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

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC 10 16 2018 PMOS:57 TO RE-OPEN CASE NO. 16266 TO ADD ADDITIONAL INITIAL WELLS UNDER THE TERMS OF COMPULSORY POOLING ORDER R-20002 LEA COUNTY, NEW MEXICO.

CASE NO. 16266 (re-opened)

APPLICATION

Centennial Resource Production, LLC, ("Centennial") (OGRID No. 372165), through its undersigned attorneys, hereby makes application to the Oil Conservation Division to add additional initial wells pursuant to the terms of Order R-20001. In support of this application, Centennial states:

- 1. Division Order R-20002, entered on October 1, 2018, created a 240-acre non-standard spacing and proration unit consisting of the W/2 SE/4 of Section 1 and the W/2E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico. This order further pooled the uncommitted interests in the Bone Spring Formation (Antelope Ridge; Bone Spring, North (Pool Code 2205)) in this spacing and proration unit (the "Unit") and dedicated the Unit to the **Duck Hunt 1 State Com Well No. 602H** (API No. 30-025-44964), a horizontal well to be drilled from a surface location 2340 feet from the South line and 801 feet from the East line (Unit I) of Section 1 to a bottom hole location 100 feet from the South line and 1650 feet from the East line (Unit O) of Section 12.
- 2. Since the entry of Order R-20002, Centennial has added additional initial wells in the Bone Spring formation. The spacing unit and the pool remain the same as designated under Order R-20002.

- 3. The spacing unit will be dedicated to three initial wells: the **Duck Hunt 1 State**Com Well No. 302H, the **Duck Hunt 1 State Com Well No. 502H**, and the **Duck Hunt 1 State**Com Well No. 602H. All wells will be drilled horizontally from a surface location in the NE/4

 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12.
- 4. The completed interval for each well will comply with the Statewide setback requirements for oil wells.

WHEREFORE, Centennial Resource Production, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 15, 2018, and after notice and hearing as required by law, the Division amend the initial wells dedicated to the spacing unit under the terms of existing Division Order R-20002.

Respectfully submitted,

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CASE 16266 (re-opened): Application Centennial Resource Production, LLC to Re-Open Case No. 16266 To Add Additional Initials Well Under The Terms Of Compulsory Pooling Order R-20002, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-20002 to add additional initial wells dedicated to the spacing unit. The spacing unit is comprised of the W/2 SE/4 of Section 1 and the W/2E/2 of Section 12, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico and will be dedicated to three initial wells: the Duck Hunt 1 State Com Well No. 302H, the Duck Hunt 1 State Com Well No. 502H, and the Duck Hunt 1 State Com Well No. 602H. All wells will be drilled horizontally from a surface location in the NE/4 SE/4 (Unit I) of Section 1 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 12. All wells are at orthodox locations. Said area is located approximately 18 miles southwest of Eunice, New Mexico.