

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 3, 2022**

CASE NO. 22505

*OVATION FED COM 13 #131H, #132H, #135H
WELLS*

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF NOVO OIL & GAS NORTHERN DELAWARE
LLC TO AMEND ORDER NO. R-21092-A TO EXCLUDE THE
SECOND BONE SPRING INTERVAL, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 22505

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**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 NO. R-21092-A TO EXCLUDE THE
SECOND BONE SPRING INTERVAL, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 22505

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 compulsory pooling Order No. R-21092-A to exclude the Second Bone Spring interval from the standard 635.40-acre, more or less, horizontal well spacing unit created thereunder, comprised of the N/2 of Section 13, Township 23 South, Range 28 East, and irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of its application, Novo states:

1. Division Order No. No. R-21092, entered on February 12, 2020, in Case No. 20886, created a standard 320-acre horizontal well spacing unit comprised of the N/2 of Section 13, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico. The order dedicated the proposed **Ovation Fed Com 13 #131H, #132H, and #135H Wells** to the spacing unit and designated Novo as operator.

2. After entry of Order R-21092, Applicant determined that it was prudent to include the N/2 equivalent of said irregular Section 18 into this standard horizontal spacing unit to allow for the drilling of two-mile wells and filed an application to amend the order.

3. On December 24, 2020, the Division issued Order R-21092-A, also under Case No. 20886, to expand the 320-acre spacing unit to include the N/2 of irregular Section 18, Township

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Santa Fe, New Mexico
Exhibit No. A
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
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23 South, Range 29 East, creating a 635.40-acre, more or less, horizontal well spacing unit consisting of the N/2 of said Sections 13 and 18 (the "Unit").

4. Order No. R-21092-A further pooled uncommitted interests in the Bone Spring formation in the Culebra Bluff; Bone Spring, South Pool [Pool Code 15011] in the Unit and dedicated the following proposed initial wells to the Unit:

- The **Ovation Fed Com 13 #131H Well** 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; and
- The **Ovation Fed Com 13 #132H Well** and the **Ovation Fed Com 13 #135H Well**, 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.

5. Division Order No. No. R-21092-B, entered on December 7, 2021, in Case No. 22350, extended the deadlines to drill and complete the designated wells under the terms and conditions of Order R-21902-A until December 24, 2022.

6. Since Order No. R-21092-B was entered, Applicant has determined that there is an existing horizontal well completed and producing in the Second Bone Spring interval within the proposed spacing unit in the Culebra Bluff; Bone Spring, South Pool [Pool Code 15011] that is operated by OXY USA Inc, the Bank 18 Fed Com #1H well (API No. 30-015-41447). OXY's well is dedicated to a 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of irregular Section 18. The OXY well is completed in the Second Bone Spring interval.

7. Accordingly, Applicant now seeks to exclude the Second Bone Spring interval from Order R-21092-A and its 635.4-acre, more or less, horizontal spacing unit so that it may separately drill and develop the other intervals of the Bone Spring formation. Specifically, Novo requests that the Second Bone Spring interval at a stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth, as defined in the neutron density log, dated June 7, 197, recorded in the HF 13 Com #001C well (API 30-015-21138), be excluded from the pooling order. The remainder of the Bone Spring formation in the Culebra Bluff; Bone Spring Pool (15011) will remain dedicated to the spacing unit.

8. Applicant requests that all other terms and provisions under Order No. R-21092-A and Order R-21092-B remain unchanged and in full force and effect.

9. Novo will provide notice of this application and hearing to the vertical offset parties within the pool who are not subject to this pooling application.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 2022, and, after notice and hearing as required by law, the Division approve this Application.

Respectfully submitted,

HOLLAND & HART LLP

By: _____

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Adam G. Rankin
Julia Broggi
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(505) 983-6043 Facsimile
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**ATTORNEYS FOR NOVO OIL & GAS NORTHERN
DELAWARE LLC**

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

APPLICATION OF NOVO OIL & GAS NORTHERN
DELAWARE LLC TO AMEND ORDER NO. R-21092-A TO
EXCLUDE THE SECOND BONE SPRING INTERVAL, EDDY
COUNTY, NEW MEXICO.

CASE NO. 22505

AFFIDAVIT OF BRANDON PATRICK

Brandon Patrick, of lawful age and being first duly sworn, declares as follows:

1. My name is Brandon Patrick. I work for Novo Oil & Gas Northern Delaware, LLC (“Novo”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Novo in **Case No. 22505**, and I am familiar with the status of the lands in the subject area.
4. None of the parties has indicated opposition to this application, and therefore I do not expect any opposition at the hearing.
5. In this case, Novo requests an order to amend compulsory pooling Order No. R-21092-A to exclude the Second Bone Spring interval from the standard 635.40-acre, more or less, horizontal well spacing unit created thereunder, comprised of the N/2 of Section 13, Township 23 South, Range 28 East, and irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

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Exhibit No. B
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
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6. Division Order No. No. R-21092-B, entered on December 7, 2021, in Case No. 22350, extended the deadlines to drill and complete the designated wells under the terms and conditions of Order R-21902-A until December 24, 2022.

7. Since Order No. R-21092-B was entered, Applicant has determined that there is an existing horizontal well completed and producing in the Second Bone Spring interval within the proposed spacing unit in the Culebra Bluff; Bone Spring, South Pool [Pool Code 15011] that is operated by OXY USA Inc, the Bank 18 Fed Com #1H well (API No. 30-015-41447). OXY's well is dedicated to a 160-acre, more or less, horizontal well spacing unit comprised of the N/2 N/2 of irregular Section 18. The OXY well is completed in the Second Bone Spring interval.

8. **Novo Exhibit B-1** is a copy of the C-102 for the Bank 18 Fed Com #1H well.

9. While OXY's Bank 18 Fed Com #1H well remains dedicated to its own 160-acre Bone Spring spacing unit and is not included within Novo's standard 635.40-acre horizontal well spacing unit under Division Rule 19.15.16.15.B(9) NMAC, Novo has plans to develop the Second Bone Spring interval in other areas within the N/2 of said Section 13 and irregular Section 18.

