

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CENTENNIAL RESOURCE
PRODUCTION, LLC FOR COMPULSORY POOLING,
NON-STANDARD SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

**APPLICATION FOR COMPULSORY POOLING, AND NON-STANDARD
SPACING AND PRORATION UNIT**

CENTENNIAL RESOURCE PRODUCTION, LLC applies for an order pooling all mineral interests within the Gramma Ridge Bone Spring Pool (Pool Code 28435) as to the proposed oil and gas wells listed below, underlying the E/2 of Sections 12 and 13, Township 22 South, Range 34 East of the E/2, NMPM, Lea County, New Mexico, comprising a spacing and proration unit of 640 acres. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following two wells:

A. The proposed **Chimichanga 13 State Com 601H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring sand from an orthodox SHL 300' FNL and 1,290' FEL Section 12 Township 22 South, Range 34 East, and a BHL 100' FSL and 2,310' FEL of Section 13, Township 22 South, Range 34 East;

B. The proposed **Chimichanga 13 State Com 602H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring sand from an orthodox SHL 300' FNL and 1320' FEL of Section 12, Township 22 South, Range 34 East and a BHL 100' FSL and 1,320' FEL of Section 13, Township 22 South, Range 34 East;

C. The proposed **Chimichanga 13 State Com 603H** to be horizontally drilled to a depth sufficient to test the 3rd Bone Spring sand from an orthodox SHL 300' FNL and 1,350'' FEL of Section 12, Township 22 South, Range 34 East and a BHL 100' FSL and 330' FEL Section 13, Township 22 South, Range 34 East.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the proposed wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

5. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

WHEREFORE, Applicant, requests after notice and hearing, the Division enter its order:

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving four initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;

- F. Approving the actual operating charges and costs of supervision while drilling and after completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% charge for risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

PADILLA LAW FIRM, P.A.

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