

Approved

NSL

Order

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Director**  
Oil Conservation Division



December 10, 2020

Ms. Kaitlyn Luck  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL-8106**

**Centennial Resource Production, LLC [OGRID 372165]  
Gouda Federal Com Well No. 604H  
API No. 30-025-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	757 FSL & 1245 FEL	P	5	22S	32E	Lea
First Take Point	100 FSL & 1400 FEL	O	5	22S	32E	Lea
Last Take Point	100 FNL & 1400 FEL	B	32	21S	32E	Lea
Terminus	100 FNL & 1400 FEL	B	32	21S	32E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Code</u>
E/2 W/2 & W/2 E/2 of Section 5 22S 32E	639.34	Bilbrey Basin; Bone Spring	5695
E/2 W/2 & W/2 E/2 of Section 32 21S 32E			

Reference is made to your application received on November 19, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 80 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 5, 22S 32E encroachment to the E/2 E/2  
Section 32, 21S 32E encroachment to the E/2 E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

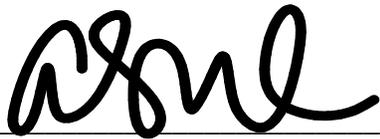
Division understands you are seeking this unorthodox location as its preferred well spacing plan for horizontal wells in this area. In order to maximize recovery of resources and to prevent waste within the Bone Spring formation underlying the E/2 W/2 & W/2 E/2 of Section 5, 22S 32E and Section 32 21S 32E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) 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.



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**ADRIENNE E. SANDOVAL**  
**Division Director**

AES/lrl

cc: Oil Conservation Division – Hobbs District Office  
State Land Office – Oil, Gas, and Mineral Division  
Bureau of Land Management – Carlsbad Field Office

## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Thursday, December 17, 2020 2:41 PM  
**To:** Kaitlyn A. Luck  
**Cc:** Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Simmons, Kurt, EMNRD; McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Garcia, John A, EMNRD; Powell, Brandon, EMNRD; jglover@blm.gov; Holm, Anchor E.  
**Subject:** APPROVED NSL - 8106\_Centennial Resources Prod. LLC\_Gouda Federal Com Well No. 604H\_SEC 5 21S 32E  
**Attachments:** NSL-8106\_Centennial\_ORDER.pdf

**Importance:** High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

<b>Applicant</b>	<b>OGRID</b>	<b>WELL NAME</b>	<b>API #</b>
Centennial Resources Production, LLC	372165	<b>Gouda Federal Com Well No. 604H</b>	<b>30-025-PENDING</b>

A copy of the approved order is attached.

### **Leonard R. Lowe**

Engineering Bureau  
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