10. For purposes of efficient development, planning, allocating costs and production, among other practical reasons, Novo prefers to develop the Second Bone Spring interval in this area using horizontal well spacing units that will not include the Bank 18 Fed Com #1H well, which has been producing from the Second Bone Spring interval since 2013.

11. Novo has had discussions with OXY about this proposal and Novo's plans to develop the Second Bone Spring interval in this area. OXY does not oppose Novo's request.

12. Accordingly, Novo seeks to exclude the Second Bone Spring interval from Order R-21092-A, as amended, and its 635.4-acre, more or less, horizontal spacing unit. That will allow Novo to separately drill and develop the other intervals of the Bone Spring formation in this area using its preferred two-mile laterals. Novo plans to develop the

Second Bone Spring interval in the S/2 N/2 of Section 13 and irregular Section 18 separately with a two-mile horizontal well spacing unit. Novo has drilled its Ovation Fed Com 1318 241H well within the Second Bone Spring interval in the N/2 N/2 of Section 13 with a one-mile horizontal well spacing unit.

13. **Novo Exhibit B-2** is a locator map that identifies the subject spacing unit outlined in red. It also shows the location of OXY's Bank 18 Federal 1H well and Novo's Ovation Fed Com 1318 241H well, which was recently drilled. The exhibit also shows the location of Novo's planned Second Bone Spring interval spacing unit in the S/2 N/2 of Section 13 and irregular Section 18. The formation of a Second Bone Spring interval spacing unit comprised of S/2 N/2 of Section 13 and irregular Section 18 will require compulsory pooling. Novo intends to file an application to pool this acreage in the near future.

14. To exclude the Second Bone Spring interval from Order R-21092-A, Novo requests that the stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth, as defined in the neutron density log, dated June 7, 1977, recorded in the HF 13 Com #001C well (API 30-015-21138), be excluded from the effect of the Order.

15. The remainder of the Bone Spring formation in the Culebra Bluff; Bone Spring Pool (15011) will remain dedicated to the spacing unit and all other terms and provisions under Order No. R-21092-A and Order R-21092-B are proposed to remain unchanged and in full force and effect.

16. Novo gave notice of this application to all parties. None of the parties has indicated opposition, and I do not expect any opposition at the hearing to presenting these cases by affidavits.

17. There are no depth severances within the N/2 of Section 13 and irregular Section 18 within the Bone Spring formation in this acreage.

18. Novo provided our outside counsel, Holland and Hart, with a list of the interest owners subject to the pooling order and instructed them to provide notice of this hearing to those owners.

19. **Novo Exhibits B-1 and B-2** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Brandon Patrick
BRANDON PATRICK

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 31st day of Jan 2022 by
Brandon Patrick.



Justin Carter
NOTARY PUBLIC

My Commission Expires:
5/22/24

Exhibit No. B1
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
Case No. 22505

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-41447	Pool Code 15011	Pool Name Culebra Bluff Bone Springs, South
Property Code 39957	Property Name BANK "18" FEDERAL COM.	Well Number 1H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2979.5'

Surface Location

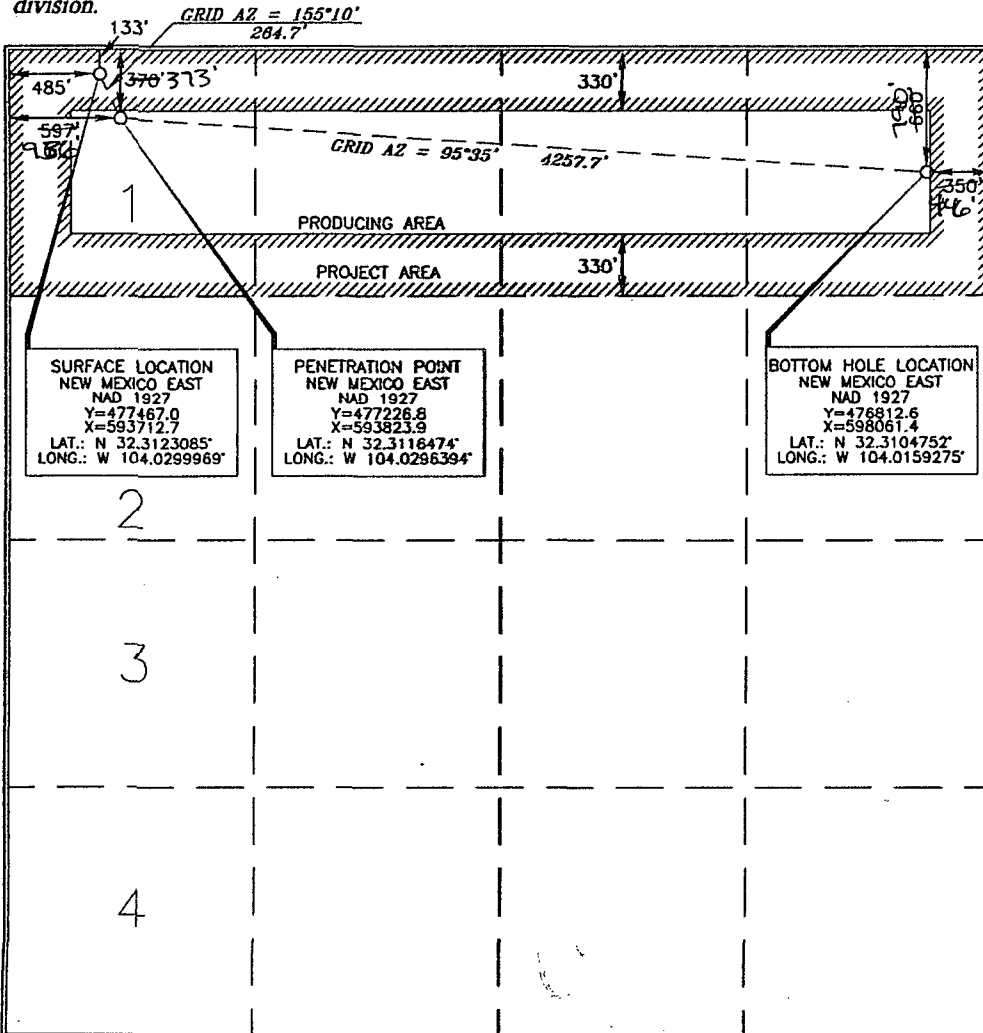
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	18	23 SOUTH	29 EAST, N.M.P.M.		133'	NORTH	485'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	23 SOUTH	29 EAST, N.M.P.M.		660' 790'	NORTH	250' 446'	EAST	EDDY

