feet from the north line and 1,485 feet from the west line (Unit C) of Section 32. The first take point will be located 500 feet from the south line and 1,485 feet from the west line (Unit N) of Section 5 and the last take point will be 100 feet from the north line and 1,485 feet from the west line (Unit C) of Section 32.

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Cheddar Fed Com #602H Well** will be unorthodox because it is closer than the standard offsets to the western boundary of the spacing unit. Approval of the unorthodox completed interval will allow Centennial to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Cheddar Fed Com #602H Well** encroaches on the drilling and spacing units to the west.

Exhibit B is a land plat for Sections 5 and 32 that shows the proposed **Cheddar Fed Com** #602H Well in relation to the adjoining spacing units to the west Sections 5 and 32.

Exhibit C is a list of the parties affected by the encroachment to the west. Ownership is diverse between the subject spacing unit and the tracts to the west. The affected parties in the spacing units in the W/2 W/2 of Sections 5 and 32, include the Bureau of Land Management and the New Mexico State Land Office. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from a Centennial's petroleum engineer confirming that Centennial's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION, LLC



Kaitlyn A. Luck Associate Phone (505) 954-7286 KALuck@hollandhart.com

August 1, 2019

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Cheddar Fed Com #602H Well in the E/2 W/2 of Section 32, Township 21 South, Range 32 East, and Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Carl Messina
Centennial Resource Development Inc.
(720) 499-1411
Carl.Messina@cdevin.com

Kaitlyn A. Luck

ATTORNEY FOR CENTENNIAL RESOURCE

PRODUCTION, LLC

<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Roud, Azlec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV District IV 1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

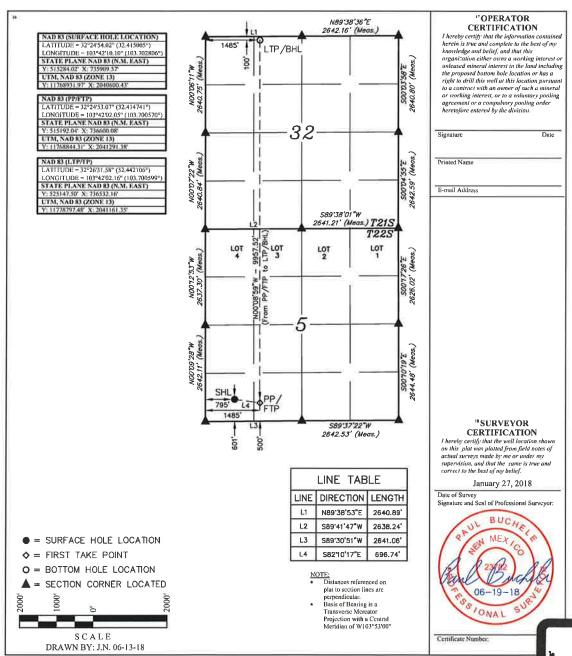
API Number	² Pool Code	3 Pool Nam	ne
4 Property Code		operly Name DAR FED COM	° Well Number 602H
7 OGRID №.		perator Name DURCE PRODUCTION, LLC	" Elevation 3661.0'

