

NSL Initial Application

Received: 11/18/20

RECEIVED: 11/19/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2032452628
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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: Gouda Federal Com #604H **API:** 30-025-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

☒ 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 holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 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

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

November 18, 2020

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

November 17, 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 Gouda Federal Com #604H Well in the E/2 W/2 and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, and the E/2 W/2 and the W/2 E/2 of 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 **Gouda Federal Com #604H Well** (API No. 30-025-pending) to be completed within the Bilbrey Basin; Bone Spring Pool (Pool Code 5695) underlying the E/2 W/2 and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, and the E/2 W/2 and the W/2 E/2 of Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Centennial intends to drill this well from a surface location 757 feet from the south line and 1245 feet from the east line (Unit P) of Section 5, to a bottom hole location 100 feet from the north line and 1400 feet from the east line (Unit B) of Section 32. The first take point will be located 100 feet from the south line and 1400 feet from the east line (Unit O) of Section 5, and the last take point will be 100 feet from the north line and 1400 feet from the east line (Unit B) of Section 32.

Since this acreage is governed by the Division's statewide rules, the completed interval for the **Gouda Federal Com #604H Well** is unorthodox because the completed interval is closer than the standard offsets to the eastern boundary of the spacing unit, and encroaches on the E/2 E/2 of Sections 5 and 32. 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 **Gouda Federal Com #604H Well** encroaches on the spacing unit to the east in E/2 E/2 of Sections 5 and 32.

Exhibit B is a land plat for Sections 5 and 32, that shows the proposed **Gouda Federal Com #604H Well** in relation to the adjoining spacing units to the east in Sections 5 and 32.

Ownership is diverse between the subject spacing unit and the spacing units to the east. **Exhibit C** includes a copy of this application that was sent by certified mail to the affected parties advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application, and proof of mailing. Since federal lands are involved, the Bureau of Land Management was provided notice.

Exhibit D is a statement from 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,

A handwritten signature in blue ink, appearing to read "Kaitlyn A. Luck", is written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC

