

DOCKET: SPECIAL EXAMINER HEARING – THURSDAY – MARCH 15, 2018

9:00 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson, seven (7) business days prior to the hearing, requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

1. Case No. 15992: (Continued from the February 22, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 501H**, a horizontal well with a surface location in the SE/4 SW/4 of adjoining Section 7, and a terminus in the SW/4 SE/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Halfway, New Mexico.

2. Case No. 15993: (Continued from the February 22, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 502H**, a horizontal well with a surface location in the SE/4 SE/4 of adjoining Section 7, and a terminus in the SE/4 SE/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Halfway, New Mexico.

3. Case No. 15994: (Continued from the February 22, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 601H**, a horizontal well with a surface location in the SW/4 SE/4 of adjoining Section 7, and a terminus in the SE/4 SE/4 of Section 18. The producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Halfway, New Mexico.

4. Case No. 15995: (Continued from the February 22, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 701H**, a horizontal well with a surface location in the SW/4 SE/4 of adjoining Section 7, and a terminus in the SW/4 SE/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Halfway, New Mexico.

5. Case No. 15996: (Continued from the February 22, 2018 Examiner Hearing.)

Application of Ascent Energy, LLC for approval of a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project

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area). The unit is to be dedicated to the **Trucker Fed. Com. Well No. 703H**, a horizontal well with a surface location in the SE/4 SE/4 of adjoining Section 7, and a terminus in the SE/4 SE/4 of Section 18. The producing interval will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Halfway, New Mexico.

6. ***Case No. 15988: Amended Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 601H Well**, which will be horizontally drilled from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NW/4 NE/4 (Unit B) of Section 18. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Southeast of Roswell, New Mexico.

7. ***Case No. 16016: Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 602H Well**, which will be horizontally drilled from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 18. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Southeast of Roswell, New Mexico.

8. ***Case No. 16017: Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 701H Well**, which will be horizontally drilled from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NW/4 NE/4 (Unit B) of Section 18. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Southeast of Roswell, New Mexico.

9. ***Case No. 16018: Application of Centennial Resource Production, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Horseshoe Fed Com No. 702H Well**, which will be horizontally drilled from an approved drilling location in the N/2 NE/4 of Section 19 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 18. The completed interval for this well will remain within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Centennial Resource Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Southeast of Roswell, New Mexico.