Adrienne E. Sandoval, Director

Oil Conservation Division

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Mr. Adam G. Rankin <u>AGRankin@hollandhart.com</u>

NON-STANDARD LOCATION

Administrative Order NSL-8430

Centennial Resources Production, LLC [OGRID 372165] Winnebago 30 State Com Well No. 602H API No. 30-025-50273

Proposed Location

-	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	300 FSL & 1100 FWL	4	30	22S	35E	Lea
First Take Point	100 FSL & 1405 FWL	Ν	30	22S	35E	Lea
Last Take Point/	100 FNL & 1905 FWL	С	19	22S	35E	Lea
Terminus						

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 W/2 of section 30	320	Ojo Chiso; Bone Spring, South	97293
E/2 W/2 of section 19			

Reference is made to your application received on August 23rd, 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 85 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 30, encroachment to the W/2 W/2 Section 19, encroachment to the SW/4 SW/4



Administrative Order NSL-8430 Centennial Resource Production, LLC Page 2 of 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 to achieve an efficient well spacing pattern of wells in the area. Therefore, preventing waste of resources within the Bone Spring formation underlying E/2 W/2 of Section 30 and the E/2 W/2 of section 19.

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.



9/26/2022 Date

AES/lrl