

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



Mr. Adam G. Rankin
AGRankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8331

**Centennial Resources Production, LLC [OGRID 372165]
Airstream 24 State Com Well No. 603H
API No. 30-025-49732**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	265 FNL & 1578 FEL	B	24	22S	34E	Lea
First Take Point	100 FNL & 2516 FWL	C	24	22S	34E	Lea
Last Take Point/ Terminus	100 FSL & 2516 FWL	N	25	22S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of section 24 W/2 of section 25	640	Ojo Chiso; Bone Spring, South	97293

Reference is made to your application received on March 2nd, 2022.

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 well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal 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 124 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 24, encroachment to the W/2 W/E
Section 25, encroachment to the W/2 W/E

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 due to the spacing pattern of the wells in this area, resulting in encroachment towards the eastern boundary of the spacing unit. Permission will prevent the waste of resources within the bone spring formation underlying W/2 of section 24 and the W/2 of section 25.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



ADRIENNE E. SANDOVAL
Division Director

4/28/2022

Date

AES/lrl