Dedicated Acres 151.52	Joint or Infill N	Consolidation Code	Order No. TOP Prod Interval - 373 FWL 936 FWL (1)
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

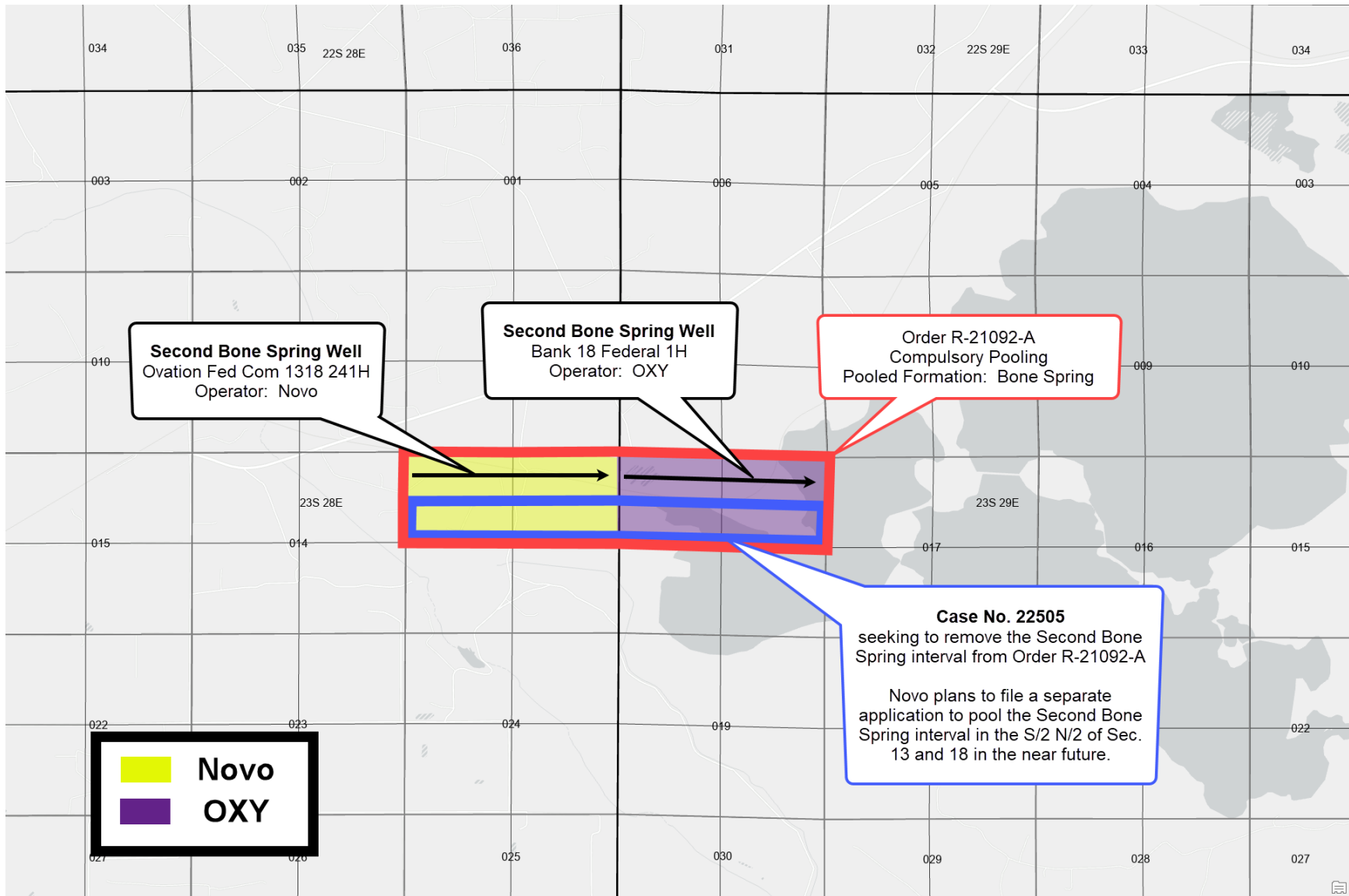
David Stewart 7/2/13
Signature Date
David Stewart - SR. Reg. Adv.
Printed Name
david_stewart@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of equal surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JANUARY 10, 2013
Date of Survey
Terry Jase
Signature and Seal
Professional Surveyor

Terry Jase 1/24/2013
Certificate Number 15079



18183088_v1

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B2
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
Case No. 22505

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. 21549

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

CASE NO. 21550

AFFIDAVIT OF MICHAEL HALE

Michael Hale, of lawful age and being first duly sworn, declares as follows:

1. My name is Michael Hale. I work for Novo Oil & Gas Northern Delaware, LLC (“Novo”) as Vice President of Geoscience and Exploration.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Novo in **Case No. 22505**, and I have conducted a geologic study of the lands in the subject areas.

4. **Novo Exhibit C-1** is a type log of the Bone Spring formation using the HF 13 Com #001C well (API 30-015-21138). The exhibit depicts the top and bottom of the Second Bone Spring interval within the Bone Spring formation. Also depicted is Novo’s target for its proposed Ovation Fed Com 1318 221H well, which is discussed later in my testimony. Novo requests that the Second Bone Spring interval be excluded from Order No. R-21092-A, as amended, at a

BEFORE THE OIL CONSERVATION DIVISION
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Exhibit No. C
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
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stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth, as defined in the neutron density log, dated June 7, 1977, recorded in the HF 13 Com #001C well. The remainder of the Bone Spring formation in the Culebra Bluff; Bone Spring Pool (15011) will remain dedicated to the spacing unit. All other terms and provisions under Order No. R-21092-A and Order R-21092-B are requested to remain unchanged and in full force and effect.

