

**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-21092,  
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-21092 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-21092, entered on February 12, 2020, in Case No. 20886, 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 Bone Spring formation [Culebra Bluff; Bone Spring Pool (15011)] in the Unit, and dedicated the Unit to the proposed initial wells.

2. Since the entry of Order R-21092, Applicant has determined that it is prudent to include the N/2 equivalent of irregular Section 18 into this standard horizontal spacing unit to allow for the drilling of 2-mile wells.

3. As provided in Order R-21092, Applicant seeks to dedicate the above-referenced horizontal spacing unit to these proposed initial wells:

- The **Ovation Fed Com 1318 #131H Well** to 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 NE/4 NE/4 (Unit A) of Section 18;
- The **Ovation Fed Com 1318 #132H Well** to 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 #135H Well** to be horizontally drilled from a surface location in the E/2 NE/4 of Section 14, T23S, R28E, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 18.

3. The completed interval for the **Ovation Fed Com 1318 #132H Well** will remain within 330 feet of the N/2 N/2 of Sections 13 and 18 to allow inclusion of these proximity tracts in a standard 635.4-acre horizontal well spacing comprised of the N/2 of Sections 13 and 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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