State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Dylan M. Fuge Deputy Secretary **Dylan M. Fuge**, Division Director (Acting) **Oil Conservation Division**



Ms. Jaclyn M. McLean jmclean@hinklelawfirm.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8726

Novo Oil & Gas Northern Delaware, LLC [OGRID 372920] Rana Salada Federal Com 0605 Well No. 202H API No. 30-015-48162

Reference is made to your application received on March 4th, 2024.

Proposed Location

| | <u>Footages</u> | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|--------|
| Surface | 2498 FNL & 360 FEL | Н | 01 | 23S | 28E | Eddy |
| First Take Point | 2310 FNL & 100 FWL | E/5 | 06 | 23S | 29E | Eddy |
| Last Take Point/ | 2310 FNL & 330 FEL | H | 05 | 23S | 29E | Eddy |
| Terminus | | | | | | |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code |
|--------------------|--------|----------------------------|-----------|
| N/2 Section 06 | 636.09 | Purple Sage; Wolfcamp, Gas | 98220 |
| N/2 Section 05 | | | |

You have requested to complete this horizontal well as a **gas** well described above in the referenced pool or formation. This well is governed by special rules R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and governs wells to be located at least 330 feet from the unit outer boundary of a spacing unit and no closer than 10 feet to any quarter – quarter section line. The completed intervals of horizontal wells are to be located no closer than 330 feet to the exterior boundary of a standard 320 - acre **gas** spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

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The well's completed interval is as close as 100 feet to the western boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 01, T23S R28E, encroachment to the NE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to avoid causing wasted resources and reducing the production of well within the Wolfcamp formation underlying N/2 of Section 06 and the N/2 of Section 05, and thereby protecting correlative rights.

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 Subsection B of 19.15.15.13 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.

Date: 4/5/24

DYLAN M. FUGE

Division Director (Acting)

DMF/lrl

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 334989

CONDITIONS

| Operator: | OGRID: |
|---------------------------------------|--|
| NOVO OIL & GAS NORTHERN DELAWARE, LLC | 372920 |
| | Action Number: |
| Midland, TX 79701 | 334989 |
| | Action Type: |
| | [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | | Condition Date |
|---------------|------|-------------------|
| llowe | None | 4/18/2024 |