5. Exclusion of the Second Bone Spring interval from Order R-21092-A will not impede development of this acreage. As explained below, Novo is in the process of developing the Second Bone Spring interval and has plans to develop it within the subject acreage.

6. **Novo Exhibit C-2** is an overview map depicting Novo's plan of development for its Ovation Fed Com 1318 wells within the Second Bone Spring interval of the Bone Spring formation. The map depicts existing Second Bone Spring wells in the area as red lines with black dots representing the surface locations. The location of OXY's Bank 18 Fed Com 1H is shown in the N/2 N/2 of Section 18, Township 23S, Range 29 East, with a surface location in Section 17 of the same Township. It was drilled and completed within the Second Bone Spring interval. Immediately to the west is Novo's Ovation Fed Com 13 241H well, which was drilled within the Second Bone Spring interval between December 2021 and January 2022 and is scheduled for completion in second quarter 2022. It is a one-mile lateral and is dedicated to a spacing unit comprised of the N/2 N/2 of Section 13, Township 23 South, Range 28 East. This spacing unit did not require compulsory pooling.

7. Also depicted in **Novo Exhibit C-2** is the location for Novo's proposed Ovation **Fed Com 1318 221H well**. It is proposed to be a two-mile well within the Second Bone Spring interval and will be dedicated to a spacing unit comprised of the S/2 N/2 of Section 13, Township 23 South, Range 28 East, and Section 18, Township 23 South, Range 29 East. This spacing unit is

expected to require a compulsory pooling order to combine all interests. Novo intends to file an application for pooling in the coming months.

8. **Novo Exhibit C-3** is a subsea structure map showing the top of the Second Bone Spring interval on the same base map as Exhibit C-2. It shows that the structure gently dips to the east. The structure appears consistent across the proposed wellbore path. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling this proposed well.

9. **Novo Exhibit C-4** is a stratigraphic cross-section that I prepared displaying open-hole logs from three representative wells denoted from A to A' across Novo's proposed Second Bone Spring interval spacing unit comprised of the S/2 N/2 of Section 13, Township 23 South, Range 28 East, and Section 18, Township 23 South, Range 29 East. The cross section shows each of Novo's targets in the area in the First, Second, and Third Bone Spring intervals. It shows that the First and Second Bone Spring intervals are separated by a zone of carbonates approximately 500 feet thick that serves as an effective fac barrier and prevents communication or interference between those zones. It also shows that the Second and Third Bone Spring intervals are separated by a zone of carbonates approximately 300 feet thick that also serves as an effective frac barrier, preventing communication or interference between those zones.

10. Accordingly, in my opinion, developing the Second Bone Spring interval separately from the rest of the Bone Spring formation will not impair or impede development in the Second Bone Spring interval, or vice versa.

11. In my opinion, approving Novo's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Novo Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Michael Hale
MICHAEL HALE

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

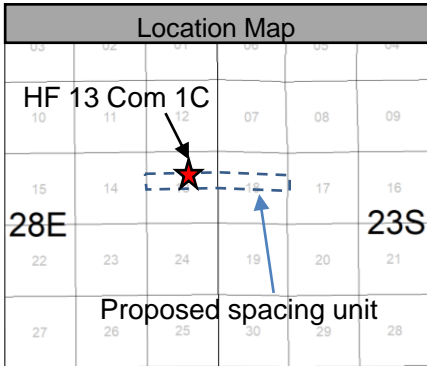
SUBSCRIBED and SWORN to before me this 31ST day of Jan. 2020
by Michael Hale.