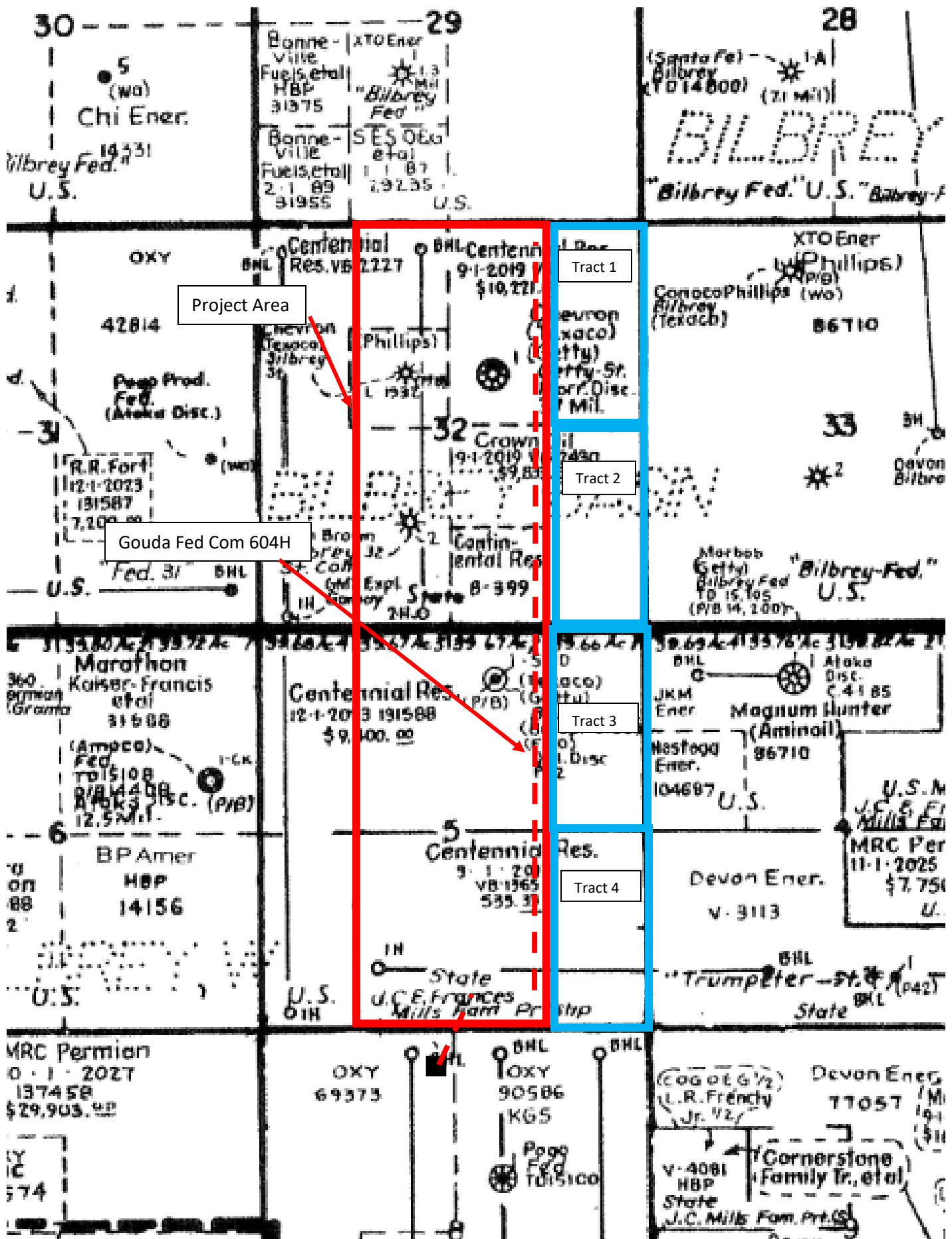


EXHIBIT B

Notice List 11-4-2020

Tract 1: (VB-2424)

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: (VB-2430)

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

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

Deane Durham
P.O. Box 50820
Midland, TX 79710

Mike Moylett
2506 Terrace Ave.
Midland, TX 79705

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

Desert Royalty Company
P.O. Box 3579
Midland, Texas 79702

San Saba Royalty
4925 Greenville Ave., Suite 500
Dallas, TX 75206

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

Tract 3: (NMNM-131588)

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

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

Deane Durham
P.O. Box 50820
Midland, TX 79710

Mike Moylett
2506 Terrace Ave.
Midland, TX 79705

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

Desert Royalty Company
P.O. Box 3579
Midland, Texas 79702

San Saba Royalty
4925 Greenville Ave., Suite 500
Dallas, TX 75206

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

Tract 4: (VB-1365)

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

15684745_v1



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

November 17, 2020

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Application of Centennial Resource Production, LLC, for administrative approval of an unorthodox well location for its Gouda Federal Com #604H Well in the E/2 W/2 and the W/2 E/2 of Section 32, Township 21 South, Range 32 East, and the E/2 W/2 and the W/2 E/2 of Section 5, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Sir or Madam,

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", is written over a horizontal line.

Kaitlyn A. Luck
ATTORNEY FOR CENTENNIAL RESOURCE
PRODUCTION, LLC

ParentID	MailDate	Name	DeliveryAddress	City	ST	Zip	Mail Service	USPS#	Label Ref.
31309	11/17/2020	GMT New Mexico Royalty, LLC	1560 Broadway Ste 2000	Denver	CO	80202-5138	Certified with Return Receipt (Signature)	94148118987 65821813444	69672 - Centennial - Gouda 604 NSL - notice list - 1
31309	11/17/2020	Post Oak Crown IV, LLC	34 S Wynden Dr	Houston	TX	77056-2526	Certified with Return Receipt (Signature)	94148118987 65821813482	69672 - Centennial - Gouda 604 NSL - notice list - 2
31309	11/17/2020	Post Oak Crown IV-B, LLC	34 S Wynden Dr	Houston	TX	77056-2526	Certified with Return Receipt (Signature)	94148118987 65821813437	69672 - Centennial - Gouda 604 NSL - notice list - 3
31309	11/17/2020	Wells Fargo Central Pacific Holdings, Inc.	420 Montgomery St	San Francisco	CA	94104-1207	Certified with Return Receipt (Signature)	94148118987 65821813512	69672 - Centennial - Gouda 604 NSL - notice list - 4
31309	11/17/2020	Crown Oil Partners, LP	303 Veterans Airpark Ln Ste 6101	Midland	TX	79705-4550	Certified with Return Receipt (Signature)	94148118987 65821813550	69672 - Centennial - Gouda 604 NSL - notice list - 5
31309	11/17/2020	Collins & Jones Investments, LLC	508 W Wall St	Midland	TX	79701-5068	Certified with Return Receipt (Signature)	94148118987 65821813567	69672 - Centennial - Gouda 604 NSL - notice list - 6
31309	11/17/2020	MCT Energy Ltd.	550 W Texas Ave Ste 945	Midland	TX	79701-4233	Certified with Return Receipt (Signature)	94148118987 65821813529	69672 - Centennial - Gouda 604 NSL - notice list - 7
31309	11/17/2020	Gerard G. Vayrek	1521 2nd Ave Apt 1604	Seattle	WA	98101-4509	Certified with Return Receipt (Signature)	94148118987 65821813505	69672 - Centennial - Gouda 604 NSL - notice list - 8
31309	11/17/2020	Jesse A. Fought, Jr.	4307 Crestgate Ave	Midland	TX	79707-2721	Certified with Return Receipt (Signature)	94148118987 65821813598	69672 - Centennial - Gouda 604 NSL - notice list - 9
31309	11/17/2020	Jesse A. Fought, Jr.	PO Box 52603	Midland	TX	79710-2603	Certified with Return Receipt (Signature)	94148118987 65821813581	69672 - Centennial - Gouda 604 NSL - notice list - 10
31309	11/17/2020	H. Jason Wacker	5601 Hillcrest	Midland	TX	79707-9113	Certified with Return Receipt (Signature)	94148118987 65821813536	69672 - Centennial - Gouda 604 NSL - notice list - 11

