

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

**APPLICATION OF NOVO OIL
& GAS NORTHERN DELAWARE,
TO AMEND ORDER NO. R-22411,
EDDY COUNTY, NEW MEXICO**

**CASE NO. _____
ORDER NOS. R-22411; R-22411-A
(Amend)**

APPLICATION

Novo Oil & Gas Northern Delaware, LLC (“Novo”) (OGRID No. 372920), through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (the “Division”) for the limited purpose of amending Order No. 22411-A (the “Order”) to allow for an extension of time for Novo to commence drilling the initial well under the Order. In support of this application, Novo states as follows:

1. On August 2, 2022, Novo filed an application (Case No. 22996) seeking to pool uncommitted interests in the Bone Spring underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. On December 5, 2022, the Division entered Order No. R-22411 in Case No. 22996, which pooled uncommitted interest owners in a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, dedicated to 2 wells within the horizontal spacing unit.

3. On December 8, 2022, the Division entered Order No. 22411-A amending Order 22411 to include a new Exhibit A Compulsory Pooling Application Checklist.

4. Order No. R-22411 designated Novo as the operator of the wells and the unit.

5. Order No. R-22411, ¶ 19 states: “The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.”

6. Further, Order No. R-22411, ¶ 20 states: “This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.”

7. Under Order No. R-22411, Novo would be required to commence drilling the initial well by December 5, 2023.

8. Novo hereby requests that Order No. R-22411 be amended to allow Novo additional time to commence drilling the initial well under the Order from December 5, 2023 to December 5, 2024.

9. Good cause exists for Novo’s request for an extension of time. Novo’s plan to develop this acreage was delayed because in June of 2023 its corporate parent was a party to a sales transaction which resulted in a delay of its drilling schedule for the well under Order No. R-22411.

WHEREFORE, Novo requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 2023, and after notice and hearing as required by law, the Division:

A. Amend Order No. R-22411 to extend the time for Novo to commence drilling the initial well under the Order for one year, through December 5, 2024; and

B. Incorporate all other provisions of Order No. R-22411.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Earl E. DeBrine, Jr.

Earl E. DeBrine, Jr.

Deana Bennett

Yarithza Pena

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Novo Oil & Gas Northern Delaware, LLC

W4826825.DOCX

CASE NO. _____: (Amend) Application of Novo Oil & Gas Northern Delaware, LLC to Amend Order No. R-22411, Lea County, New Mexico. Applicant seeks an order from the Division for the limited purpose of amending Order No. R-22411 as amended by Order No. 22411-A to allow for a one-year extension of time to commence drilling the initial well under Order No. R-22411, which pooled uncommitted interest owners in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Said area is located approximately 6 miles north of Loving, New Mexico.