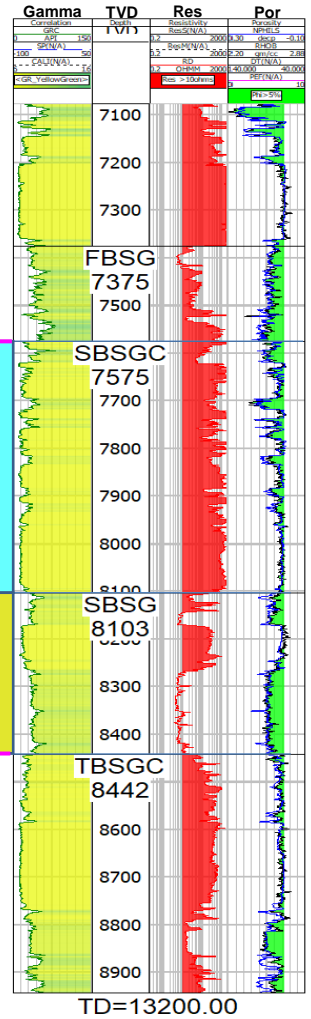
Justin Carter
NOTARY PUBLIC

My Commission Expires:
5/22/24

Ovation Fed Com 1318 221H Second Bone Spring Type Log

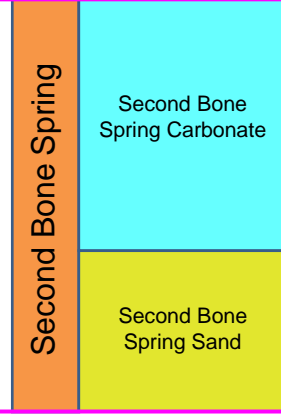


30015211380000
 SOUTHWESTERN ENERGY 
 H F 13 COM 001C
 Datum=3010.00










Base First Bone Spring/
 Top Second Bone Spring

Base Second Bone Spring/
 Top Third Bone Spring



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C1
 Submitted by: Novo Oil & Gas
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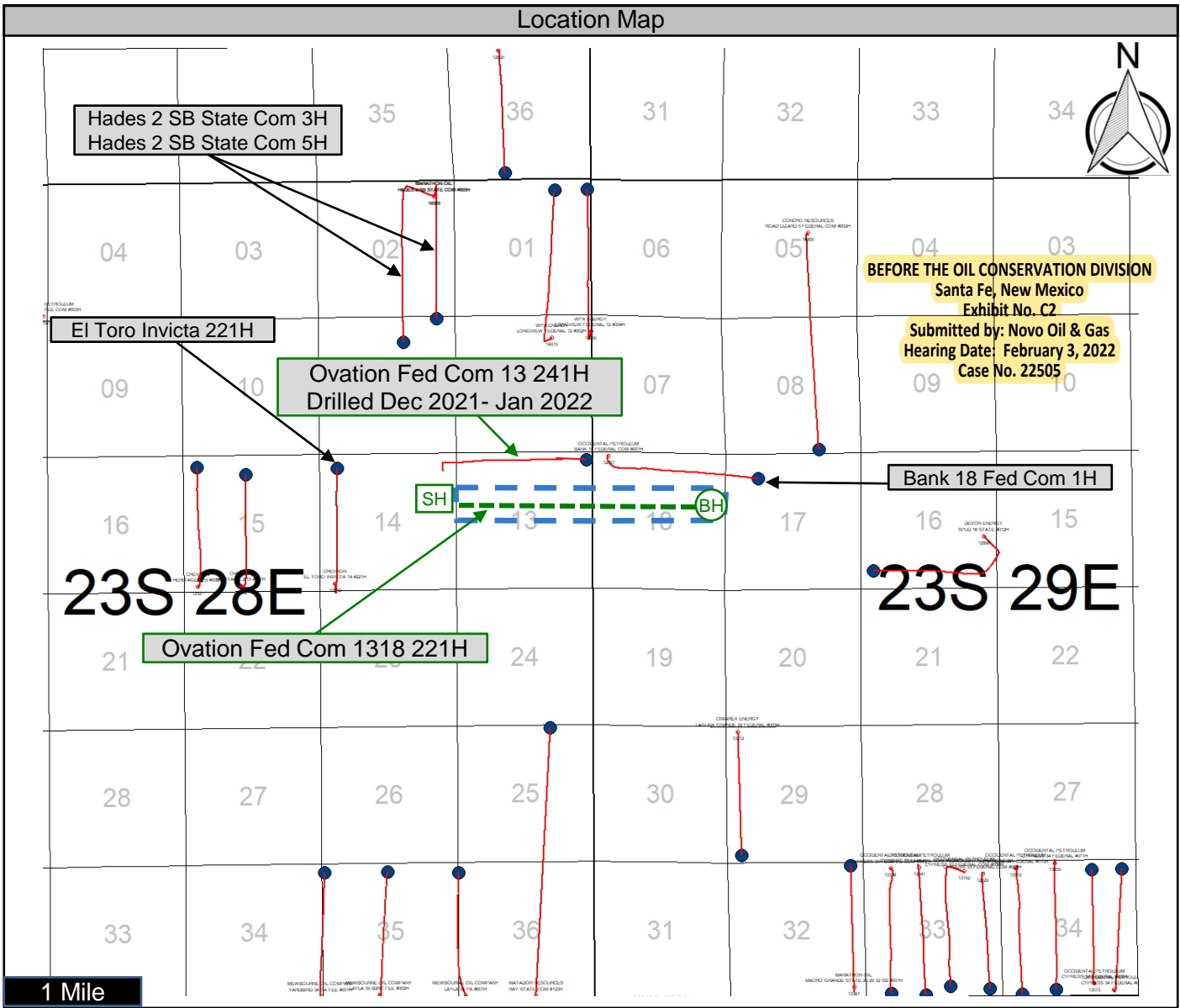
Legend

-  Spacing Unit (320 ac.)
-  Ovation 1318 Reference Log
-  Formation Targets
-  Second Bone Spring bounding tops
-  Correlation Top
-  Formation Name
-  TVD Depth

Docket Number:
 Case Number:
 Date:
 Exhibit Number:

Ovation Fed Com 1318 Execution Plan

Second Bone Spring Location, Sections 13-23S-28E and 18-23S-29E



BEFORE THE OIL CONSERVATION DIVISION
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 Submitted by: Novo Oil & Gas
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Map Legend

- SH** Surface Hole Location
- NH** Novo Horizontal Location
- BH** Bottom Hole Location
- [Dashed Blue Box]** Spacing Unit (320 ac.)
- Red Dot** Second Bone Spring Producer

Hearing Details

Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number:

