

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

**APPLICATION OF NOVO OIL & GAS
NORTHERN DELAWARE LLC
TO AMEND ORDER R-21093,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Novo Oil & Gas Northern Delaware, LLC (“Novo” or “Applicant”) (OGRID No. 372920), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, to amend Order R-21093 for a standard 635.4-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, and Lots 1-2, E/2 NW/4 and the NE/4 (N/2 equivalent) of irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Novo states:

1. Order R-21093, entered on February 12, 2020, in Case No. 20887, created a 320-acre, more or less, horizontal well spacing unit consisting of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico (the “Unit”), designated Applicant as the operator of the Unit, pooled the uncommitted interests in the Wolfcamp formation [Purple Sage; Wolfcamp (Gas) Pool (98220)] in the Unit, and dedicated the Unit to the proposed initial wells.

2. Since the entry of Order R-21093, Applicant has determined that it is prudent to include the N/2 equivalent of irregular Section 18 into this standard spacing unit to allow for the drilling of 2-mile horizontal wells.

3. As provided in Order R-21093, Applicant seeks to dedicate this horizontal spacing unit to these proposed initial wells:

- The **Ovation Fed Com 1318 #211H Well**, the **Ovation Fed Com 1318 #212H Well**, the **Ovation Fed Com 1318 #221H Well**, the **Ovation Fed Com 1318 #231H Well**, and the **Ovation Fed Com 1318 #232H Well**, each will be horizontally drilled from a common surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 18;
- The **Ovation Fed Com 1318 #222H Well** will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18; and
- The **Ovation Fed Com 1318 #215H Well**, the **Ovation Fed Com 1318 #225H Well**, and the **Ovation Fed Com 1318 #235H Well** each will be horizontally drilled from a common surface location in the E/2 NE/4 of Section 14, T23S, R28E, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 18.

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

5. Approval of this application is in the best interest of conservation, the prevention of waste and protection of 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 enlarged horizontal spacing unit

should be pooled, and Applicant should be designated the operator of this proposed enlarged standard horizontal spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP



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