

NSL Initial Application

Received: 01/22/2020

PO#: V02CN-200122-NSL000

Revised March 23, 2017

RECEIVED: 1/22/2020	REVIEWER: LRL	TYPE: NSL-7984	APP NO: pJAG2002339408
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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:** Winnebago 30 State Com #501H**API:** 30-025-pending**Pool:** Ojo Chiso; Bone Spring South**Pool Code:** 97293

**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

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

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.

Kaitlyn A. Luck

Print or Type Name

Signature

1/21/20

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

January 21, 2020

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 Winnebago 30 State Com #501H Well in the W/2 W/2 of Sections 19 and 30, Township 22 South, Range 35 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 **Winnebago 30 State Com #501H Well** (API No. 30-025-pending) to be completed within the Ojo Chiso; Bone Spring South Pool (Pool Code 97293) underlying the W/2 W/2 of Sections 19 and 30, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

This well has been drilled from a surface location 450 feet from the south line and 1070 feet from the west line (Lot 4) of Section 30, to a bottom hole location 88 feet from the north line and 350 feet from the west line (Lot 1) of Section 19. The first take point will be located 118 feet from the south line and 327 feet from the west line (Unit M) of Section 30, and the last take point will be 100 feet from the south line and 350 feet from the west line (Unit D) of Section 19. During drilling operations, the wellbore was drilled 250 feet away from the western unit line in Unit E and Unit L of Section 19 creating a non-standard location.

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Winnebago 30 State Com #501H Well** is unorthodox because the completed interval is closer than the standard offsets to the western boundary of the spacing unit in Section 19. 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 **Winnebago 30 State Com #501H Well** encroaches on the spacing unit to the west in Section 24, Township 22 South, Range 34 East.

Exhibit B is a land plat for Sections 19 and 30, that shows the proposed **Winnebago 30 State Com #501H Well** in relation to the adjoining spacing units to the west in Sections 24 and 25, Township 22 South, Range 34 East.


Ownership is common between the spacing unit for the **Winnebago 30 State Com #501H Well** and the affected spacing unit to the west in Section 24, which are both operated by Centennial. Since state acreage is involved, the New Mexico State Land Office is also an affected party in the spacing units in the E/2 E/2 of Section 24. A copy of this application with all attachments has been sent by certified mail to the New Mexico State Land Office advising that any objection must be filed in writing with the Division within 20 days from the date the Division receives the application. Centennial has also requested the State Land Office provide a waiver for the unorthodox location, and a copy of those letters are attached as **Exhibit C**.

OPERATOR	NAME	LOCATED	DATE SENT	WAIVER RECEIVED
1	Centennial Resource Production, LLC	Tracts 1, 2, 3	N/A	N/A
2	New Mexico State Land Office	Tracts 1, 2, 3	1/21/20	

Exhibit D is a statement from a Centennial's petroleum engineer confirming that Centennial's requested unorthodox location is necessary due to unforeseen circumstances while drilling and to prevent wasted resources.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**

District I
1625 N. French Dr., Hobbs, NM 88240
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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, 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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name	⁶ Well Number
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
	CENTENNIAL RESOURCE PRODUCTION, LLC	501H 3455.3'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	30	22S	35E		450	SOUTH	1070	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	19	22S	35E		88	NORTH	350	WEST	LEA
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						
309.36									

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.