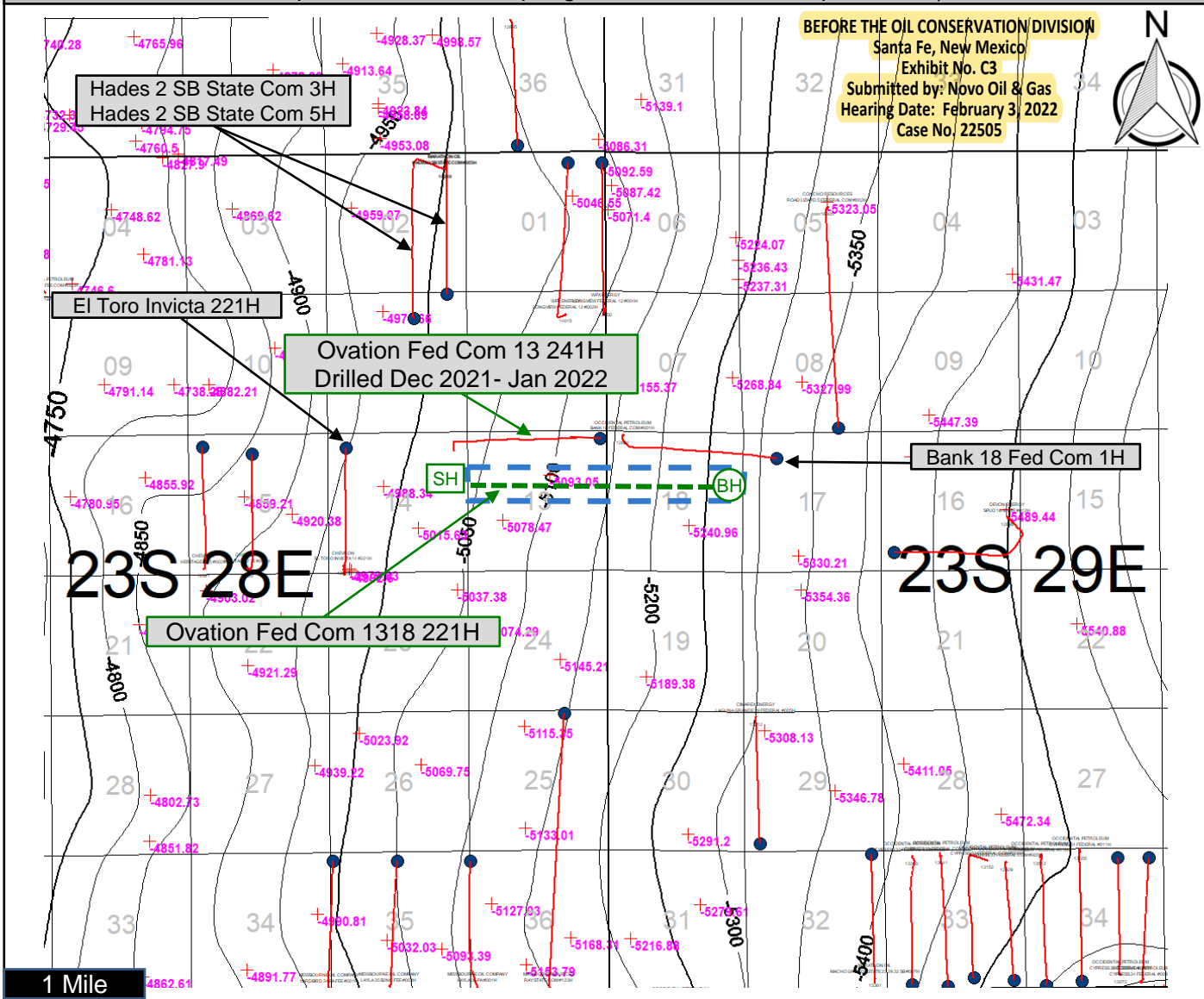
Date:

Exhibit Number:

Top of Second Bone Spring Structure Map

Second Bone Spring Proposed Location; Sections 13-23S-28E and 18-23S-29E

Top of Second Bone Spring Subsea Structure Map C.I.= 50'



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
Case No. 22505

Ovation Fed Com 13 241H
Drilled Dec 2021- Jan 2022

Ovation Fed Com 1318 221H

Bank 18 Fed Com 1H

Map Legend

- Spacing Units (320 ac.)
- Surface Hole Location
- Novo Horizontal Location
- Bottom Hole Location
- Second Bone Spring Producer
- Datum value
- Second Bone Spring Subsea Structure
- Contour line – interval 50'

Hearing Details

Novo Oil & Gas Northern Delaware, LLC

Docket Number:

Case Number: Date:

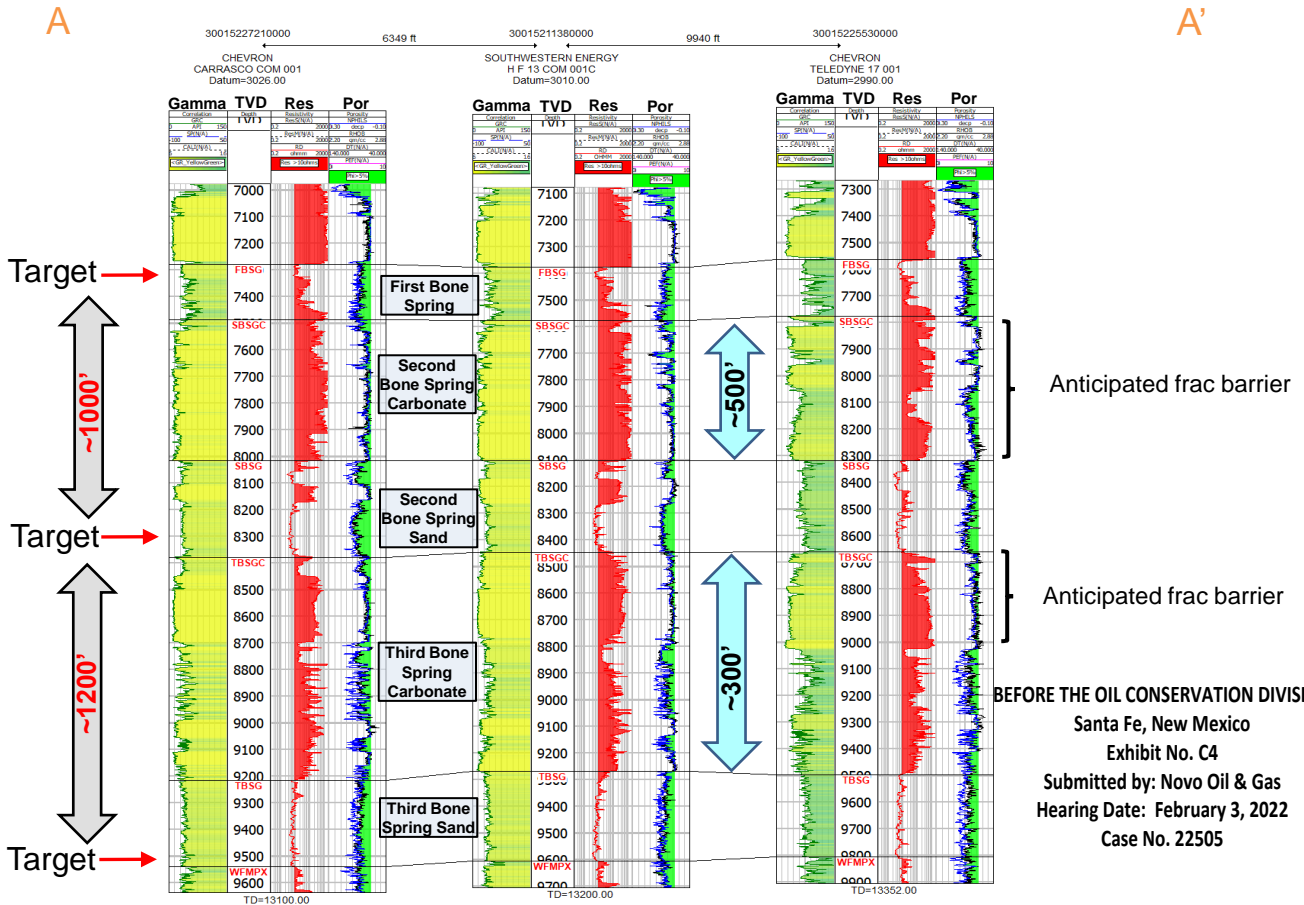
Exhibit Number:

