

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

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

**CASE NOS. 22350 & 22351**

**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**

Novo Oil & Gas Northern  
Delaware, LLC

**ATTORNEY**

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**APPLICANT'S STATEMENT OF CASE**

In **Case No. 22350**, Novo seeks an to amend Order Nos. R-21092 and R-21092-A to allow for a one year extension for drilling the proposed initial well under the Orders. Order No. 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. Following the entry of Order No. R-21092, Applicant determined that it was 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. As applied for in Case No. 21549, Order No. R-21092-A granted Novo's request 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, all in Township 23 South, Range 29 East, Eddy County.

As provided in the Orders, Applicant dedicated 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.

Order No. R-21092-A required the drilling of the initial well by December 24, 2021. Novo requests a one-year extension of time to drill the initial well under the Order, until December 24, 2022.

In **Case No. 22351**, Novo seeks to amend Order Nos. R-21093 and R-21093-A to allow for a one year extension for drilling the proposed initial well under the Orders. 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.

Following the entry of Order No. R-21093, Applicant determined that it was 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. As applied for in Case No. 21550, Order No. R-21093-A granted Novo’s request 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, all in Township 23 South, Range 29 East, Eddy County. As provided in the Orders, Applicant dedicated the above-referenced 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** 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 #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.

Order No. R-21093-A required the drilling of the initial well by December 24, 2021. Novo requests a one-year extension of time to drill the initial well under the Order, until December 24, 2022.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
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,

HOLLAND & HART LLP

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

QUESTIONS

Action 63648

**QUESTIONS**

Operator: NOVO OIL & GAS NORTHERN DELAWARE, LLC 1001 West Wilshire Blvd Oklahoma City, OK 73116	OGRID: 372920
	Action Number: 63648
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>