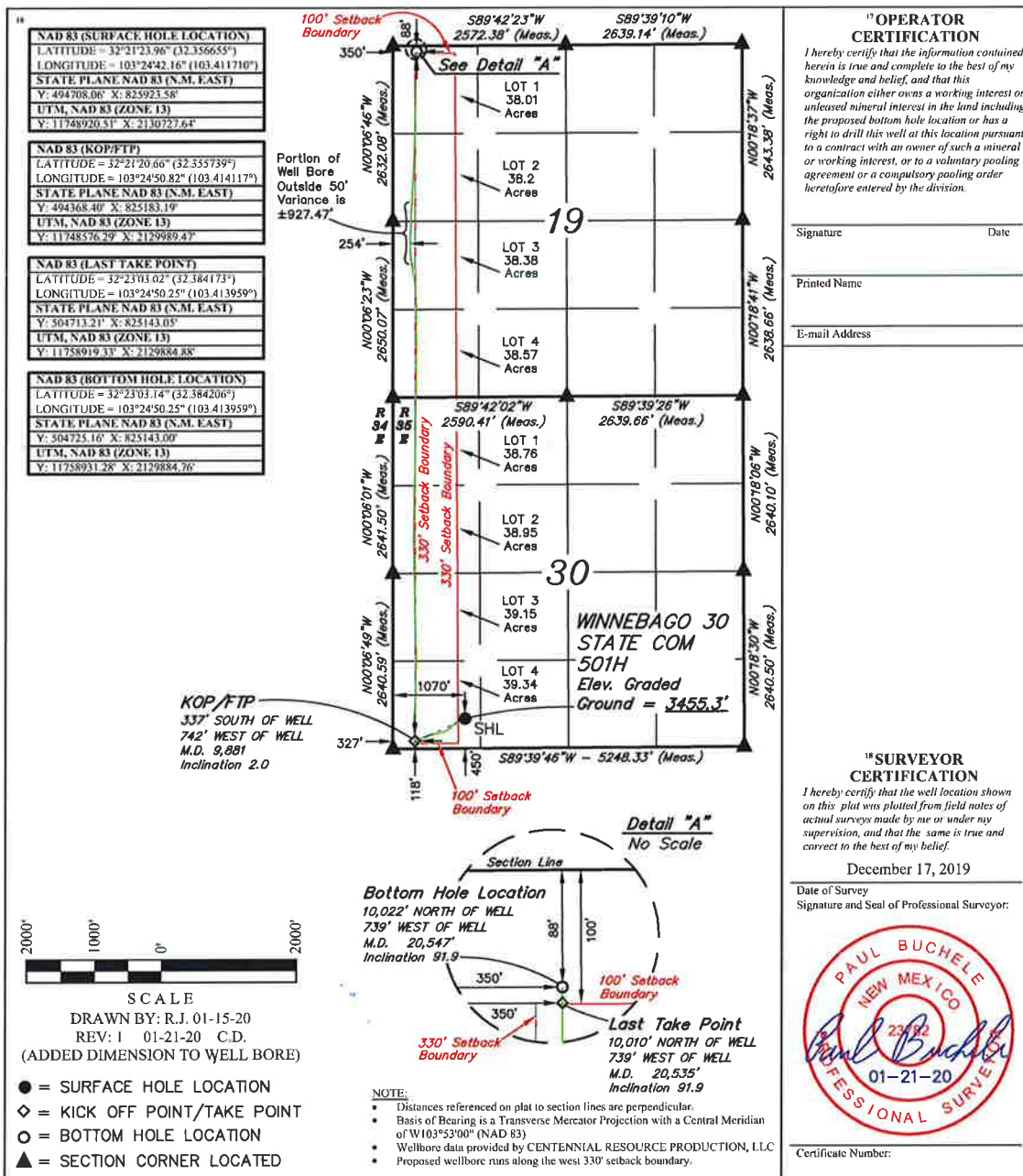


EXHIBIT A

January 21, 2020

New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87504	
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Re: Application of Centennial Resource Production, LLC for administrative approval of an unorthodox well location for its Winnebago 30 State Com #501H Well in the W/2 W/2 of Section 19 and the W/2 W/2 of Section 30, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

To Whom it May Concern,

Centennial Resource Production, LLC has submitted the above-referenced application to the New Mexico Oil Conservation Division for an unorthodox well location for its **Winnebago 30 State Com #501H Well** (API 30-025-46401) to be completed within the Ojo Chiso; Bone Spring South (97293) underlying the W/2 W/2 of Section 19 and the W/2 W/2 of Section 30, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Division rules provide that the completed interval for such wells are to be located no closer than 330 feet to the outer boundary of the horizontal spacing unit in which the well is located, with the first and last take points no closer than 100 feet to any outer boundary of the horizontal spacing unit. Due to drilling conditions, the well strayed from the intended path causing the completed interval to now be located at an unorthodox location, which is more than 50 feet from the projected location and closer to the outer boundary of the horizontal spacing unit. The first take point is located 118 feet from the south line and 327 feet from the west line (Unit M) of Section 30, and the last take point is 100 feet from the north line and 350 feet from the west line (Unit D) of Section 19. During drilling operations, the wellbore was drilled 250 feet away from the western unit line in Unit E and Unit L of Section 19 creating a non-standard location. The location of this well, therefore, encroaches on the western boundary of the spacing unit and requires Division approval for an unorthodox well location.

Division Rules provide that an application may be approved sooner if the applicant obtains waivers from affected parties. We therefore request your waiver of objection to this administrative application. We respectfully request you that you sign this letter and return it as soon as possible.

Thank you for your consideration of this matter. Should you wish to discuss please feel free to call me.

Sincerely,



Gavin Smith, RPL
Senior Landman
Centennial Resource Development, Inc.

The New Mexico State Land office agrees to waive objection to **Centennial Resource Production, LLC's** application for an unorthodox well location for its **Winnebago 30 State Com #501H Well**.

By: _____

Date: _____

EXHIBIT C



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

January 21, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

New Mexico State Land Office
Attn: Niranjana Khalsa
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Winnebago 30 State Com #501H Well in the W/2 W/2 of Sections 19 and 30, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Khalsa:

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:

Gavin Smith
Centennial Resource Development Inc.
(720) 499-1474
Gavin.Smith@cdevinc.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck".

Kaitlyn A. Luck
**ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC**



Shipment Confirmation Acceptance Notice

A. Mailer Action

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 Resources / NSL Winnebago 30 State Com #501H
CM#94344.0001

Shipment Date: 01/21/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

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	1
Total	1

*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.

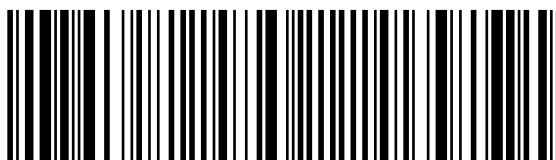
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. 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



9275 0901 1935 6200 0019 7184 38



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.												
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee		
1. 9214 8901 9403 8304 6050 19	NEW MEXICO STATE LAND OFFICE ATTN: NIRANJAN KHALSA 310 OLD SANTA FE TRL SANTA FE NM 87501-2708	0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60					
Total Number of Pieces Listed by Sender 1	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)														



1001 17th Street, Suite 1800
Denver, Colorado 80202

January 20, 2020

Re: Winnebago 30 State Com #501H
SHL: 450' FSL Sec. 30 & 1,070' FWL Sec. 30 T22S R35E
BHL: 100' FNL Sec. 19 & 350' FWL Sec. 19 T22S R35E
Lea County, New Mexico

Gentlemen,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Winnebago 30 State Com #501H to allow the completed interval to be less than 330 feet from the western boundary of the existing 309.36-acre horizontal spacing unit. This well is located in the Ojo Chiso; Bone Spring Pool (97293) and was intended to be drilled as a standard location. Due to difficulties during drilling operations the well is non-standard. Centennial requests to complete the 927 feet of the wellbore to avoid causing wasted resources and reducing the production of the well.

Sincerely,

A handwritten signature in black ink, appearing to read "Grayson Viles".

Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

EXHIBIT D