Ovation Fed Com 1318 221H

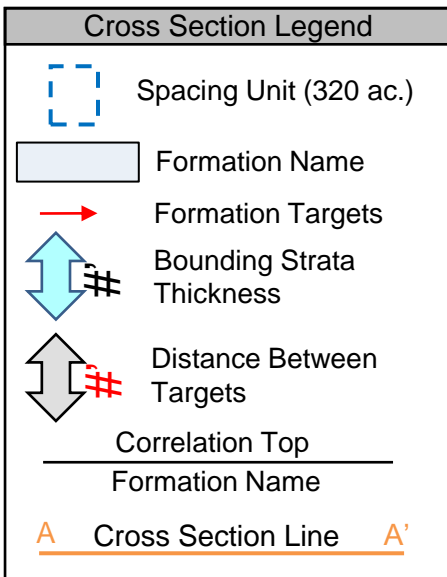
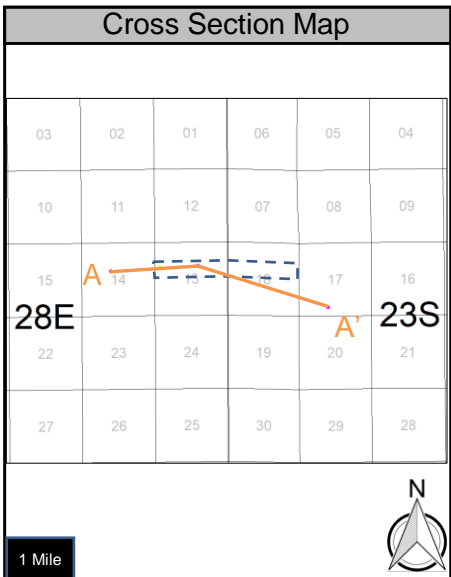
Bone Spring Stratigraphic Cross Section

Second Bone Spring Sand Proposed Location, Sections 13-23S-28E and 18-23S-29E

Bone Spring Stratigraphic Cross Section (Ft) – Top of Second Bone Spring (SBSG) Datum



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
Case No. 22505



Novo Oil & Gas Northern Delaware, LLC

Docket Number:
Case Number:
Date:
Exhibit Number:



Adam G. Rankin
Phone (505) 988-4421
agrarkin@hollandhart.com

January 14, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL POOLED PARTIES

Re: Application of Novo Oil & Gas Northern Delaware LLC to amend Order No. R-21092-A to exclude the Second Bone Spring Interval, Eddy County, New Mexico.
Ovation Fed Com 13 #131H, #132H, #135H Wells

Ladies & Gentlemen:

This letter is to advise you that Matador Production Company has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on February 3, 2022 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division’s Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Peter Schmidt, at (405) 849-5207 or pschmidt@novooog.com.

Sincerely,

Adam G. Rankin
ATTORNEY FOR NOVO OIL & GAS NORTHERN
DELAWARE LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Novo_ Ovation to Amend Order No. R-21092-A to exclude 2BS Case No 22505
Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765849837873	McMullen Minerals LLC	PO Box 470857	Fort Worth	TX	76147-0857	Your item was delivered at 9:42 am on January 18, 2022 in FORT WORTH, TX 76147.
9414811898765849837958	William Robert Paape	1110 Kennan Rd	West Lake Hills	TX	78746-2724	Your item has been delivered to an agent for final delivery in AUSTIN, TX 78746 on January 18, 2022 at 1:49 pm.
9414811898765849837965	Dr. Kerry Lynn Paape	6859 Riverbrook Trce	Columbus	GA	31904-3801	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837927	Glasgow Oil & Gas Co.	PO Box 849	Prosper	TX	75078-0849	Your item was picked up at the post office at 10:57 am on January 18, 2022 in PROSPER, TX 75078.
9414811898765849837903	Stroube Energy Corporation	18208 Preston Rd no D9249	Dallas	TX	75252-6007	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837996	Thunder Moon Resources LLC	PO Box 180573	Dallas	TX	75218-0573	Your item was picked up at the post office at 1:55 pm on January 22, 2022 in DALLAS, TX 75218.
9414811898765849837941	CapRock Resources, LLC	PO Box 670581	Dallas	TX	75367-0581	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837989	Occidental Permian Limited Partnership Attn Courtney Carr	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on January 18, 2022 at 12:27 pm.
9414811898765849837934	Novo Minerals, LP	1001 W Wilshire Blvd Ste 206	Oklahoma City	OK	73116-7058	Your item was delivered to an individual at the address at 12:02 pm on January 18, 2022 in OKLAHOMA CITY, OK 73116.
9414811898765849837613	John Kyle Thoma, Successor Trustee of The Cornerstone Family Trust	10864 McKissick Rd	Peyton	CO	80831-8346	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765849837651	John Kyle Thoma, Successor Trustee of The Cornerstone Family Trust	PO Box 558	Peyton	CO	80831-0558	Your item was delivered at 9:08 am on January 18, 2022 in PEYTON, CO 80831.
9414811898765849837750	Pegasus Resources LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item was delivered at 9:43 am on January 18, 2022 in FORT WORTH, TX 76147.
9414811898765849837668	Crownrock Minerals, LP	PO Box 51933	Midland	TX	79710-1933	Your item has been delivered and is available at a PO Box at 9:38 am on January 19, 2022 in MIDLAND, TX 79705.
9414811898765849837620	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was picked up at the post office at 10:35 am on January 20, 2022 in GRAHAM, TX 76450.
9414811898765849837606	HH&P Energy, LLC	PO Box 687	Graham	TX	76450-0687	Your item was picked up at the post office at 11:45 am on January 19, 2022 in GRAHAM, TX 76450.
9414811898765849837699	OXY USA, Inc. Attn Courtney Carr	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on January 18, 2022 at 12:27 pm.
9414811898765849837644	Hillman Royalties, LP	1415 S Voss Rd Ste 110-105	Houston	TX	77057-1086	Your item was delivered to the front desk, reception area, or mail room at 2:48 pm on January 18, 2022 in HOUSTON, TX 77057.

