

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



April 11, 2018

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Case 16018

NON-STANDARD LOCATION

Administrative Order NSL-7686

**Centennial Resources Production, LLC [OGRID 372165]**  
**Horseshoe Federal Com Well No. 702H**  
**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	300 FNL & 645 FEL	A	19	21S	33E	Lea
Penetration Point	100 FSL & 330 FEL	P	18	21S	33E	Lea
Final perforation/ Terminus	100 FNL & 330 FEL	A	18	21S	33E	Lea

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 18	160	Wildcat; Wolfcamp	98033

Reference is made to your application received on March 13, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection B of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern edge, 345 feet to the southeastern and northeastern edges, and 100 feet to the northern edge of the project area. Encroachments will impact the following tracts.

Section 20, T21S R33E encroachment to the NW4 NW4  
Section 19, T21S R33E encroachment to the NE4 NE4  
Section 7, T21S R33E encroachment to the SE4 SE4  
Section 8, T21S R33E encroachment to the SW4 SW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.


Division understands you seek this location to maximize the perforated lateral length, thereby capturing reserves that otherwise will not be recovered within the Wolfcamp formation underlying the E2 E2 of Section 18.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 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.

  
**HEATHER RILEY**  
**Director**

HR/lrl

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