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

APPLICATION OF NOVO OIL & GAS NORTHERN DELAWARE, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20886 & 20887

NOVO'S CONSOLIDATED PRE-HEARING STATEMENT

Novo Oil and Gas Northern Delaware, LLC ("Novo") (OGRID No. 372920), applicant in the above-referenced cases, submits this Consolidated Pre-Hearing Statement, pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

Novo Oil & Gas Northern Delaware, LLC Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF CASE

In Case No. 20886, Novo seeks an order: (1) pooling all uncommitted interests in the Bone Spring formation (Culebra Bluff; Bone Spring, South (15011)) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) dedicating the above-referenced horizontal spacing unit to the following proposed initial wells:

- The **Ovation Fed Com 13 #131H Well** (API No. pending) to be horizontally drilled from a surface location in the NE/4 of Section 14, T23S, R28E, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 13.
- The **Ovation Fed Com 13 #132H Well** (API No. pending) and the **Ovation Fed Com 13 #135H Well** (API No. pending), both of which will be horizontally drilled from a common surface location in the NE/4 of Section 14, T23S, R28E, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13.

The completed interval for the **Ovation Fed Com 13 #132H Well** will remain within 330 feet of the N/2 N/2 of Section 13 to allow inclusion of these proximity tracts in a standard 320-acre horizontal well spacing comprised of the N/2 of Section 13.

In Case No. 20887, Novo seeks an order: (1) pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool (Pool code 98220)) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) dedicating the above-referenced horizontal spacing unit to the following proposed initial wells:

- The Ovation Fed Com 13 #211H Well (API No. pending), the Ovation Fed Com 13 #212H Well (API No. pending), the Ovation Fed Com 13 #221H Well, the Ovation Fed Com 13 #231H Well, and the Ovation Fed Com 13 #232H Well, each will be horizontally drilled from a common surface location in the NE/4 of Section 14, T23S, R28E, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13.
- The Ovation Fed Com 13 #215H Well, the Ovation Fed Com 13 #222H Well,
 the Ovation Fed Com 13 #225H Well, and the Ovation Fed Com 13 #235H Well

each will be horizontally drilled from a common surface location in the NE/4 of Section 14, T23S, R28E, to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13.

The completed intervals of these wells will comply with the setbacks of the Special Rules for the Purple Sage Wolfcamp Pool.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Brandon Patrick, Landman	Affidavit	Approx. 8
Michael Hale, Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Novo respectfully requests that these cases be consolidated for hearing. If unopposed at the time of hearing, Novo intends to present these cases by affidavits.

Respectfully submitted,

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