31309	11/17/2020	David W. Cromwell	2008 Country Club Dr	Midland	TX	79701-5719	Certified with Return Receipt (Signature)	94148118987 65821813574	69672 - Centennial - Gouda 604 NSL - notice list - 12
31309	11/17/2020	David W. Cromwell	PO Box 50820	Midland	TX	79710-0820	Certified with Return Receipt (Signature)	94148118987 65821814212	69672 - Centennial - Gouda 604 NSL - notice list - 13
31309	11/17/2020	Crown Ventures III, LLC	303 Veterans Airpark Ln	Midland	TX	79705-4546	Certified with Return Receipt (Signature)	94148118987 65821814250	69672 - Centennial - Gouda 604 NSL - notice list - 14
31309	11/17/2020	LMC Energy, LLC	550 W Texas Ave	Midland	TX	79701-4257	Certified with Return Receipt (Signature)	94148118987 65821814267	69672 - Centennial - Gouda 604 NSL - notice list - 15
31309	11/17/2020	Kaleb Smith	PO Box 50820	Midland	TX	79710-0820	Certified with Return Receipt (Signature)	94148118987 65821814229	69672 - Centennial - Gouda 604 NSL - notice list - 16
31309	11/17/2020	Deane Durham	3603 Trinity Meadows Pl	Midland	TX	79707-4541	Certified with Return Receipt (Signature)	94148118987 65821814205	69672 - Centennial - Gouda 604 NSL - notice list - 17
31309	11/17/2020	Deane Durham	PO Box 50820	Midland	TX	79710-0820	Certified with Return Receipt (Signature)	94148118987 65821814298	69672 - Centennial - Gouda 604 NSL - notice list - 18
31309	11/17/2020	Mike Moylett	2506 Terrace Ave	Midland	TX	79705-7324	Certified with Return Receipt (Signature)	94148118987 65821814243	69672 - Centennial - Gouda 604 NSL - notice list - 19
31309	11/17/2020	Mike Moylett	PO Box 50820	Midland	TX	79710-0820	Certified with Return Receipt (Signature)	94148118987 65821814281	69672 - Centennial - Gouda 604 NSL - notice list - 20
31309	11/17/2020	Desert Royalty Company	PO Box 3579	Midland	TX	79702-3579	Certified with Return Receipt (Signature)	94148118987 65821814274	69672 - Centennial - Gouda 604 NSL - notice list - 21
31309	11/17/2020	San Saba Royalty	4925 Greenville Ave Ste 500	Dallas	TX	75206-4031	Certified with Return Receipt (Signature)	94148118987 65821814854	69672 - Centennial - Gouda 604 NSL - notice list - 22

31309	11/17/2020	Good News Minerals, LLC	4000 N Big Spring St	Midland	TX	79705- 4629	Certified with Return Receipt (Signature)	94148118987 65821814861	69672 - Centennial - Gouda 604 NSL - notice list - 23
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1001 17th Street, Suite 1800
Denver, Colorado 80202

November 9, 2020

Re: Gouda Federal Com #604H
SHL: 757' FSL Sec. 5 & 1245' FEL Sec. 5 T22S R32E
BHL: 100' FNL Sec. 32 & 1400' FEL Sec. 32 T21S R32E
Lea County, New Mexico

Gentlemen,

Centennial Resource Production, LLC respectfully requests administrative approval on a non-standard location for the Gouda Federal Com #604H to allow the completed interval to be less than 330 feet from the western boundary of the existing 639.34-acre horizontal spacing unit. This well is located in the Bilbrey Basin; Bone Spring pool (5695). Due to the current spacing of the producing wells in this section, Centennial has planned the Mozzarella Fed Com #602H, Mozzarella Fed Com 603H, Gouda Fed Com #604H and Gouda Fed Com #605H wells with 1,000 feet of spacing between each well. This spacing pattern causes the Gouda Fed Com #604H to be drilled less than 330 feet from the eastern boundary of the spacing unit. Centennial requests approval of this non-standard location to avoid causing wasted resources and reducing the production of the wells listed above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Grayson Viles', is written over a light blue horizontal line.

Grayson Viles
Sr. Reservoir Engineer
Centennial Resource Production, LLC

EXHIBIT D