

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

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

**CASE NO.** \_\_\_\_\_

**APPLICATION**

Novo Oil & Gas Northern Delaware, LLC (“Novo” or “Applicant”) (OGRID No. 372920), through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (the “Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation 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. In support of this application, Novo states as follows:

1. Novo is a working interest owner in the proposed horizontal spacing unit and has a right to drill a well thereon.
2. Novo seeks to dedicate the W/2W/2 of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico to form a 160-acre, more or less, Bone Spring standard horizontal spacing unit.
3. Novo plans to drill the **Crocubot Fed 26 135H** and **Crocubot Fed 26 131H** wells to a depth sufficient to test the Bone Spring formation. These wells will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.

4. Novo sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. Novo respectfully requests that this case be heard and that an order be issued as expeditiously as possible due to an impending deadline for Novo to drill the wells in this acreage.

WHEREFORE, Novo requests this application be set for hearing before an Examiner of the Oil Conservation Division on September 1, 2022, and after notice and hearing as required by law, the Division enter its order as expeditiously as possible:

A. Creating an approximated 160-acre, more or less, standard horizontal spacing unit in the Bone Spring formation comprised of the W/2W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;

B. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico;

C. Designating Novo as operator of the horizontal spacing unit and the wells to be drilled thereon;

D. Authorizing Novo to recover its costs of drilling, equipping and completing the wells;

E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Imposing a 200% charge for the risk assumed by Novo in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of wells.

Respectfully submitted,

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

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*Attorneys for Novo Oil & Gas Northern Delaware, LLC*

**CASE NO. \_\_\_\_\_: Application of Novo Oil & Gas Northern Delaware, LLC for compulsory pooling, Eddy County, New Mexico.** Novo Oil & Gas Northern Delaware, LLC seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Section 26, Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The spacing unit will be dedicated to the **Crocubot Fed 26 135H** and **Crocubot Fed 26 131H** wells, to be horizontally drilled. The wells will be drilled at orthodox locations. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Novo as operator of the wells, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles north of Loving, New Mexico.