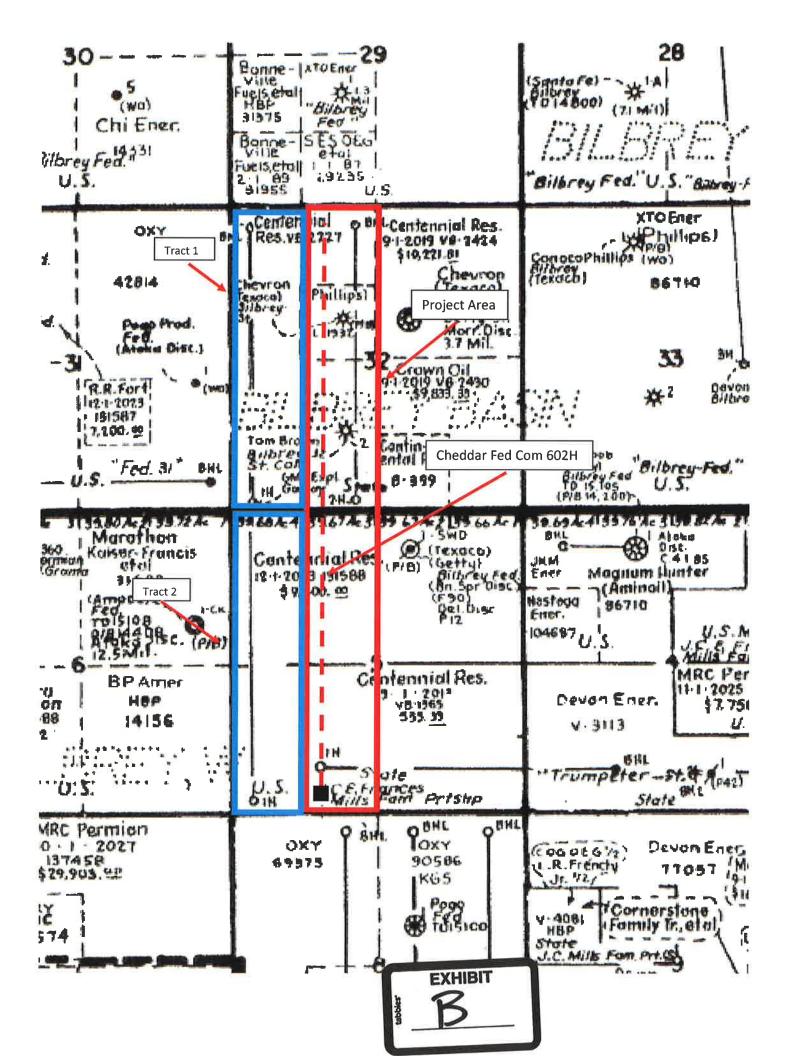
Surface Location

UL or lot no.	Section	Township	Runge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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			n.	Bottom H	ole Location I	f Different From	Surface		

UL or le	ot no.	Section 32	Township 21S	Range 32E	-Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1485	Enst/West line WEST	County LEA
	ated Acre 19.68	8 0	Joint or Infill	14 Consc	olidation Code	15 Order No.				"·

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division





Cheddar Fed Com 602H NSL Notice List 7-31-2019

Tract 1:

Centennial Resource Production, LLC 1001 17th Street, Suite 1800 Denver, CO 80202

ORRI:

GMT New Mexico Royalty, LLC 1560 Broadway, Suite 2000 Denver, CO 80202

Tract 2:

Centennial Resource Production, LLC 1001 17th Street, Suite 1800 Denver, CO 80202

ORRI:

Post Oak Crown IV, LLC 34 S. Wynden Drive Houston, TX 77056

Post Oak Crown IV-B, LLC 34 S. Wynden Drive Houston, TX 77056

Wells Fargo Central Pacific Holdings, Inc. 420 Montgomery St. San Francisco, CA 94104

Crown Oil Partners, LP 303 Veterans Airpark Lane #6101 Midland, TX 79705

Collins & Jones Investments, LLC 508 W Wall Street Midland, TX 79701

MCT Energy, Ltd. 550 W. Texas Avenue, Suite 945 Midland, TX 79710

Gerard G. Vavrek 1521 2nd Ave., #1604 Seattle, WA 98101 Gerrard G. Vavrek P.O. Box 50820 Midland, TX 79710

Jesse A. Fought, Jr. 4307 Crestagte Ave. Midland, TX 79707 Jesse A. Fought, Jr. P.O. Box 52603 Midland, TX 79710

H. Jason Wacker 5601 Hillcrest Midland, TX 79707

David W. Cromwell 2008 Country Club Dr. Midland, TX 79701 David W. Cromwell P.O. Box 50820 Midland, TX 79710



Crown Ventures III, LLC 303 Veterans Airpark Lane Midland, TX 79705

LMC Energy, LLC 550 W Texas Ave. Midland, TX 79701

Kaleb Smith P.O. Box 50820 Midland, TX 79710

Deane Durham 3603 Trinity Meadows Place Midland, TX 79707

Mike Moylett 2506 Terrace Ave. Midland, TX 79705

CEP Minerals, LLC 4849 Greenville Ave #1265 Dallas, TX 75206

Good News Minerals, LLC 4000 N Big Spring St. Midland, TX 79705

Bureau of Land Management 301 Dinosaur Tr. Santa Fe, NM 87508

New Mexico State Land Office 310 Old Santa Fe Tr. Santa Fe, NM 87501 Deane Durham P.O. Box 50820 Midland, TX 79710

Mike Moylett P.O. Box 50820 Midland, TX 79710



Shipment Confirmation Acceptance Notice

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

> Centennial - Cheddar 602H NSL CM# 94344.0001

Shipment Date: 08/01/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	25
Total	25

^{*}Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

- Home screen > Mailing/Shipping > More
 Select Shipment Confirm
 Scan or enter the barcode/label number in Confirm the volume count message by sets. Select Snipment Commits
 Scan or enter the barcode/label number from PS Form 5630
 Confirm the volume count message by selecting Yes or No
 Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE

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July 31, 2019

RE: Cheddar Federal Com 602H

SHL: 601' FSL Sec. 5 & 795' FWL Sec. 5 T22S R32E BHL: 100' FNL Sec. 32 & 1485' FWL Sec. 32 T21S R32E

Lea County, New Mexico

Gentlemen,

Centennial Resource Development respectfully requests administrative approval on a non-standard location for the Cheddar Federal Com 602H to allow the completed interval to be less than 330 feet from the eastern boundary of the existing 160-acre horizontal spacing unit. This well is located in the Bone Spring Pool and as a responsible operator this would allow Centennial to maximize the amount of potential reserves recoverable.

Sincerely,

Reservoir Engineer