Novo_ Ovation to Amend Order No. R-21092-A to exclude 2BS Case No 22505
Postal Delivery Report

9414811898765849837637	GREP III-A Permian, LLC	2911 Turtle Creek Blvd Ste 1150	Dallas	TX	75219-7124	Your item has been delivered to an agent for final delivery in DALLAS, TX 75219 on January 18, 2022 at 1:45 pm.
9414811898765849837675	GREP III-B Permian, LLC	2911 Turtle Creek Blvd Ste 1150	Dallas	TX	75219-7124	Your item has been delivered to an agent for final delivery in DALLAS, TX 75219 on January 18, 2022 at 1:45 pm.
9414811898765849837729	Winston Resources LLC	1520 W Canal Ct Ste 250	Littleton	CO	80120-5650	Your item has been delivered to an agent for final delivery in LITTLETON, CO 80120 on January 18, 2022 at 1:14 pm.
9414811898765849837705	Kenneth Jay Reynolds	PO Box 10847	Midland	TX	79702-7847	Your item was delivered at 11:02 am on January 26, 2022 in MIDLAND, TX 79701.
9414811898765849837798	Charles Randall Hicks	10509 Chilmark Way	Tampa	FL	33626-4714	Your item was delivered to an individual at the address at 1:56 pm on January 20, 2022 in TAMPA, FL 33626.
9414811898765849837743	Terri L. Simpson	15672 Broad Oaks Rd	El Cajon	CA	92021-2640	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765849837781	John D. Hamiga	PO Box 14144	San Francisco	CA	94114-0144	Your item was delivered to an individual at the address at 1:17 pm on January 24, 2022 in ALBUQUERQUE, NM 87109.
9414811898765849837774	Vicki L. Hicks	9104 Haines Ave NE	Albuquerque	NM	87112-3924	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87112 on January 18, 2022 at 4:11 pm.
9414811898765849837910	Charmar, LLC	9104 Haines Ave NE	Albuquerque	NM	87112-3924	Your item has been delivered to an agent for final delivery in ALBUQUERQUE, NM 87112 on January 18, 2022 at 4:11 pm.

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

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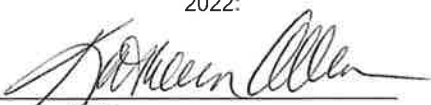
SANTA FE, NM 87504


I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/21/2022


Legal Clerk

Subscribed and sworn before me this January 21, 2022:


State of WI, County of Brown
NOTARY PUBLIC


My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005094568
PO #: 05094568
of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Novo Oil & Gas
Hearing Date: February 3, 2022
Case No. 22505

STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES DE-
PARTMENT OIL CONSERVA-
TION DIVISION SANTA FE,
NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, February 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than January 23, 2022.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e503cd7de1eed3f2bf5dd44359973b8dc>
Event number: 2482 221 6975
Event password: wgHNBWF8F44

Join by video: 24822216975@nmemnrd.webex.com
Numeric Password: 331156
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 2482 221 6975

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled parties, including: McMullen Minerals LLC; Pegasus Resources LLC; Winston Resources LLC; Kenneth Jay Reynolds, his heirs and devisees; Charles Randall Hicks, his heirs and devisees; Trent L. Fineman, his heirs and devisees

sees, Terri L. Simpson, his or her heirs and devisees; John D. Hamiga, his heirs and devisees; Vicki L. Hicks, her heirs and devisees; Charmar, LLC; William Robert Paape, his heirs and devisees; Dr. Kerry Lynn Paape, her heirs and devisees; Glasgow Oil & Gas Co. Stroube Energy Corporation; Thunder Moon Resources LLC; CapRock Resources, LLC; Occidental Permian Limited Partnership, Attn: Courtney Carr; Novo Minerals, LP; John Kyle Thoma, Successor Trustee of The Cornerstone Family Trust; John Kyle Thoma, Successor Trustee of The Cornerstone Family Trust; Crownrock Minerals, LP; The Allar Company; HH&P Energy, LLC; OXY USA, Inc., Attn: Courtney Carr; Hillman Royalties, LP; GREP III-A Permian, LLC; and GREP III-B Permian, LLC.

Case No. 22505: Application of Novo Oil & Gas Northern Delaware LLC to amend Order No. R-21092-A to exclude the Second Bone Spring Interval, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending compulsory pooling Order No. R-21092-A to exclude the Second Bone Spring interval from the standard 635.40-acre, more or less, horizontal well spacing unit created thereunder, comprised of the N/2 of Section 13, Township 23 South, Range 28 East and irregular Section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Specifically, Novo requests that the Second Bone Spring interval at a stratigraphic equivalent of 7,575 feet measured depth to 8,442 feet measured depth, as defined in the neutron density log, dated June 7, 197, recorded in the HF 13 Com #001C well (API 30-015-21138), be excluded from the pooling order. All other terms and provisions under Order No. R-21092-A and Order R-21092-B will remain unchanged and in full force and effect. Said area is located approximately 3 miles east of Loving, New Mexico.
#05094568, Current Argus, Jan. 21, 2022